

City of Sandpoint Parking Management Plan

Proposal for Mayor Grimm and Sandpoint City Council

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Introduction

Sandpoint's downtown paid off-street parking policy is intended to increase availability and convenience at Sandpoint's public parking lots for Sandpoint residents who pay taxes to maintain City infrastructure. The "free parking" model currently employed has resulted in a misallocation of demand away from relatively abundant street parking to off-street parking, resulting in a peak season occupancy rate at the City's parking lots of 97%, while street parking is occupied at only 51%. This policy's primary objective is to reallocate non-resident demand for public parking away from off-street and towards on-street parking to increase availability and convenience of City parking lots to local taxpaying residents.

The policy's secondary objective is to provide a funding mechanism to support the ongoing maintenance and development of public off-street parking facilities. A combination of affordable City taxpayer parking passes, non-resident parking passes, downtown business and resident passes, and paid hourly parking for all non-passholders, combined with a proposal to introduce parking in-lieu fees for residential developments downtown, will generate hundreds of thousands of dollars annually that can be put towards maintaining and improving the City's public parking infrastructure, while providing a funding source for the eventual development a public parking structure for downtown Sandpoint.

The policy is based on the findings of Sandpoint's 2022 Parking Demand Study, which included among its preliminary policies and strategies the proposal to "implement and manage a paid parking program" to "support a vibrant downtown core" and the 2024 Comprehensive Plan, which included among its goals and objectives:

- "Enhance access to businesses, shops, restaurants, and other destinations through parking management solutions" (Chapter 6, Goal 1, A);
- "Refurbish the existing (City) lot, add paid parking." (Chapter 9), and;
- "Ensure sufficient public parking to enable redevelopment of underutilized properties" (Chapter 9, Goal 5, J)

A paid parking policy will generate between \$300,000 and \$350,000 annually to maintain, enhance, and eventually expand downtown parking, most of that revenue coming from visitors and tourists whose use currently dominates our off-street parking facilities during peak demand periods, yet who pay nothing towards those facilities' maintenance or eventual replacement costs.

By monetizing parking, the City incentivizes efficient land use and encourages alternative modes of transportation, reducing the demand for expansive parking lots that consume valuable urban space. Unpriced parking, on the other hand, distorts urban development patterns, promotes car dependency, and increases housing and commercial costs.

City Parking: An Asset or Liability?

Cities often fall into the trap of viewing infrastructure like roads, parking lots, and utilities as assets simply because they provide a public service or attract users. Infrastructure is only an asset if the city can afford to maintain it over its lifecycle. When a city lacks the financial resources to properly maintain and eventually replace its infrastructure, that infrastructure becomes a **liability**—a cost that drains resources rather than generating value. Over time, neglected infrastructure deteriorates, leading to higher repair costs, safety risks, and diminished usability for residents and visitors.

Parking lots can seem like assets because they are highly visible and facilitate access to downtown businesses and recreational areas. Yet, without a dedicated funding mechanism, such as a paid parking program, the costs of maintaining these facilities inevitably fall on the city's general tax base, creating an unsustainable burden on local residents.

To transform liabilities into assets, cities must align their revenue structures with the long-term costs of their infrastructure. Paid parking systems provide a sustainable funding mechanism that ensures users contribute directly to the costs of maintaining and replacing the facilities they use. In the same manner that water and sewer services are paid for by those who use them, provision of off-street parking can be paid for by those who use it. This approach promotes fiscal health by aligning usage with responsibility, reducing dependence on already-stretched general funds, and preventing the kind of deferred maintenance that can lead to spiraling costs or eventual failure. By recognizing and addressing this dynamic, Sandpoint can move toward a more resilient and financially sustainable future, ensuring its infrastructure remains a benefit to the community rather than a hidden liability.

Who Pays for Sandpoint's "Free" Parking?

Currently, under the "free-to-park" model, the burden of maintaining downtown Sandpoint's 505 off-street parking spaces falls on the City's **General Fund**, the **Parks Fund** (which relies on revenues generated by parks facility users), and occasional grants secured by City staff. This system places an additional burden on residents and parks users while allowing non-resident users to benefit from these facilities without contributing to their upkeep. **Maintaining Sandpoint's public parking lots currently costs City of Sandpoint residents around \$85 per household per year, while non-residents, who make up the bulk of the users at City parking lots, pay nothing.**

By transitioning to a paid parking model, the **largely non-resident users** of Sandpoint's off-street parking facilities will share the financial responsibility for maintaining and replacing these essential public assets. This policy reflects the City's commitment to creating a fair, sustainable, and financially responsible system for managing its parking resources, ensuring that users contribute equitably to the long-term viability of Sandpoint's public amenities.

Capital costs of Sandpoint's off-street parking

The estimated annual maintenance and replacement cost of downtown Sandpoint's 505 off-street parking spaces is approximately **\$290,375, or \$575 per parking space**. Typical maintenance includes sweeping, crack sealing, striping, sealcoating, and occasional asphalt repairs, which costs around \$400 per parking stall. The eventual 20-year replacement cost is

estimated at **\$3,500 per stall (annualized to \$175 per year)** based on local construction costs from recent parking lot projects completed in Sandpoint including Travers Park parking lot.

This policy has been developed to correlate to the anticipated maintenance costs the City already bears (or in most cases, defers) in its provision of off-street parking, NOT as a general revenue source to be allocated to capital projects unrelated to downtown parking and related amenities. Based on projections, implementing paid parking is expected to generate approximately **\$324,834 in annual revenue**, fully covering maintenance and replacement costs while providing additional funds to enhance the City's parking facilities and infrastructure, which presently have not seen meaningful investment or basic maintenance in decades due to the lack of available funding mechanisms.

Applicability

The parking policy applies **year-round** to the following **City-owned parking lots** and on-street parking facilities in the Commercial A district, including:

1. **City Lot at Third and Church Streets**
2. **Sand Creek Lot**
3. **Bridge Street lot**
4. **City Beach / RV Campground lot**
5. **Dock Street parking (Windbag Marina)**
6. **Pend Oreille Bay Trail Lot**

Peak season pricing will be implemented on weekends during peak periods (May 1 – September 30) for high-demand waterfront lots, including the **Sand Creek Lot, Dock Street parking, City Beach Lot and Dock Street Lot.**

The **North ITD Lot** and **South ITD Lot** across Fifth Avenue are excluded from this policy, as the City does not own these free public lots.



Figure 1: City-owned parking lots at which parking fees and passes are being proposed

Parking Fees

The proposed parking fee model is based on a base **hourly rate of \$2**, with **peak season** pricing applying at the waterfront parking lots at City Beach, Sand Creek (Gunning's Alley), Bridge Street, and Dock Street. **Pricing of \$3 per hour** will apply **during the weekends in the peak summer months (May 1 – September 30)** at the waterfront lots.

Daily maximums of \$16 for the City Lot, Sand Creek Lot, and Pend Oreille Bay Trail Lot will apply, while the **Dock Street Lot and City Beach Lot will have a daily maximum of \$24**.

Parking Pass Options

The policy includes several parking pass options to provide flexible and affordable alternatives to the standard hourly and daily parking rates. These passes include annual options for residents, non-residents, downtown business owners, downtown residents, and marina slip occupants, each tailored to meet the needs of frequent users while ensuring they contribute to the maintenance and replacement costs of Sandpoint's parking infrastructure.

City taxpayer and non-City taxpayer passes

For City of Sandpoint **taxpayers**, passes allow for up to **three or six hours** of free parking per visit (**depending on the lot**), providing a cost-effective solution for short-term parking while still generating revenue for the City. **Non-city taxpayer passes are available for a modest price and allow for two or three hours of free parking per visit.** Beyond the free parking included with a resident or non-resident pass, all users will pay the regular hourly rate.

Downtown business and resident passes

Downtown business and resident passes, offered exclusively to businesses and full-time residents who live in the Commercial A zoning district, enable employees and residents to park at all City-owned lots for **either a monthly fee or** a flat annual fee, supporting local economic activity and reducing administrative burden for daily parkers. **Rates for business parking passes are benchmarked against existing private off-street parking passes in the downtown core and are priced competitively to reflect the central location of the City lot at Third and Church Streets. Business and resident passes also allow for all-day parking in certain time restricted curbside parking zones.**

Marina slip occupant passes

Seasonal lessees of slips at Sandpoint's public marinas (Windbag and City Beach) have the option to purchase passes that grant parking for up to 24 hours at Dock Street stalls **and all-day parking at City Beach lot** to access their slips, ensuring convenient parking while addressing the unique needs of this user group.

Summary of Parking Pass Options

Pass Type	Cost	Eligibility	Benefits
Resident Annual Pass	\$15	City of Sandpoint residents	3 hours free parking per at City Lot, Sand Creek Lot, Pend Oreille Bay Trail Lot, Bridge Street lot, and Dock Street, 6 hours free parking at City Beach lot
Non-Resident Annual Pass	\$30	Non-City of Sandpoint residents	2 hours free parking per visit at at City Lot, Sand Creek Lot, Pend Oreille Bay Trail Lot, Bridge Street lot, and Dock Street, 3 hours free parking at City Beach lot
Downtown Business or Residents Pass (monthly)	\$40	Commercial A district businesses and residents	Unlimited parking in all lots, all-day parking in 3-hour curb-side parking zones
Marina Slip Occupant Pass	\$150	Windbag or City Beach slip occupants	Unlimited parking at Dock Street and City Beach lots
Boat Launch fee (Idaho State resident*)	\$10/launch	Idaho state residents	City Beach and Memorial Field boat launches
Boat Launch fee (Out-of-state resident and commercial users**)	\$15/launch	Out-of-state residents and commercial users	City Beach and Memorial Field boat launches
Boat launch season pass (Idaho State resident)	\$50	Idaho state residents	City Beach and Memorial Field boat launches
Boat launch season pass (Out-of-state resident)	\$100	Out-of-state residents	City Beach and Memorial Field boat launches

*Vehicles with boat trailers will be subject to passholder time limits for parking and will be charged at 2x the regular hourly rate of a passenger vehicle.

**Commercial operations using City Beach launches must pay on a per-launch basis (no season pass option)

City-owned Parking Lots – Hourly rates

Lot	Hourly Rate	Applicability
City Lot at Third & Church Street	\$2	Year-round
Waterfront Lots (Sand Creek lot, Bridge Street lot, RV Park lot, Main City Beach Lot, and Dock Street)	\$2 / \$3	October 1 – April 30 / Weekends and Holidays from May 1 – September 30
Pend Oreille Bay Trail lot	\$3	Year-round

Proposed Changes to Curb-side Parking

Downtown Sandpoint includes **1,097 curb-side parking stalls** between Poplar Street in the north and Lake Street in the south, First Avenue in the east and Sixth Avenue in the west, demand for which is **regulated through time limits rather than price**. Feedback from many downtown businesses has been that the time limits on Sandpoint's downtown street parking create a system where many employees engage in what is described as the **“three-hour shuffle,”** whereby they leave their work every three hours to move their car to a new parking space to avoid parking tickets.

To better allocate demand for on-street parking by downtown business employees away from the spots intended to be available for downtown shoppers (those two and three-hour stalls along First, Second, and Third Avenues), this proposal eliminates the time limits on street stalls along the periphery of downtown, converting all spaces that currently limit parking to 4 hours to allow for all-day parking. Downtown business employees requiring all-day parking will thus have two options:

- 1) Purchase a \$40 per month parking pass allowing for all-day parking at City-owned parking lots and in the 3-hour zones.
- 2) Park for free all-day along streets proposed to be converted from 4-hour time limits to no time limit.

Eliminating time limits on the parking stalls currently limited to 4-hours of free parking will increase the number of no-limit street parking spaces downtown by 65% from 279 to 461.

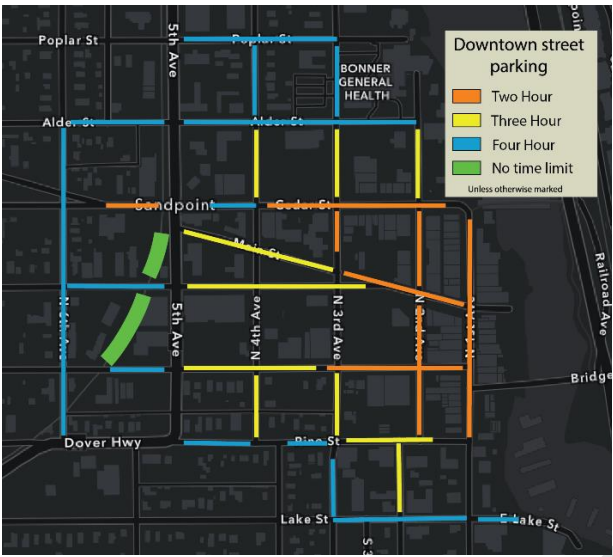


Figure 2: Current time limits on downtown street parking



Figure 3: Proposed time limits on downtown street parking

Parking Requirements and In-Lieu Fees for Residential Development within the Parking Exempt Zone

To support public parking infrastructure and ensure the long-term viability of downtown Sandpoint's parking system, this proposal would implement off-street parking requirements for new residential development within the downtown parking exempt zone. Developers will be required to either **provide parking** at a rate based on the square footage of residential development, or to pay a **parking in-lieu fee**, which will contribute toward the future construction of structured public parking facilities and other parking-related improvements.

Under current City code (Title 9, Chapter 5 "Off-street parking requirements"), no developments, residential or non-residential, within the downtown parking exempt zones, are required to provide off-street parking. This proposal includes the implementation of an off-street parking requirement for **residential development** within this zone, with the option for developers to pay parking in-lieu fees to support the City's Parking Improvement Fund.

Off-street parking requirements for Residential Development within Parking Exempt Area

The proposed off-street parking requirement for residential development in the parking exempt zone is for **one off-street parking space per 1,000 square feet of residential development, up to 1,500 sf per dwelling unit**. A maximum of 1.5 parking spaces will be required for units larger than 1,500 sf.

Example 1: A downtown condo development that includes ten units 1,200 square feet in size and six units 1,800 square feet in size shall be required to provide the following:

- For the 1,200 square foot units:

$$10 \text{ units} \times 1,200 \text{ sf} = 12,000 \text{ sf}$$

$$12,000 \div 1,000 = 12 \text{ parking spaces required}$$

- For the 1,800 square foot unit:

$$6 \text{ units} \times 1.5 \text{ spaces per unit} = 9 \text{ parking spaces required}$$

- Total parking required for the 16-unit development = **21 parking spaces**

Example 2: A downtown workforce housing development that includes twenty 500 square-foot apartments shall be required to provide the following:

$$20 \text{ units} \times 500 \text{ sf} = 10,000 \text{ sf}$$

$$10,000 \div 1,000 = 10 \text{ parking spaces required}$$

Why is less parking required for the smaller apartments? Tying parking requirements to square footage instead of number of units or bedrooms incentivizes developers to build smaller, more affordable housing units in downtown Sandpoint. Larger, more expensive residential development is required to either provide more parking per unit developed or pay more in in lieu fees. Keeping the parking requirement lower for smaller efficiency housing **helps keep such housing affordable** for local workers who may or may not require the parking that larger, higher end development provides.

In-Lieu Fees for Downtown Residential Development

Off-street parking requirements for residential development in the downtown parking exempt zone may be offset **by paying parking in-lieu fees into the City's parking improvement fund**. In the event an application for residential development within the exempt area intends to satisfy more than fifty percent (50%) of the parking requirement by payment of parking in-lieu fees, such an application shall require review and approval of the planning commission as part of their development application review.

A parking in-lieu fee of an amount set by City Council resolution, which may be amended from time to time to approximate changes in costs of implementing the parking improvement fund, will be established.

Staff are recommending a parking in-lieu fee of \$25,000 per space be established at the time this policy is adopted. This fee was arrived at by comparing parking in-lieu fees in 30 cities across North America (data assembled for a parking in-lieu report prepared for the City of Boise in 2012). The \$25,000 figure further reflects a fair share of the current cost of structured parking facilities in North America, which are estimated to cost in the range of \$30,000 - \$50,000 per parking stall in 2025 dollars.

The goal of the parking in-lieu fee program applied to residential development in Sandpoint's parking exempt zone is to either:

- Incentivize developers to provide adequate off-street parking to meet the demands for their residential developments, or
- Require developers to pay a fair share of the cost of a City-developed parking structure through in-lieu fees that reflect the true cost of providing off-street parking for their residential developments.

Use of Funds

Revenue generated from the in-lieu parking fee shall be allocated to the **City's Parking Improvement Fund**, revenue for which is **used to improve public parking in the downtown area, to purchase or lease land, and to improve or expand city parking facilities.**

This policy ensures that as downtown Sandpoint continues to grow, residential development contributes equitably to the cost of maintaining a functional and accessible parking system while allowing flexibility for developers to provide their own off-street parking where feasible.

Revised Downtown Parking Exempt and Residential In-Lieu Zone

Exempted non-residential use and residential in-lieu area boundaries are described as follows: Beginning at the intersection of Short Ave and Poplar St; thence East to the intersection of Poplar St and Third Ave; thence South to the intersection of Alder St and Third Ave; thence East to the high water mark of Sand Creek; thence Southerly along the artificial high water mark of Sand Creek (defined as 2,066.4' using the NAVD88 vertical datum or 2062.5' using the NGVD29 vertical datum) to its intersection with Lake St; thence West to the intersection of Lake St and Euclid Ave; thence West one-half ($\frac{1}{2}$) block; thence North to the intersection of Sixth Ave and Alder St; thence East to the intersection of Alder St and Short Ave; thence north to the point of beginning.

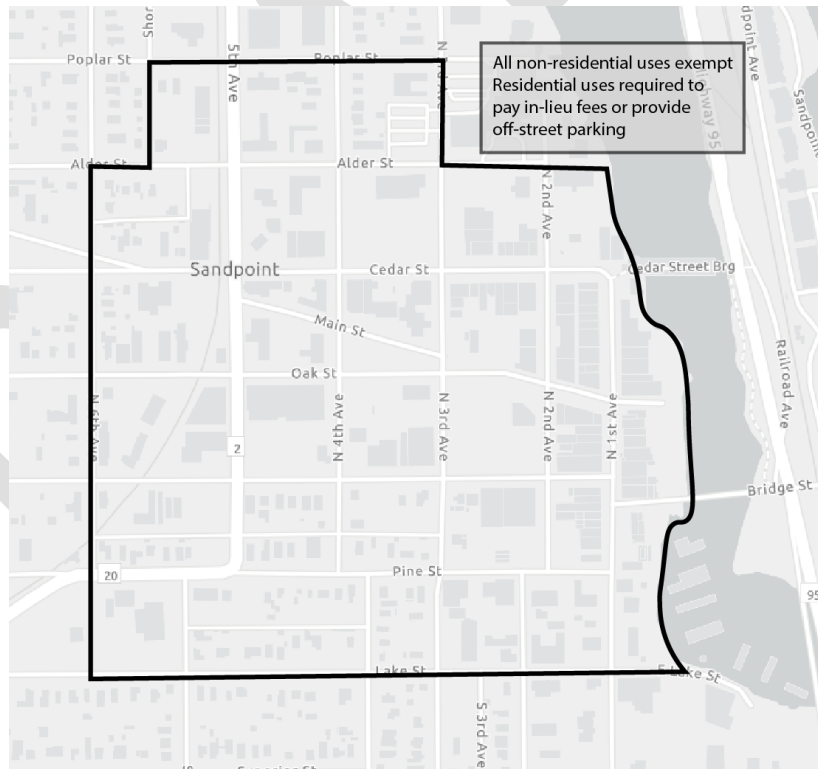


Figure 4: Non-residential parking exempt area

Compliance with LWCF Guidelines

This parking policy aligns with the **Land and Waterways Conservation Fund (LWCF) guidelines** by maintaining equitable public access to City-owned parking facilities and ensuring compliance with restrictions on discriminatory practices. LWCF regulations stipulate that facilities developed or improved with LWCF funds must remain accessible to the general public without imposing restrictions based on residency or other discriminatory criteria. This policy upholds these requirements by offering parking access to all users, regardless of residency, and structuring fees and passes in a way that does not exclude or unfairly burden any group.

Hourly and daily parking rates are applied uniformly, with no residency-based restrictions, ensuring that both residents and non-residents have equitable access to parking facilities. While the policy offers discounted annual parking passes for residents, this option is available alongside non-resident passes, which provide **similar** benefits for a modestly higher fee. These options maintain compliance by ensuring non-residents have access to **similar** parking privileges as residents without exclusion or disparity in service.

Furthermore, the policy balances compliance with LWCF guidelines while addressing the practical need for sustainable funding. By charging users modest fees to support the maintenance and eventual replacement of parking infrastructure, the City ensures the facilities remain accessible, safe, and functional for all users in the long term. This approach fulfills the dual goals of preserving public access and promoting the financial sustainability of facilities developed with LWCF assistance.

Summary

Under the current free parking system, access to Sandpoint's public parking lots is rationed through a "first come, first serve" model that has led to a situation where, during peak demand periods, 97% of off-street parking stalls are occupied. Meanwhile, downtown on-street parking is occupied at only 51% at summer peak hour. Sandpoint's parking problem is an *allocation problem*, not a *supply problem*. The total number of public parking spaces downtown is adequate to meet the total peak demand for parking, as there are 559 empty parking spaces at the peak summer hour. The problem is that 545 of these are on-street stalls, and only 14 off-street. To solve this misallocation of demand for public parking, a paid parking plan that applies only to off-street parking is being proposed.

By attaching a price to what is currently an un-priced amenity, demand is expected to shift from scarce off-street parking to relatively abundant street parking, **increasing convenience and availability of off-street parking at highly valued waterfront and downtown parking lots to Sandpoint taxpayers**, who, with a resident parking pass will find it easier to park at the public facilities their property taxes are already going towards the maintenance and provision of.

Currently, Sandpoint generates no revenue from its off-street parking facilities. This leaves the City with a significant funding gap, as the estimated annual cost of maintaining and eventually replacing the 505 parking spaces is approximately **\$290,375**. In the absence of paid parking, this financial burden falls entirely on City taxpayers, allowing non-resident users of Sandpoint's parking facilities to benefit without contributing to their upkeep.

Overall, the transition to a paid parking model promotes equity and fiscal responsibility by aligning the costs of maintaining Sandpoint's parking facilities with their actual usage, turning

Sandpoint's five downtown off-street parking facilities from a liability into an asset, whose value for future generations is secured through a sustainable funding mechanism.

Furthermore, this policy addresses what staff believes is a failure of our current parking exempt zone regulations to account for the likelihood that residential development will create large increases in demand for public parking facilities in the downtown area. While the 2022 parking study considered the possibility that some parking that is currently available would be lost (specifically the 110 spaces at the north and south ITS lots between Fifth and Sixth Avenues), it did not take into account the possibility of dozens or even hundreds of new residences being developed within the parking exempt zone without providing adequate off-street parking for their residents. The proposal to introduce parking requirements and parking in-lieu fees for residential development downtown will relieve the City's public parking infrastructure from bearing the increased burden of increase residential demand for parking and require developers to contribute a fair share towards providing parking directly or supporting the City's eventual investment in a public parking structure through parking in lieu payments.

Finally, the proposed paid parking policy directly supports several goals and objectives of the 2024 Comprehensive Plan, particularly in the areas of Multimodal Transportation, Community Character and Design, and Jobs & Economic Development. By managing parking demand through pricing, the policy aligns with the Plan's focus on enhancing access to businesses and reducing congestion in high-demand areas (Chapter 6, Multimodal Transportation). It fosters efficient land use, preserving Sandpoint's vibrant downtown while reducing the need for expansive parking infrastructure that detracts from the city's character (Chapter 3, Community Character and Design).

The revenue generated supports infrastructure maintenance and economic growth by ensuring a steady funding stream for public facilities, thereby promoting fiscal sustainability and investment in Sandpoint's downtown economy (Chapter 9, Jobs & Economic Development). This integrated approach reflects the Plan's vision of creating a dynamic, accessible, and economically resilient community.