

CITY OF SANDPOINT

WRITTEN DECISION

PCUP23-0004 and PVAR24-0001 – 56 Bridge Street Hotel/Resort

Owner: Averill Hospitality, LLC
brian@averillhospitality.com

Applicant: Ben McGrann
Ben@ActusProjects.com

Location: 56 Bridge Street, Sandpoint, Idaho
Zone: Commercial A

Planning and Zoning Commission Meeting Date: June 16, 2026

Meeting Type: Regular Planning and Zoning Commission Meeting – Public Hearing, Deliberation, and Decision

Date of this Written Decision: July 7, 2026

Summary of Decision

On June 16, 2026, the Sandpoint Planning and Zoning Commission held a duly noticed public meeting to consider a second extension of a Conditional Use Permit and Variance Permit for a new hotel/resort on a property located at 56 Bridge Street. The site contains a vacant commercial hotel and restaurant structure that was most recently used for a hotel and restaurant. The Planning Commission considered the staff report, applicant presentation, and responses to questions. The discussion and deliberation centered on whether or not the work the applicant has performed since the first extension of the permit was granted on July 22, 2026. Commissioners inquired about the nature of the work that had been completed since last July. Staff articulated that two permits were applied for and one issued to the applicant since July 2025: a demolition permit was applied for and issued in November, 2025 to remove the existing hotel, and a building permit application was filed on December 29, 2025, yet substantial plan check fees for that building permit review had not been paid. Staff further articulated that the demolition permit was not acted upon (no demolition occurred) and that it expired in May, 2026, and that the building permit was set to expire on June 29, 2026 unless fees were paid to initiate the review of the submitted plans. Staff added that very little contact had occurred between city staff and the applicant aside from the intaking of those two permits and a meeting in May, 2026 to hear about possible new ideas for the site.

The applicant provided a brief presentation and explained the nature of the design work that occurred in 2025 to develop the building permit plan set, which included among other construction details structural, electrical, mechanical, and architectural building components in a building plan set that exceeded 195-pages. The applicant shared that over \$800,000 had been spent since last July in design and other consultation work to advance the project. The applicant asked for flexibility, likening the effort to get to construction with a puzzle having many pieces, especially related to financing, and that they were asking for an additional year without any new conditions of approval.

The Commission asked several questions of staff regarding the timing of payment of the building permit review and inquired with staff and the applicant about the timing of the building permit submittal related to cost increases for the City's Development Impact Fees. Staff explained that Development Impact Fees had undergone a significant increase and unless the developer paid the plan check fees due at the end of June, 2026, the building permit application would expire and the new Development Impact Fees that took effect on January 1, 2026 would apply to the project. Discussion with the developer and Commission focused on the effect of the new fees on the feasibility of the project, should the developer be unable to act on the building permit that was submitted and faced the cost increase. The developer articulated that they were aware of the increase in fees, yet needed flexibility in how to deliver the project, especially given the difficulty they've had in financing the overall project.

The developer explained that they had alternate concepts for developing the site, and the flexibility in having the extension allowed them to focus on both efforts: attempting to shore up financing and to advance a new concept through new permitting.

A motion to approve the extension subject to the requirement that the building plan check fees be paid prior to permit expiry died due to lack of a second. The Commission then moved to approve the extension without new conditions and during discussion on the motion several commissioners commented that closing the existing business and investing in the soft costs for a substantial building permit submittal showed progress. The commissioners also stated that should another extension be requested in 2027, it may not be viewed as favorably. The motion to extend the CUP and Variance permits by another year until July 22, 2027 was approved 4-1, with two commissioners absent.

Findings: The staff report contained reference to the two relevant provisions of the original CUP and the Sandpoint City Code which address permit extensions:

1. Sandpoint City Code §9-9-6(A)(7) – Commencement of Work “The proposed work shall commence within one year following the date of planning commission or city council approval of the conditional use permit and shall be diligently pursued or said approval and permit shall be rendered automatically null, void and of no right or recourse.” The Commission found the applicant to have

diligently pursued the project over the past year, based on the information listed above in the Summary of Decision.

2. Condition of approval #2 of PCUP23-0004 (as approved June 18, 2024):
“Pursuant to §9-9-6-7 of Sandpoint City Code, detailed design work shall commence after the date of the commission’s approval. The CUP and Variance are valid for one year and will be extended so long as the applicant has demonstrated a reasonable effort to complete the project.” The Commission found the applicant to have diligently pursued the project over the past year, based on the information listed above in the Summary of Decision.

Effective Date of the Conditional Use Permit and Variance Extension: The extension enables permits PCUP23-0004 and PVAR24-0001 to remain effective until July 22, 2027.

Approved by:

Mose Dunkle, Chair
City of Sandpoint Planning and Zoning Commission

Attest:

Mandy Brown, Administrative Assistant