



AGENDA REPORT

City Council Meeting

TODAY'S DATE: November 27

MEETING DATE: December 18th, 2024

TO: City of Sandpoint Mayor and City Council

FROM: Jason Welker, Planning & Community Development Director

SUBJECT: Implementation of in-lieu fees and parking demand analysis: 56 Bridge Street Hotel at City Beach

SUMMARY:

This report provides an update on discussions between the City Planning team and the Averill family representatives regarding their decision to pursue parking provisions outlined in Sandpoint City Code Sections 9-5-1 and 9-5-18 for the 56 Bridge Street Hotel project. These provisions allow for adjustments to the number of off-street parking spaces based on actual demand and through in-lieu payments.

BACKGROUND:

The Conditional Use Permit (CUP) approved for the 56 Bridge Street Hotel in June 2024 included plans for 240 off-street parking spaces, implemented through a valet system with three structured parking levels. This design was informed by Sandpoint City Code Section 9-5-15 and Planning & Zoning Commission deliberations. While parking overflow risks were discussed, the CUP approval did not include specific conditions related to parking nor were such conditions necessary to meet the findings for approval.

Recently, the developers opted to implement provisions allowed under Sandpoint City Code to adjust the parking approach, including a Parking Demand Analysis prepared by Kimley-Horn. The analysis projects peak parking demand for 141 spaces, considering multimodal transit availability, local context, and comparable resort usage patterns. Based on these findings, the project team proposed utilizing two levels of structured parking to provide 145 spaces.

STAFF ANALYSIS:

Sandpoint City Code (SCC) establishes requirements for parking in Chapter 9-5 of the zoning ordinance. The code associates land uses with a required number of parking spaces; any given land use is correlated to a specific number of required parking spaces. However, parking demand is not static—it is dynamic—and the code recognizes this by establishing exemptions, reduction allowances, overlapping usage considerations, and other mechanisms to align parking requirements with actual needs.

The code also allows additional parking to be required for any land use subject to a Conditional Use Permit (CUP). In such cases, the Planning Commission, as the approval body for CUPs, has the discretion to require additional parking to make findings that a given permit is approvable only with a condition to provide such additional parking (e.g., a church in a residential zone). However, this was not

the case with the CUP for the 56 Bridge Street Hotel. While parking considerations were part of the CUP discussions, they were not a determining factor in the findings of approval. Consequently, the entirety of the parking code remains available for use as the project progresses through the development process, which is now at the building permit stage.

Recognizing the financial impact of requiring property owners to set aside space for parking, the SCC provides pathways to reduce parking requirements, reflecting evolving industry standards, changes in transportation networks, and community goals for the built environment and economic development. In this instance, the developers are utilizing two key provisions of the code:

1. **Parking Demand Analysis (SCC 9-5-1, E):** This provision allows adjustments to minimum parking requirements based on a professionally prepared analysis demonstrating actual demands are less than the baseline code requirements. A study conducted by Kimley-Horn, registered civil engineers, projects peak parking demand for the hotel at 141 spaces—significantly lower than the original CUP plan for 240 spaces. The analysis accounts for multimodal transportation options, proximity to transit, and comparable properties, presenting a more realistic utilization of parking.
2. **In-Lieu Parking Fees (SCC 9-5-18):** This provision permits developers to reduce on-site parking by contributing financially to the City’s Parking Improvement Fund, which is used to enhance public parking facilities. The developers propose a \$400,000 in-lieu payment to account for 40 parking spaces, supporting urban form objectives such as dedicating more space to structures that contribute to the community.

These code provisions ensure flexibility in meeting parking requirements while balancing the operational needs of developments with long-term community goals. Discussions between City staff and the developers focused on how to “right-size” the parking for this project based on actual demands and the broader community benefits achieved through in-lieu contributions. This collaborative approach supports a shift in how parking needs are addressed, reflecting changes in industry practices, transportation systems, and local priorities.

The Kimley-Horn analysis highlights:

- **Projected Demand:** Peak parking demand is calculated at 141 spaces, accounting for multimodal transit options and reduced individual vehicle reliance.
- **Comparative Analysis:** Data from similar Averill Hospitality properties in Whitefish, MT, supports the projected demand.
- **Multimodal Accessibility:** The hotel’s proximity to the Amtrak station, local trails, and the free SPOT bus network contributes to reduced parking needs.

By utilizing these provisions, the project aligns with the SCC’s flexibility and adaptability while contributing to the community’s goals for economic development and sustainable urban design.

RELEVANT SANDPOINT CITY CODE:

- **9-5-1, E Parking Demand Analysis:** Allows adjustments to parking requirements upon completion of a professionally prepared Parking Demand Analysis.
- **9-5-18, In-Lieu Parking Fees:** Permits businesses to reduce on-site parking through financial contributions to a City fund for parking improvements.

STAFF DECISION:

City staff, in collaboration with the developers, has agreed to implement the following provisions:

1. **Parking Demand Analysis (SCC 9-5-1, E):** The required parking is adjusted administratively to 145 spaces based on the Kimley-Horn analysis.

2. **In-Lieu Payment (SCC 9-5-18):** The developers will contribute \$400,000 to the City's Parking Improvement Fund, representing 40 spaces.

STAFF RECOMMENDATION:

While these adjustments can be approved administratively without reopening the CUP hearing, staff are providing this update to ensure public awareness and offer Council an opportunity to ask questions.

Staff intend to:

1. Approve the adjustment to 145 parking spaces administratively, as allowed by SCC 9-5-1 and 9-5-18.
2. Collect the \$400,000 in-lieu payment for public parking improvements.
3. Allocate these funds to enhance adjacent public parking facilities.

The Planning team supports this approach as it aligns with City Code, provides for the operational needs of the hotel, and advances the City's parking and urban development goals.

ACTION:

No action required.

- **Will there be any financial impact?** Yes (developers will pay \$400,000 into the City's Parking Improvement Fund).
- **Has this item been budgeted?** No.

ATTACHMENTS:

- Kimley-Horn Parking Demand Analysis (November 6, 2024)
- Original CUP Staff Report: June 12th P&Z meeting & public hearing on 56 Bridge Street Hotel