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BONNER COUNTY COMMERCIAL REAL ESTATE

“Growth Beyond the Resort.”

**Patrick
Green**



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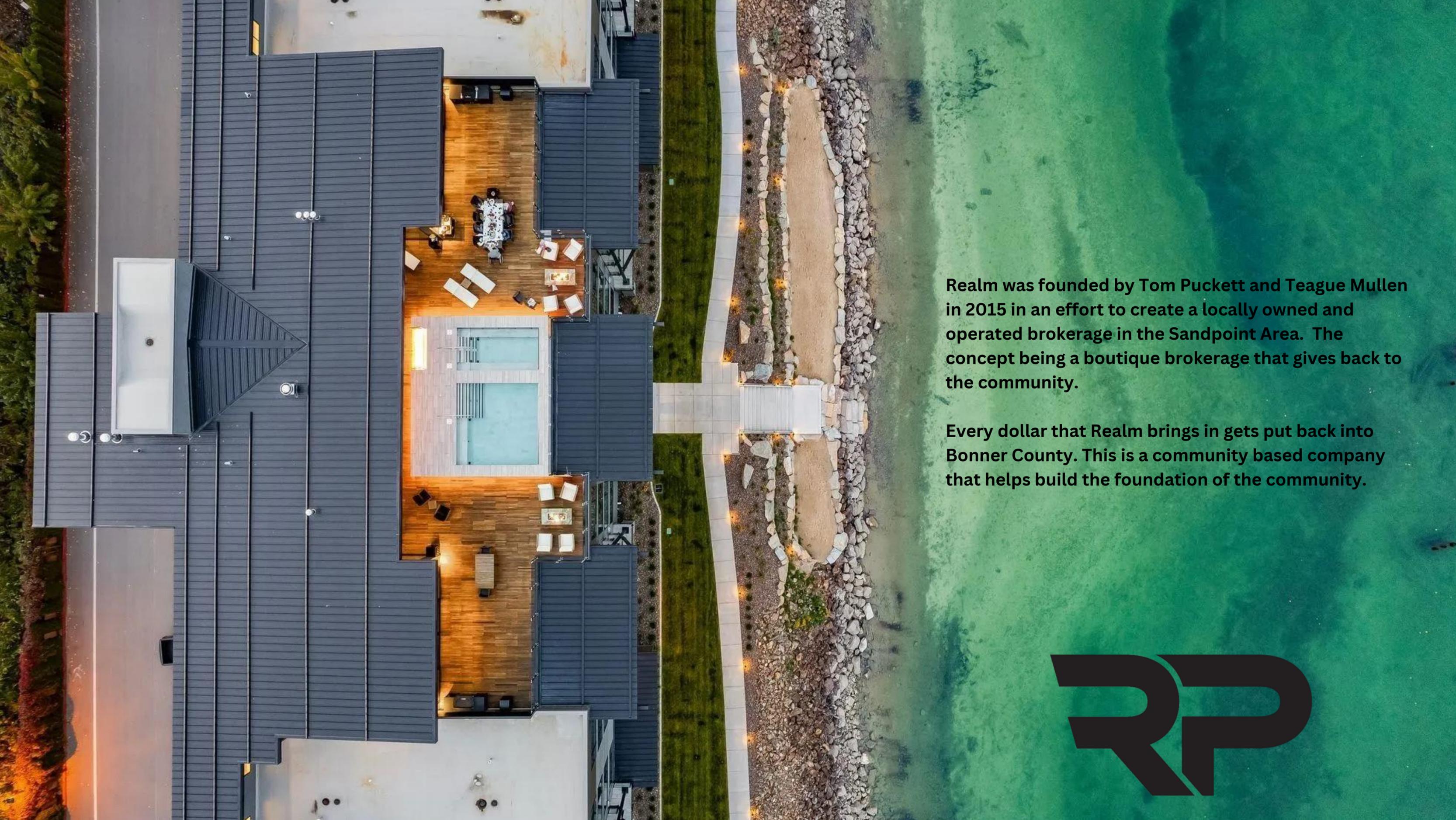
Originally from Lake Geneva, Wisconsin I grew up in a lake/resort community. I attended Holy Cross College in Notre Dame, Indiana. After graduation, I spent time in Jackson Hole, Wyoming, Ketchikan, Alaska, and Breckenridge, Colorado.

I relocated to North Idaho over a decade ago for a job in the boating industry with Hagadone Marine Group, and ultimately Tobler Marina.

After the acquisition of Tobler Marina in 2023 I departed the boating industry after a 20 year career to focus on Real Estate.

My wife Teresa and our two boys live in Sagle, Idaho. In addition to the Inland Northwest RE Research Committee, I'm also an MLS Board Member, and a Board Member for the Idaho Panhandle Avalanche Center and an active team member with Bonner County Search & Rescue.

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Realm was founded by Tom Puckett and Teague Mullen in 2015 in an effort to create a locally owned and operated brokerage in the Sandpoint Area. The concept being a boutique brokerage that gives back to the community.

Every dollar that Realm brings in gets put back into Bonner County. This is a community based company that helps build the foundation of the community.



About Bonner

County



The Growth Story

- **Population Surge:** Estimated 2026 population of 56,447, a 2.26% annual increase. The county has grown nearly 40% since 2010, consistently outpacing national averages.
- **Demographic Shift:** Median age is 48.1 years, reflecting a strong influx of high-net-worth retirees and "equity-rich" remote professionals from coastal markets.
- **Labor Force Resilience:** Unemployment remains low at ~3.5%, supported by a diverse economy that transcends typical "resort town" volatility.

Core Industry Sectors

- **Manufacturing**
 - Litehouse Foods
 - Encoder Products
- **Aerospace**
 - Quest/Daher Aircraft
 - Aerocet
 - Timberline Helicopters
 - Savage Aviation
- **Outdoor/Tourism**
 - Schweitzer
 - Western Pleasure
 - Pine Street Woods
 - The Pond Ice Rink
- **Natural Resources**
 - Idaho Forest Group
- **Technology**
 - Kochava
 - SandTech Solutions
 - MAD Energy



The "Golden Triangle"



While Spokane is the metro hub and Kootenai is the industrial engine, Bonner is the "Quality of Life" anchor that is increasingly attracting high-value commercial investment.

Commercial Trends in Bonner County

Diversification of Assets: It's not just tourism.

- **Industrial/Flex Space:** There has been High demand for "automation-ready" facilities and small-bay flex spaces in Ponderay and near the Sandpoint Airport.
- **Mixed-Use Development:** We are seeing a shift toward downtown Sandpoint revitalization (e.g., Phase 3 of the Downtown Streets Plan) which integrates retail with higher-density residential.

The Opportunity Zone Factor:

- Downtown Sandpoint and its shoreline are in a federal Opportunity Zone, making it a prime target for long-term capital gains reinvestment in hospitality and tech sectors.

Inventory Snapshot:

- Average list price for commercial acreage: \$900,000 - \$1,000,000.
- Recent listings show a surge in US-95 corridor properties, particularly in Ponderay and Kootenai.

Construction & Infrastructure Catalysts

- Phase 3 of the Sandpoint Downtown Revitalization is hitting its stride in 2026. This includes building-face-to-building-face reconstruction of First Avenue, fiber extensions, and multimodal upgrades.
- "We aren't just beautifying; we are building the infrastructure (fiber/utilities) that modern commercial tenants demand."



Construction & Infrastructure Catalysts

- **Bridge & Road Logjams: Update on the Rapid Lightning Bridge #5 (completion expected 2026) and the Colburn Culver projects. These are critical for regional logistics and "last-mile" delivery services.**
- **The "Ponderay Move": McNearney Road paths and infrastructure aimed at connecting the "Field of Dreams" area to the commercial core, signaling a massive future expansion of the Ponderay commercial footprint**



The Local Economy: Beyond the Ski

Will

The "Non-Labor Income" Edge:

- Unique to Bonner County, over 50% of net growth in personal income comes from non-labor sources (investments/dividends). This creates a recession-resistant retail and service environment.

Sector Growth:

- Aerospace & Tech: The continued presence of Kodiak and Kochava are anchors for high-paying commercial tenants.

Healthcare:

- An aging, wealthy population is driving demand for specialized medical office space and assisted living facilities.

Closing Thought: Bonner County is transitioning from a "seasonal resort economy" to a "year-round professional hub."



Bonner County Opportunity Zones

Local Tax Incentives for Real Estate Development

The Current Landscape

- **Primary Zone:** Focused on Sandpoint (Census Tract 16017000500), covering downtown and industrial corridors.
- **2026 Expansion:** Under the OBBBA "OZ 2.0" framework, rural areas like Priest River and Oldtown are prime candidates for designation this year.
- **The "Rural Advantage":** Bonner County qualifies for more aggressive incentives than urban areas (e.g., Boise) to spur local growth.

The Three-Tiered Tax Benefit

1. **Deferral:** Delay paying taxes on original capital gains until 2031.
2. **Reduction:** Decrease the original tax bill by up to 30% (Basis Step-up) for rural investments.
3. **Elimination:** Pay \$0 federal capital gains tax on all appreciation if held for 10+ years.

“Commercial Real Estate in Bonner County don’t always carry a initial benefit. You can’t always look at CAP Rates. The opportunity zone allows for long term viable holds. The trends we are typically seeing, are people 1031'ing out of bigger higher end markets, and coming here and structuring a long term hold.”

C-PACE Financing



C-PACE (Commercial Property Assessed Capital Expenditure) is a game-changer for Idaho real estate.

As of February 2026, Sandpoint has officially moved from "investigating" to "active" status, becoming one of six cities in the state to fully implement this financing tool.

Long-Term, Non-Recourse Capital for High-Performance Buildings

The Structure: Financing is provided by private lenders, but it is repaid via a voluntary assessment on your property tax bill.

Transferable Debt: Because the loan is attached to the property, not the owner, the repayment obligation automatically transfers to the next buyer if the asset is sold.

Is Bonner County open for business?

Sandpoint City Vision & Regulatory Evolution



- **Culture Shift:** The City is trying to moving away from past "hostile" attitudes toward outside investment. The current focus is on a professional, rules-based approach to growth.
 - **Guiding Principles:** All development is driven by the Comprehensive Plan (the "Vision") and local codes (the "Rules").
- **Key Zoning Updates:**
 - **Residential:** New ordinances promote affordability by enabling diverse housing types (ADUs, cottage courts, etc.).
 - **Commercial/Downtown:** Updates to the "Downtown Core" and "Outer Core" aim to foster a thriving economic center with better setbacks and design standards.
- **The Goal:** Streamline regulations to reduce friction for developers, as private investment is essential to fund public infrastructure (streets, sewer, parks, police, and fire).

The Averill Hotel Project (Status Update)



Entitlements: The developer holds an approved Conditional Use Permit (CUP) and can proceed on their private property today.

Bottleneck: The project is stalled due to developer requests for control over public resources (the City Beach RV Park/public parking) that exceed reasonable public-to-private concessions.

Priest

Joslyn Park Master Plan

River

1. paved (10.4 acres)
2. paved (10.4 acres)
3. paved (10.4 acres)
4. paved (10.4 acres)
5. paved (10.4 acres)
6. future Marina
7. reserved for future Commercial
8. parking lot - with boat trailers

9. Soccer field
10. Maintenance Building and Yard
11. Plaza space
12. Children's play Area
13. Park pavilion/performance zone and Restroom
14. Park "Meadow"
15. New Swim Beach

16. Dog park
17. Lighted softball/baseball fields with Restroom
18. waterfront park trail (all trails ADA compliant)
19. possible trail connection below Railroad Bridge
20. Wetland boardwalk, interpretive walk
21. Land dedicated To City
22. ADA swim Access
23. ADA Kayak Launch

24. RV Campground with shelter and restrooms
25. Trailside water Access & Hooper Take out
26. fishing Dock
27. undeveloped Natural Area
28. shade structure
29. Restroom
30. general riverbank stabilization
31. stormwater upgrade
32. Marine fueling station



The future of Lake Life in Bonner County

- **Unique Lake**
 - **Access to Multiple Municipalities Via the Waterways**
- **Commercial Waterfront Opportunities**
 - **A few commercial opportunities available now**
 - **Farmin Building Downtown Sandpoint**
- **Boating Industry Expansion**
 - **Specialty Recreation buys North Idaho Powersports**
- **The Damn Dam**





University of Idaho Study Reveals Lake Operations Cost Bonner County Nearly \$44 Million a Year

Key Findings

The tourism segment of the Bonner County economy currently accounts for **\$410.6 million annually** in economic transactions and **\$233.7 million** in Gross Regional Product, representing roughly **11% of the total economy** and **18% of regional employment**.

\$43.9M

Total lost economic activity per year

435

Full-time jobs eliminated

\$14.3M

Lost wages & salaries annually

\$25.2M

Lost Gross Regional Product annually

The study also documents **\$34.1 million** in annual tax contributions from the existing tourism economy — including \$14.3 million in property taxes, \$16.1 million in sales and excise taxes, and \$3.7 million in income taxes — revenues that would grow proportionally under an extended season.

- ✓ Full pool May through October — Keep the lake at 2,062 feet for six months, not the current 2.5 months.
- ✓ Winter pool at 2,056 feet — Instead of 2,051. Still provides over 567,600 acre-feet of flood storage.
- ✓ Transparent cost accounting — Strip the regional overhead out of Albeni Falls' books.
- ✓ Collect what's owed — Downstream projects have benefited from Idaho's storage for 70 years.
- ✓ Treat all five purposes as co-equal — Power is not king. It never was.



Thank you for your time!



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