

# Memorandum

**REPORT TO:** City Commission

**FROM:** Sarah Rosenberg, Associate Planner  
Brian Krueger, Development Review Manager  
Erin George, Director of Community Development

**SUBJECT:** Review and reconsider the Boutique Hotel, Located at 240 E. Mendenhall, Site Plan and Commercial Certificate of Appropriateness with a Deviation, Application 24147

**MEETING DATE:** August 5, 2025

**AGENDA ITEM TYPE:** Community Development - Quasi-Judicial

**RECOMMENDATION:** **Consider the Motion:** *Having reviewed and considered the application materials, public comment, and all the information presented, I hereby adopt the staff findings as presented in the staff report for application 24147 that the application does meet the criteria required for approval and move to approve with conditions the Boutique Hotel application for the deviation requested to allow for encroachment of open space hardscaping, a 4-foot awning, and supporting utility infrastructure into the 35-foot watercourse setback.*

**STRATEGIC PLAN:** 4.2 High Quality Urban Approach: Continue to support high-quality planning, ranging from building design to neighborhood layouts, while pursuing urban approaches to issues such as multimodal transportation, infill, density, connected trails and parks, and walkable neighborhoods.

**BACKGROUND:** A site plan/commercial certificate of appropriateness with deviation application at 240 E. Mendenhall Street proposing a six-story hotel with amenities on a vacant parcel that currently serves as a parking lot. There is a basement that provides covered bicycle parking, storage, and supporting building service infrastructure. The first floor includes a hotel lobby, commercial space, and back of house operations. Each subsequent floor includes hotel rooms, and a rooftop bar is proposed on the sixth level. The total number of hotel rooms is 71. Included with this application is a deviation request to allow for encroachment of structures into the 35-foot watercourse setback along Bozeman Creek. Per BMC 38.410.100, “where a development is crossed by or is adjacent to a watercourse, the developer must mitigate the impacts of the development on the watercourse. This mitigation may not be less restrictive than the requirements of the city floodplain regulations or any other applicable regulation of this chapter. The purpose of this mitigation is bank stabilization; sediment, nutrient and pollution removal; and flood control.” Since the subject property was platted

prior to July 10, 2002, the setback along Bozeman creek is 35-feet along both sides of the watercourse. The development proposes hardscaping for the open space, a 4-foot awning, and supporting utility infrastructure to encroach about 30-feet into the watercourse setback along the eastern portion of the property. The building footprint is outside of the watercourse setback. Per BMC 38.200.010.A.1, where the deviation is for more than 20 percent of the standard, the City Commission is the review authority and must conduct a public hearing for this application. A deviation can be requested for properties within the NCOD due to most of historic Bozeman preceding zoning regulations and to encourage activity that would contribute to the overall historic character of the community. The criteria for granting deviations from the underlying zoning requirements are outlined in BMC 38.340.070. This site had a previous site plan application (no. 19445) with deviation request that was approved on March 9, 2020, by the City Commission to allow for encroachment of open space hardscaping and a 4-foot awning into the 35-foot watercourse setback. The project was to develop a six-story mixed-use building with open space along Bozeman Creek. The approval of the application expired. This application was heard by the City Commission on May 20, 2025 and resulted in denial. The City Commission voted to reconsider the application at its regular meeting held on Tuesday, June 24 to a certain date of August 5, 2025.

**UNRESOLVED ISSUES:** There are no unresolved issues with this application.

**ALTERNATIVES:** 1. Deny the application based on the Commission's findings of noncompliance with the applicable criteria contained within the staff report; or 2. Approve the application; 3. Approve the application with the addition of specific conditions based on the Commission's findings; 4. Continue the public hearing on the application, with specific direction to staff or the applicant to supply additional information or to address specific items.

**FISCAL EFFECTS:** None

Attachments:

[24147 staff report CC 2.0.docx](#)

Report compiled on: July 22, 2025