



Staff Report

To: Mayor and City Council
From: Jennifer Stapleton, City Administrator
Report: September 10, 2020
Meeting: September 16, 2020
Item: Bridge/First Land Swap

General Information

Purpose:	To approve a land swap and associated public improvements between the City of Sandpoint and Bridge Street, LLC
Location:	City of Sandpoint owned .31-acre (13,634-sf) unimproved waterfront parcel RPS021500001AA located on Sand Creek at Bridge Street in Downtown Sandpoint Bridge Street, LLC, owned parcels RPS0038002008CA and RPS0038002008DA totaling .26 acres (11,238-sf). These properties were previously improved with separate commercial buildings which were destroyed in a fire in February 2019.
Attached:	<ol style="list-style-type: none">1. Notice of Public Hearing (Published September 1, 2020)2. Resolution No. 20-037 Declaration of Value of Property

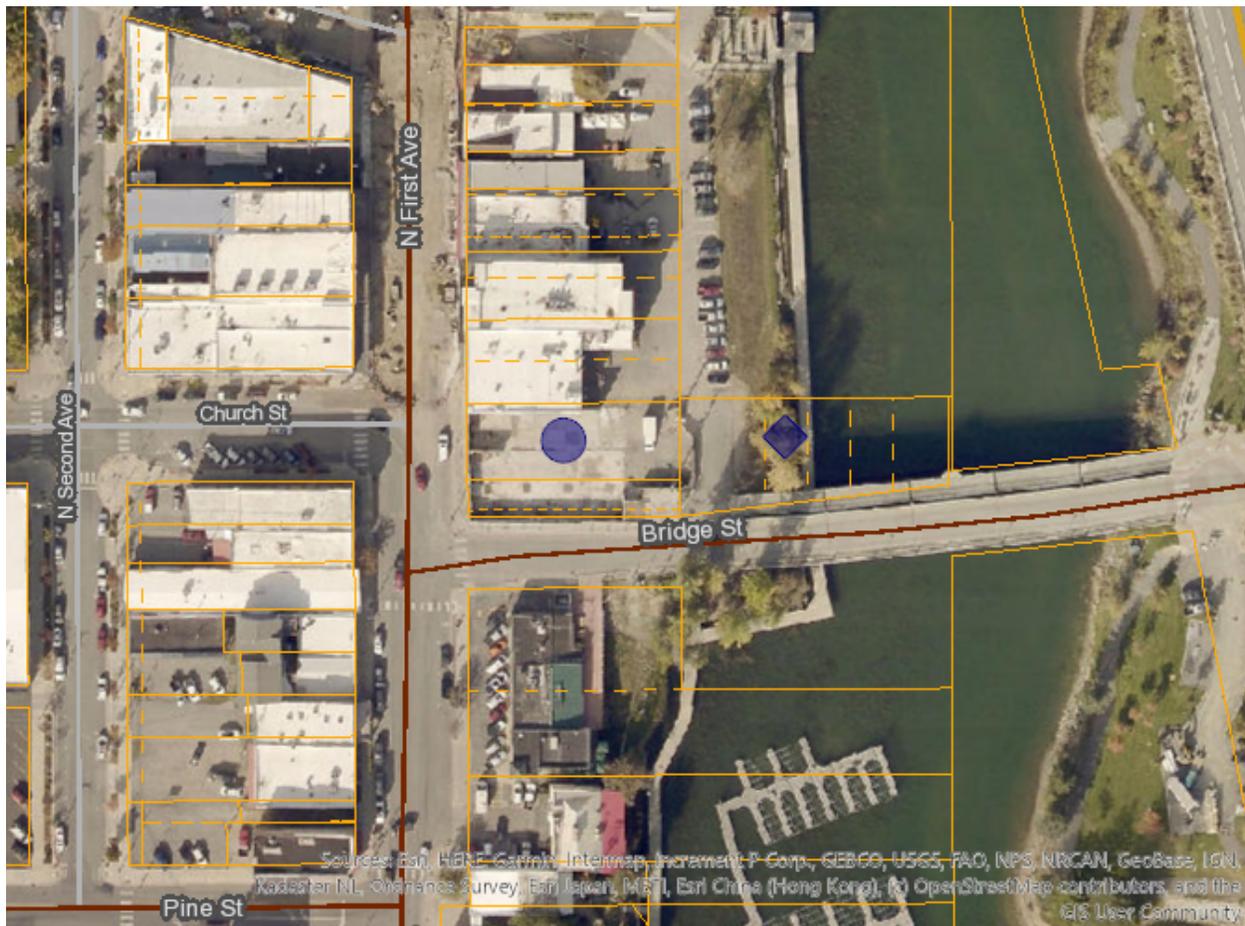
1. Staff Overview

Private Development Proposal

Bridge Street, LLC acquired two parcels (202-206 N. First Avenue) at the corner of Bridge and First Avenue in Downtown Sandpoint in fall 2019 as vacant land. The properties were previously owned by two separate parties and improved with separate commercial buildings which were destroyed in a fire in February 2019. Currently, only the foundations remain and the sites are appropriate for new commercial development which will add to the vibrancy of downtown Sandpoint and contribute to the overall economic vitality of Sandpoint.

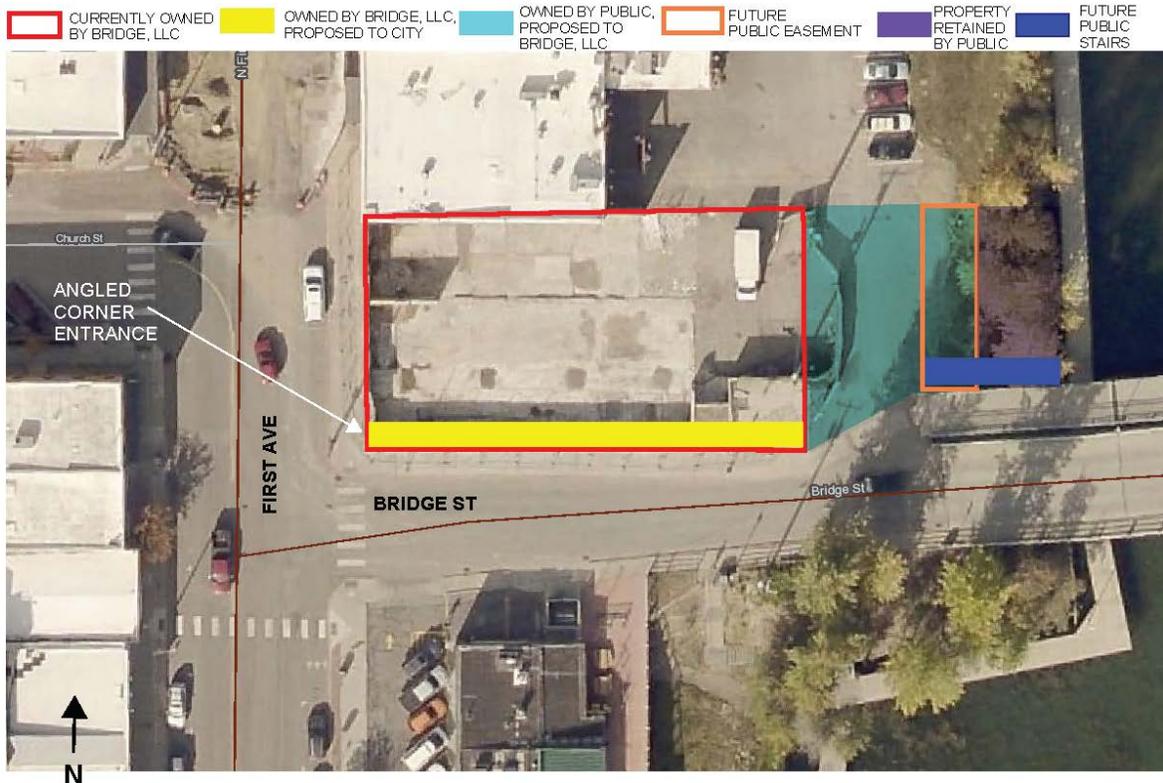
Upon acquisition, Bridge Street, LLC approached the City of Sandpoint with a proposal to acquire a portion (3,678 sf) of the City-owned parcel located directly behind 202-206 N. First Ave. to facilitate the construction of a single, larger multi-use building featuring both commercial and residential use with an estimated value of approximately \$16 million. Approximately 1,494 sf would be developed for public/private use and benefit and Bridge Street, LLC would provide the City of Sandpoint a public easement. This area is envisioned as an outdoor patio area connected by one stairway to Bridge Street and another stairway to the remaining waterfront parcel owned by the City of Sandpoint.

The properties are depicted in the image below. The parcels owned by Bridge Street LLC are labeled with the blue circle. The parcel owned by the City of Sandpoint is labeled with the blue diamond.



In exchange for the acquisition of the 3,678 sf of City land, Bridge Street, LLC offered 889 sf of its property located along Bridge Street for sidewalk or other right-of-way expansion. This would provide approximately six feet of additional width to the public right-of-way along Bridge Street. In addition, Bridge Street LLC will remove the ramp along Bridge Street which provides access to the parking area along Sand Creek and the City-owned parcel commonly known as Farmin’s Landing and construct a retaining wall and stairway from Bridge Street as contemplated in the City Downtown Waterfront Site Concept for the City’s Parks and Recreation Master Plan. Any additional difference in value between the 3,678 sf of City Land and 889 sf of Bridge Street LLC property, including values established for the retaining wall and stairway construction, would be used to support stormwater management improvements (including bank stabilization) and landscaping on the City parcels, including the parcel located to the north along Sand Creek commonly known as Farmin’s Landing.

SCHEMATIC, PROPOSED CONCEPT

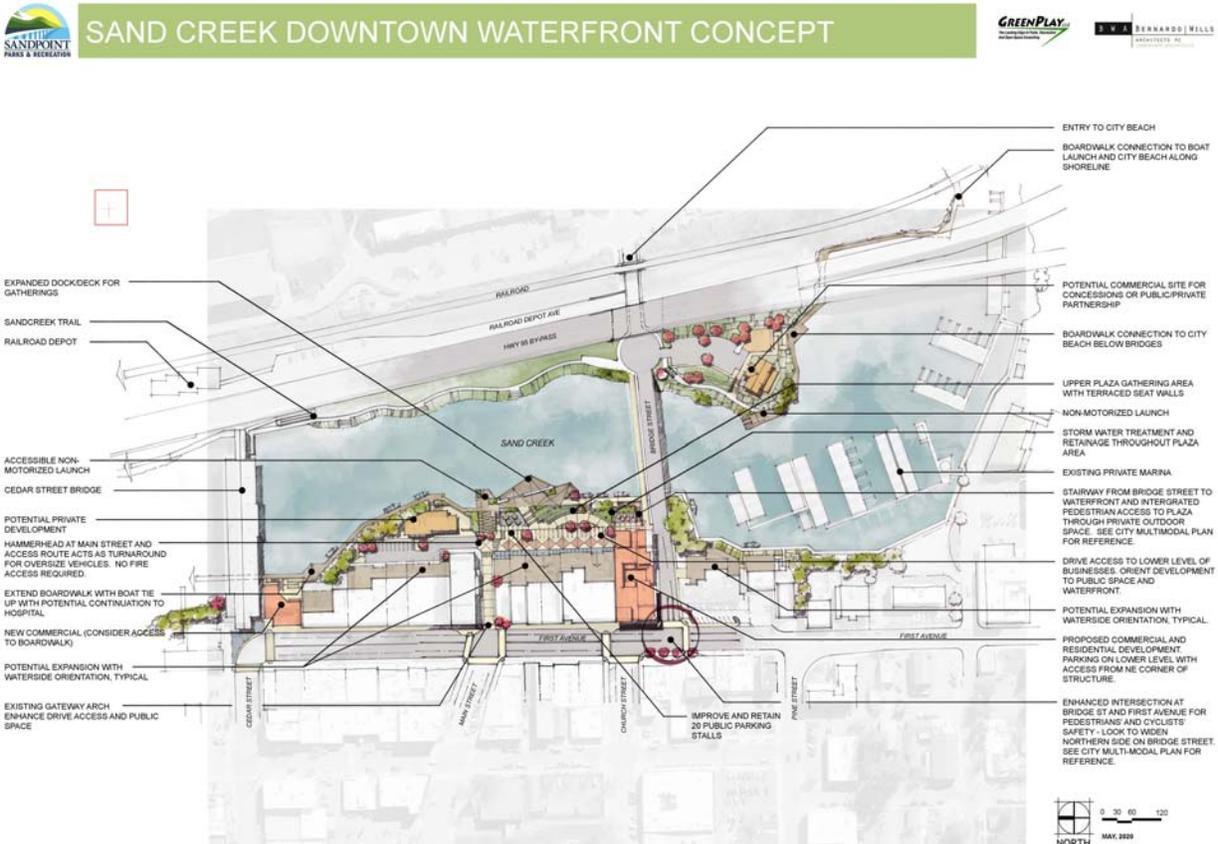


Description of City Parcel RPS0215000001AA

The City-owned parcel is located on the west side of Sand Creek and the north side of Bridge Street, about 170 feet east of the intersection with First Avenue. The site is a .31-acre, or 13,634-sf unimproved waterfront parcel. Approximately 6,649 sf of the parcel is under water, leaving an estimated 6,985 sf, or 51.2% as uplands. Currently, the predominant feature on the

upland portion of the parcel is a public access ramp from Bridge Street. There is a sloped vegetation area to Sand Creek. Zoning allows dense commercial and mixed-use development, although a 25' setback from the high-water mark limits developable area. A city-owned boardwalk along the waterfront is for public use only and is also a pier for boaters during daylight hours.

The Sand Creek Downtown Waterfront Concept contemplates removal of the ramp connecting Bridge Street and construction of a stairway from Bridge Street to the publicly-owned waterfront. This requires construction of a retaining wall.



Declaration of Values

The City of Sandpoint engaged Valbridge Property Advisors of Spokane Valley, Washington to conduct an appraisal on the City-owned parcel RPS0215000001AA and the parcels owned by Bridge Street, LLC identified as RPS0038002008CA and RPS0038002008DA to determine values.

The City also engaged an independent local public works contractor to verify estimated construction values for the construction of the stairs connecting Bridge Street to the public waterfront and Farmin’s Landing, removal of the existing access ramp to Bridge Street and construction of a retaining wall where the ramp currently exists. The value for the 12-ft wide sidewalk/pavers along Bridge Street to include new curb, ornament lights and street furniture consistent with City standards is based upon recent, average bid pricing for similar work.

Based upon the appraisal and estimates provided, the Sandpoint City Council declared the value of the property for this swap in Resolution No. 20-037 as follows:

- Bridge Street, LLC will acquire approximately 3,678 square feet of the City Parcel known as Kelchs Addn All Walkway valued at \$410,000; and
- Bridge Street, LLC will give the City approximately 890 square feet of additional right-of-way on the north side of Bridge Street valued at \$46,673; and
- Bridge Street LLC will remove the existing access ramp to Bridge Street and construct a retaining wall valued at \$182,680 where the ramp currently exists in conjunction with the construction of its building foundation wall; and
- The City of Sandpoint will construct stairs connecting Bridge Street to Farmin's Landing with a connection through the Bridge Street, LLC parcel. The estimated value of this is \$150,000 which will be shared with Bridge Street, LLC contributing \$75,000 towards the project; and
- Bridge Street, LLC will provide a public easement (east/west for public use and access to the stairs; and
- Bridge Street, LLC will construct a 12-ft wide sidewalk/pavers as approved by the City adjacent to the property line (258 linear feet), to include new curb, ornament lights and street furniture consistent with City standards. This is valued at \$74,055.
- Bridge Street, LLC will pay the City of Sandpoint \$181,592 to be used towards construction of the Downtown Waterfront at Farmin's Landing concept, including the construction of a dock retaining wall and other stormwater and landscape improvements on the City Parcel between the Bridge Street, LLC parcel and the dock.

Summary of Public Benefit

- Construction of a new multi-use building valued at approximately \$16 million in downtown Sandpoint which will contribute to the revitalization of the downtown core
- Generation of new property tax revenues estimated at approximately \$75,200/year using the FY 2020 property tax levy at \$4.70 per \$1,000 in value
- Generation of approximately \$70,000 in total impact fees to support public safety capital projects, street and pathways projects and parks infrastructure or acquisition as accordance with the City's Capital Improvement Plans and Development Impact Fees
- Provides funding and construction support for Phase 1 of the Sand Creek Downtown Waterfront Concept. This phase will include engineering design and construction of stormwater improvements, including bank stabilization and landscaping
- Creates public/private outdoor gathering space which contributes to the downtown Sandpoint vitality and character
- Improves pedestrian, vehicular and bicycle access and safety between downtown Sandpoint and City Beach along Bridge Street (City staff will provide a presentation on the initial concept for improvements at the intersection of Bridge/First Avenue

extending along Bridge Street and considering the additional 889 sf of right-of-way the City would gain through this swap.

- Reopening of a business lost to the February, 2019 fire (The Hound) which is a committed tenant in the private development

2. Public Hearing Procedure

Order of Public Hearing:

1. Presentation by city staff and Bridge Street LLC.
2. Opening of the public hearing in which the public may provide testimony. Questions should be asked of the person testifying before leaving the podium. Those wishing to testify are required to fill a signup sheet, which will be provided by the City. The order for those providing testimony should be as follows:
 - a. In favor
 - b. Neutral
 - c. Opposed
3. Final questions may be asked of City staff or representatives of Bridge Street LLC at this time
4. Close the public hearing.
5. Council deliberates (no new information may be provided at this time and questions may be directed only to city staff during deliberations).

3. Motion for Proposed Property Swap

If Approving:

“After duly considering the public testimony, along with the information that has been provided by City staff, and with all of the necessary steps having been taken under Chapter 14 of Title 50, Idaho Code, I move that it is in the City’s best interest that the parcel of land .31 acre in size owned by the City, described as 22-57N-2W Kelch’s Additional All Walkway (Parcel RPS021500001AA), be offered for exchange and that the City Council do all things necessary to exchange this property for real property and other consideration of equal value, pursuant to the terms that have been negotiated and which shall be a matter of public record.”

If Denying:

“After duly considering the public testimony, along with the information that has been provided by City staff, and with all of the necessary steps having been taken under Chapter 14 of Title 50, Idaho Code, I move that it is not in the City’s best interest that the parcel of land .31 acre in size owned by the City, described as 22-57N-2W Kelch’s Additional All Walkway (Parcel RPS021500001AA), be offered for exchange at this time.”

**NOTICE OF CITY COUNCIL
ACTION AND
PUBLIC HEARING**

Notice is hereby given that, on August 26, 2020, upon approval of Resolution 20-037, Declaration of Value of Property, the Sandpoint City Council declared their intent to exchange real property owned by the City, described as 22-57N-2W Kelchs Addn All Walkway (Parcel RPS0215000001AA), bounded by the City-owned "Farmin's Landing" parcel to the north (Parcel RPS38710010010A), Sand Creek to the east, Bridge Street to the south, and two parcels of private property to the west, owned by Bridge Street, LLC (north Parcel RPS0038002008DA and south Parcel RPS0038002008CA). In addition to cash payment and other benefits to the City, this exchange will include City acquisition of right-of-way along Bridge Street to improve pedestrian, bicycle and vehicle safety and mobility in conjunction with other intersection improvements at Bridge/Church/First. Before proceeding with this exchange, City Council will hold a public hearing to accept public testimony during their meeting on Wednesday, September 16, 2020, at 5:30 p.m. in the Council chambers at City Hall, 1123 W. Lake St., Sandpoint, Idaho.

Those who wish to testify at the hearing may do so by following the public participation instructions that will be provided on or before September 11, 2020, on the Meeting Agendas page on the City website at <https://www.sandpointidaho.gov/our-government/meeting-agendas> and also on the September 16, 2020, Sandpoint City Council meeting agenda, which will be posted on or before September 11, 2020, on that page. City Council Chambers and City facilities were reopened to the public for meetings beginning in Stage 3 of Governor Little's Idaho Rebounds Plan. Social distancing measures will be followed, and seating is placed at 6-foot separation, therefore limiting capacity. In-person seating is available on a first-come, first-served basis until reduced capacity is reached. If you wish

to address the Council in person, you will be afforded the opportunity. Any individuals who may not be able to be seated will be given the opportunity to present from the podium and allowed entrance to Chambers during the time of their presentation. An option for remote participation online or by phone will also be provided.

To request a copy of the aforementioned Resolution or submit written testimony to be considered at the meeting, please send your request/comments to cityclerk@sandpointidaho.gov. Written comments must be received before 5:00 p.m. on September 10, 2020. If special accommodations are needed to participate in the public hearing please notify the City Clerk at least seven (7) days prior to the meeting by email at the above address or by calling 208-263-3310.

SNP LEGAL 8030
AD#404258
SEPTEMBER 1, 2020

No: 20-037
Date: August 26, 2020

RESOLUTION
OF THE CITY COUNCIL
CITY OF SANDPOINT

TITLE: DECLARATION OF VALUE OF PROPERTY

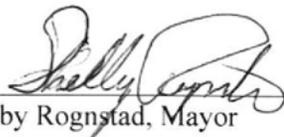
- WHEREAS: The City of Sandpoint owns a parcel of land .31 acres in size ("City Parcel"), described as 22-57N-2W Kelchs Addn All Walkway (Parcel RPS0215000001AA), bounded by the City-owned "Farmin's Landing" parcel to the north (Parcel RPS38710010010A), Sand Creek to the east, Bridge Street to the south, and two parcels of private property to the west, owned by Bridge Street, LLC (north Parcel RPS0038002008DA and south Parcel RPS0038002008CA); and
- WHEREAS: The buildings previously erected on the two privately-owned parcels described above burned in February 2020 and were subsequently demolished; and
- WHEREAS: It is the intention of the current owner of the two parcels, Bridge Street, LLC, that a single, larger multi-use building featuring both commercial and residential use with an estimated value of approximately \$16 million, will be constructed at the site; and
- WHEREAS: Bridge Street, LLC, desires to acquire approximately 3,678 square feet of the City parcel to enable a larger building with improved water access, stairs and a landing, which will provide 1,494 square feet for both public and private benefit; and
- WHEREAS: The City desires to widen the right-of-way along Bridge Street to improve pedestrian, bicycle and vehicle safety and mobility in conjunction with other intersection improvements at Bridge/Church/First; and
- WHEREAS: Bridge Street, LLC, is willing to swap the City approximately 890 square feet along the north side of Bridge Street, which will provide approximately six (6) feet of additional width to the public right-of-way at Bridge Street; and
- WHEREAS: The City desires to implement the conceptual design for the Downtown Waterfront, including the area known as Farmin's Landing, as developed by Bernardo Wills Architects as part of the City's 2021 Parks and Recreation Master Plan. This concept includes the removal of the existing access ramp to Bridge Street and construction of a stairway from Bridge Street to Farmin's Landing, as well as stormwater, landscape, hardscape and other site improvements; and
- WHEREAS: Pursuant to Idaho Code § 50-1401, City Council is empowered to sell, exchange or convey, by good and sufficient deed or other appropriate instrument in writing, any real property owned by the City which is underutilized or which is not used for public purposes; and
- WHEREAS: Pursuant to Idaho Code § 50-1402, whenever City Council proposes to convey, exchange or offer for sale any real property, it shall first declare the value or minimum price, if any, it intends to receive as a result of such conveyance or exchange and may contract for or provide that the property be appraised; and

WHEREAS: To that end, a property exchange has been negotiated between the City and Bridge Street, LLC, as follows:

- Bridge Street, LLC, will acquire approximately 3,678 square feet of the City Parcel known as Kelchs Addn All Walkway valued at \$410,000; and
- Bridge Street, LLC, will give the City approximately 890 square feet of additional right-of-way on the north side of Bridge Street valued at \$46,673; and
- Bridge Street LLC, will remove the existing access ramp to Bridge Street and construct a retaining wall valued at \$182,680 where the ramp currently exists in conjunction with the construction of its building foundation wall; and
- The City of Sandpoint will construct stairs connecting Bridge Street to Farmin's Landing with a connection through the Bridge Street, LLC parcel. The estimated value of this is \$150,000 which will be shared with Bridge Street, LLC contributing \$75,000 towards the project; and
- Bridge Street, LLC, will provide a public easement (east/west for public use and access to the stairs; and
- Bridge Street, LLC, will construct a 12-ft wide sidewalk/pavers as approved by the City adjacent to the property line (258 linear feet), to include new curb, ornament lights and street furniture consistent with City standards. This is valued at \$74,055.
- Bridge Street, LLC, will pay the City of Sandpoint \$181,592 to be used towards construction of the Downtown Waterfront at Farmin's Landing concept, including the construction of a dock retaining wall and other stormwater and landscape improvements on the City Parcel between the Bridge Street, LLC, parcel and the dock.

NOW, THEREFORE, BE IT RESOLVED THAT: As outlined above, City Council hereby declares the property values and minimum price the City intends to receive as a result of this exchange of real property.

BE IT FURTHER RESOLVED THAT: As required by Idaho Code § 50-1402, a public hearing regarding this proposed property swap will be scheduled, with notice published at least 14 days prior to the date of the hearing.



Shelby Rognstad, Mayor

ATTEST:

Melissa Ward, City Clerk

Moved by:	Aispuro
Seconded by:	Darling
Voted Yes:	Williamson, Ruehle, Aispuro, Darling, McAlister, Groat
Voted No:	
Abstained:	
Absent:	