



AGENDA REPORT

City Council Meeting

TODAY'S DATE: September 14, 2026

MEETING DATE: September 16, 2026

TO: Mayor Grimm, Sandpoint City Council

FROM: Jason Welker, Planning & Community Development Director

SUBJECT: City Beach RV Park Improvements: Project Scope, Funding Options, and Direction

Requested Action

Provide direction regarding the scope, funding, and schedule for the City Beach RV Park improvement project, taking into consideration the relationship between the RV park improvements and the planned reconstruction of the larger City Beach vehicle and boat-trailer parking area.

Background

In 2025, the City received a \$950,000 Idaho Department of Parks and Recreation (IDPR) RV Fund grant for improvements to the City Beach RV Park. The City committed a \$50,000 local match, resulting in total project funding of \$1 million.

Approximately \$167,000 of the total project budget is allocated to design and engineering, leaving approximately \$833,000 available for construction.

As the project advanced to 35% design, the engineer's construction estimate exceeded the available budget. Council subsequently directed the project team to evaluate opportunities to reduce costs while preserving the essential function and quality of the RV park.

The design team has now prepared three value-engineered project levels:

<i>Project Level</i>	<i>Estimated Construction Cost</i>	<i>General Scope</i>
<i>Essential RV Park</i>	\$1,102,653	Core utility, circulation, site, landscaping, and operational improvements
<i>Signature RV Park</i>	\$1,496,033	Essential improvements plus permanent restroom and shower facilities and enhanced amenities
<i>Destination RV Resort</i>	\$1,812,158	Full project envisioned through the original design process

These estimates are planning-level figures and remain subject to refinement through final design and competitive bidding.

Relationship to the Larger City Beach Improvement Project

The RV park is one component of a broader, multiyear effort to improve circulation, parking, waterfront access, and visitor facilities at City Beach.

HMH Engineering's current design contract includes advancing a separate concept for reconstruction of the larger City Beach parking area to approximately 35% design by December 2026 (design for which is funded with \$108,000 of Parks Capital Improvement Fund dollars). This project is expected to address vehicle parking, boat-trailer parking, circulation, and access to the City Beach boat-launch facility.

The original implementation strategy anticipated that the City would use the 35% parking lot design to pursue grants in early 2027, complete the remaining design work thereafter, and undertake a full parking-lot reconstruction in fall and winter 2027-2028. Parks Capital Improvement Fund revenues would be used as a local match and to cover costs not supported by grants.

The scheduling decision for the RV park therefore has implications beyond the RV park itself. If Council selects Option 2, the Signature RV Park would advance to 100% design while the larger parking project advances to 35% design. Both projects could then support a coordinated set of grant applications during the upcoming winter.

If sufficient funding is secured and the parking design is subsequently completed, the City could solicit bids in fall 2027 for the RV park and parking improvements under a single construction contract.

A combined project may offer several advantages:

- One mobilization and staging effort rather than separate mobilizations in consecutive years;
- Better coordination of grading, drainage, utilities, paving, landscaping, and pedestrian circulation;
- Reduced risk that improvements constructed under one project must later be removed or modified by the other;
- More consistent materials, site finishes, and construction standards;
- A single contractor responsible for coordinating work across the project area;
- Potentially more competitive pricing because of the larger contract value; and
- A shorter overall period of disruption at City Beach.

These savings cannot be quantified until the parking lot project reaches a more advanced level of design and the combined project is bid. A larger combined contract may also attract a different pool of contractors and create additional construction-management complexity. Nevertheless, staff believe there is a reasonable potential for cost and coordination efficiencies compared with bidding the RV park and parking improvements as separate projects.

Potential Grant Strategy

Under Option 2, the City would pursue a coordinated grant strategy for the two City Beach projects beginning in January 2027. Potential sources may include:

- **IDPR RV Fund:** Additional support for permanent restroom and shower facilities, accessibility, landscaping, paved RV sites, and other eligible campground improvements;
- **IDPR Waterways Improvement Fund:** Potential support for eligible boat-trailer parking, circulation, and boat-launch access improvements;

- **Idaho GEM Grant:** Potential assistance with public infrastructure supporting recreation, tourism, and economic activity;
- **Community Development Block Grant:** Potential support for eligible public-facility and accessibility improvements, subject to applicable program requirements;
- **Land and Water Conservation Fund:** Potential support for eligible outdoor recreation and public-access improvements; and
- Other state, federal, or private funding programs identified by staff and the design team.

Final eligibility, match requirements, application schedules, and the ability to combine funding sources will need to be confirmed for each program. Not every element of the combined project will necessarily be eligible under every grant.

The City has successfully used similar grant programs to complete other significant parks and waterfront projects, including the expansion of Windbag Marina and improvements to the War Memorial Field boat-launch facility approximately six years ago. That experience demonstrates the value of advancing projects to a sufficient level of design before applying and assembling multiple funding sources around a coordinated capital project.

Consultation With IDPR

Staff recently met with IDPR grant administrators to discuss the RV park's increased costs and potential funding alternatives. Several important points emerged:

- No additional or "top-off" funding is available under the City's existing \$950,000 grant. If the City begins construction this year, costs exceeding the current budget must initially be covered by the City.
- The City may submit another RV Fund grant application during the next grant cycle. Applications are due in January 2027.
- Supplemental grant requests resulting from construction-cost escalation are not unusual.
- Every eligible application submitted during the previous grant cycle reportedly received funding. Reduced participation by federal agencies may also leave more funding available for state and municipal projects.
- IDPR representatives indicated that a project already under construction could be viewed favorably during the next grant cycle.
- IDPR expressed concern about treating an improved RV park without a permanent restroom as a completed project. IDPR staff did not support portable toilets as the permanent restroom solution for a renovated facility.
- A future application should explain the effects of cost escalation and identify the remaining improvements necessary to complete a functional, high-quality project.
- The application should also explain which improvements could be completed by City Parks staff, including irrigation, picnic tables, landscaping, and similar amenities.

Based on these discussions, staff believes there is a reasonable prospect of securing an additional RV Fund grant. An award cannot, however, be guaranteed.

Funding Considerations

The Parks Capital Improvement Fund is supported by revenues generated through the use of City parks and recreation facilities. These revenues include approximately \$100,000 annually from RV park visitor fees, along with revenues from the City's marinas, War Memorial Field, Travers Park, picnic shelters, and other parks facilities.

These are dedicated parks-generated revenues rather than property-tax revenue or General Fund revenue.

The current approved budget for FY2026/2027 includes **\$1,000,000** from the Parks Capital Improvement Fund for “Parks Master Plan Identified Projects.” If council chooses options 1 or 3 tonight, no additional amendment to the approved budget will be required, and staff will allocate additional matching funds to advance construction of the RV park in the months ahead.

On the other hand, preserving this fund’s capacity is an important consideration. In addition to the RV park, the fund is expected to help finance the City Beach boat-launch access, boat-trailer parking, and general vehicle-parking improvements. A substantial additional commitment to the RV park now would reduce the funding available to match future grants and complete the larger City Beach project.

Alternatives

Option 1: Construct the Essential RV Park This Winter and Pursue Phase 2 Funding

Council could authorize additional Parks Capital Improvement Fund expenditures sufficient to construct the Essential RV Park during winter 2026–2027. The park would reopen for the summer 2027 season.

Based on the current estimate, the required construction funding would be:

<i>Funding Calculation</i>	<i>Amount</i>
<i>Essential RV Park construction estimate</i>	\$1,102,653
<i>Existing construction budget</i>	(\$833,000)
<i>Additional City funding required</i>	\$269,653

For budgeting purposes, staff recommend allowing approximately \$270,000, subject to confirmation of the final estimate and any appropriate construction contingency.

At the same time, staff would submit a second IDPR RV Fund grant application for a subsequent phase. That phase could include:

- A permanent restroom and shower facility;
- Paved RV sites rather than gravel sites;
- Additional landscaping and irrigation;
- Improved sidewalks and ADA accessibility;
- A shared waterfront fire pit;
- Perimeter fencing; and
- Additional site furnishings.

Phase 2 would tentatively be constructed in fall 2027, subject to additional grant funding. The larger parking project would proceed on its existing design and grant schedule but would likely be bid separately from the initial RV park construction.

Advantages

- Begins construction this winter.
- Allows the renovated RV park to reopen by summer 2027.
- Addresses aging infrastructure and operational needs sooner.
- Demonstrates progress when the next RV Fund application is considered.

- Allows the City to pursue additional amenities as a subsequent phase.

Disadvantages and risks

- Requires approximately \$270,000 in additional City funding immediately.
- Reduces the Parks Capital Improvement Fund balance available to match grants for the larger City Beach parking project.
- The Essential RV Park does not include a permanent restroom in its base estimate.
- Adding even a smaller restroom as a bid alternate could increase the construction package to approximately \$1.3 million, creating a substantially larger funding gap.
- Requires the RV park and parking work to proceed on separate construction schedules, potentially resulting in duplicated mobilization, staging, grading, and construction-management costs.
- Newly constructed RV park improvements could be affected by parking-lot construction the following year.
- The City should not award a construction contract or additive alternate without an identified and legally available funding source.

Option 2: Coordinate the Signature RV Park and Larger Parking Project

Council could direct the design team to advance the Signature RV Park through 100% design while completing 35% design of the larger vehicle and boat-trailer parking project by December 2026.

Staff would use both designs to pursue a coordinated package of grant applications beginning in January 2027. The City would continue operating the existing RV park through the 2027 season. If sufficient funding is awarded and the remaining parking design is completed, the City could solicit bids in fall 2027 for construction of both projects under one contract.

Based on the current RV park estimate, the Signature RV Park has the following funding gap:

<i>Funding Calculation</i>	<i>Amount</i>
<i>Signature RV Park construction estimate</i>	\$1,496,033
<i>Existing RV park construction budget</i>	(\$833,000)
<i>Additional RV park funding required</i>	\$663,033

The total funding need for the combined project cannot be determined until the parking design and cost estimate are completed. The amount requested from each funding program would be adjusted based on eligibility, the City's proposed match, other grant awards, further value engineering, and updated estimates.

Advantages

- Provides an opportunity to construct a more complete RV park, including permanent restroom and shower facilities.
- Responds to IDPR's concern about completing the project without permanent restrooms.
- Coordinates the RV park with planned vehicle parking, boat-trailer parking, circulation, and boat-launch access improvements.
- May reduce costs through consolidated mobilization, grading, drainage, utilities, paving, landscaping, and construction management.
- Reduces the risk that work completed under one project must later be modified by the other.

- Supports a broader and potentially more competitive package of state and federal grant applications.
- May substantially reduce the additional City funding required for both projects.
- Preserves Parks Capital Improvement Fund resources as matching funds for the larger City Beach project.
- Avoids awarding construction work before adequate funding is secured.
- Completes the principal City Beach improvements during one coordinated construction period.

Disadvantages and risks

- Delays RV park construction by approximately one year.
- Requires operation of the existing RV park for another season.
- Additional grant funding is not guaranteed.
- If grant applications are unsuccessful, the City could face essentially the same RV park funding decision in fall 2027.
- Delayed construction could expose both projects to further cost escalation.
- Combining the projects would create a larger and more complex construction contract.
- The timing of a combined bid would depend upon grant awards and completion of the parking project's final design.
- Some grant programs may have different deadlines, eligibility requirements, environmental-review procedures, or construction schedules that complicate a combined project.

Option 3: Construct the Essential RV Park and Consider the Project Complete

Council could authorize approximately \$270,000 in additional Parks Capital Improvement Fund expenditures, construct the Essential RV Park this winter, and not seek funding for a subsequent RV park phase.

The larger parking project would continue independently through design, grant applications, and future construction.

Advantages

- Completes the RV park project on the earliest schedule.
- Avoids uncertainty associated with another RV Fund grant application.
- Limits the RV park to its most essential improvements.

Disadvantages and risks

- Requires additional City funding.
- Does not provide a permanent restroom or shower facility.
- Does not provide several amenities contemplated during the design and public-engagement process.
- May not be well received by IDPR, which expressed concern about treating an RV park without permanent restrooms as a completed project.
- Foregoes the opportunity to obtain additional state RV Fund assistance.
- Reduces the Parks Capital Improvement Fund balance available for the larger parking project.
- Does not capture the potential efficiencies of coordinating RV park and parking construction.

Option 4: Pause the RV Park Project Indefinitely

Council could direct staff to stop final design and postpone the RV park project until a future date. Work on the larger parking project could either continue under the existing design contract or also be reconsidered by Council.

The City would remain responsible for RV park design and engineering expenses already incurred. Because those expenses were undertaken as part of a grant-funded construction project, IDPR may decline to reimburse some or all of the costs if the City no longer intends to proceed with construction.

Advantages

- Avoids committing additional RV park construction funding at this time.
- Preserves Parks Capital Improvement Fund resources in the short term.

Disadvantages and risks

- Could result in the loss of the existing \$950,000 RV Fund grant.
- Could leave the City responsible for design expenses without a completed project.
- Delays needed RV park infrastructure improvements indefinitely.
- Could undermine the City's ability to present a coordinated City Beach improvement strategy in upcoming grant applications.
- Future construction costs may be higher.
- Would require the City to restart grant coordination and potentially update the design at a later date.

Staff Analysis

The decision involves more than whether to renovate the RV park this winter or next. It will also determine whether the RV park is constructed as an independent project or coordinated with the larger City Beach parking, circulation, and boat-launch access improvements.

Option 1 provides the most direct path to construction and would allow the renovated RV park to reopen by summer 2027. It may also strengthen the next RV Fund application by demonstrating that construction is underway. However, it requires a substantial immediate allocation from the Parks Capital Improvement Fund, does not include a permanent restroom in its base scope, and would likely result in separate RV park and parking construction projects in consecutive years.

Option 2 delays the RV park but creates the opportunity to approach City Beach as one coordinated capital project. Advancing the Signature RV Park to 100% design and the parking project to 35% design would provide the City with two well-developed projects for the upcoming grant cycle. It would also allow the City to assemble funding from programs directed toward campground facilities, boating access, public infrastructure, accessibility, and outdoor recreation.

If those efforts are successful, the City could bid the RV park and parking lot improvements together in fall 2027. Although savings cannot be guaranteed, a combined contract could reduce duplicated mobilization and staging expenses, improve coordination among the projects, and minimize the risk of reconstructing or disturbing recently completed work.

This strategy also preserves Parks Capital Improvement Fund resources for use as grant matches across the larger City Beach program rather than committing a substantial share of those resources immediately to the reduced RV park scope.

For these reasons, **staff recommend Option 2**. Staff believe the potential benefits of a more complete RV park, coordinated City Beach construction, broader grant participation, and preservation of local capital funds outweigh the cost of operating the existing RV park for one additional season.

If Council determines that beginning RV park construction this winter is the overriding priority, staff recommends Option 1, with work awarded only within confirmed available funding and any restroom or other improvements structured as additive alternatives that may be awarded only after funding is secured.

Fiscal Impact

The fiscal impact depends on Council's selected alternative:

<i>Option</i>	<i>Near-Term City Funding Impact</i>
<i>1. Essential RV Park now; pursue Phase 2 grant</i>	Approximately \$269,653 in additional Parks Capital Improvement funds, excluding a restroom alternate and additional contingency
<i>2. Coordinate Signature RV Park and parking project</i>	No immediate construction appropriation; future City match and combined project funding plan to be determined following grant awards
<i>3. Essential RV Park as final scope</i>	Approximately \$269,653 in additional Parks Capital Improvement funds
<i>4. Pause RV park indefinitely</i>	No construction appropriation, but potential loss of grant reimbursement and City responsibility for design costs already incurred

Option 2 may produce construction efficiencies through a combined contract, but the potential savings cannot be estimated until the parking project reaches 35% design and a preliminary combined cost estimate is prepared.

No General Fund or property-tax revenue is proposed for the additional City funding described in Options 1 or 3.

Staff Recommendation

Staff recommend that Council select **Option 2** and direct the project team to:

1. Advance the **Signature RV Park** through 100% design;
2. Complete 35% design of the larger City Beach vehicle and boat-trailer parking project by December 2026;
3. Use both designs to pursue a coordinated package of state and federal grant applications beginning in January 2027; and
4. Subject to grant awards and subsequent Council authorization, solicit bids in fall 2027 for construction of both projects under a single contract.

This approach delays RV park construction by approximately one year but offers the best opportunity to complete a higher-quality RV park, coordinate it with the larger City Beach parking improvements, leverage additional grant funding, reduce the City's required contribution, and potentially achieve construction efficiencies through a combined bid.

If Council determines that reopening an improved RV park by summer 2027 is the overriding priority, staff recommends Option 1 as the preferred alternative.

Recommended Motion

I move to direct staff and the project design team to proceed with 100% design of the Signature RV Park and 35% design of the City Beach vehicle and boat-trailer parking improvements; defer construction until the results of the upcoming grant applications are known; pursue available funding through the IDPR RV Fund, Waterways Improvement Fund, Idaho GEM Grant, Community Development Block Grant, Land and Water Conservation Fund, and other appropriate programs; and, if sufficient funding is secured, return to Council with a proposed funding plan and authorization to solicit bids for a coordinated fall 2027 construction project.

Alternative Motion

I move to authorize an additional appropriation of up to \$_____ from the Parks Capital Improvement Fund for construction of the Essential RV Park; direct staff to complete final design and solicit construction bids for work within confirmed available funding; and direct staff to pursue additional grant funding for permanent restroom facilities, other RV park amenities, and the larger City Beach vehicle and boat-trailer parking improvements.

Attachments

City Beach RV Park 35% Engineer's Estimate: Project Options