

# Zoning Amendment – Woodland Drive Development

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Lots 1-5 in Block 1 in Creekside Subdivision



# Overview

- The City of Sturgis has applied for a zoning amendment to rezone property in Creekside Subdivision
  - Lots 1-4 from Park Land to Medium-Density Residential Housing
  - Lot 5 from Park Land to RV Park/Campground
- Within boundaries of Tax Increment District #15
  - Created in 2018 to subsidize the sales price of housing
  - TIFD funds provided additional infrastructure improvements, such as sewer, water, and storm water upgrades
  - Lots 1-4 developed for single-family housing
  - Lot 5 to be surplused to neighboring property (100-year floodplain)



# Location



# Overview

- Use of City-owned property continuously analyzed for highest possible use
- At times, this includes leasing or surplusing underutilized property
- City looks to infill underutilized property to respond to the demand for workforce housing (<\$200,000)
- Developing vacant land surrounded by development provides improvements that are also beneficial to existing property owners



# Overview

- In 2015, City Council continued long-term goal of enhancing gov't efficiency, including surplus and repurposing underutilized land owned by the City
- Allows for additional funds to enhance existing parks and allow for efficient maintenance of land
- Several projects included as part of Capital Improvement Plan



# Recent Improvements to the Area

Area	Status
Area west of Community Center	Shaded park facility installed in 2018
W. Woodland Dr	Road widened and realigned, Bike Path realigned in 2018
9 <sup>th</sup> Street Bridge	Currently under construction (mid-2019)
6 <sup>th</sup> Street*	Stormwater upgrades, additional paving, upgraded water line (completion mid-2019)

\*Improvements funded through TIF proceeds



# Benefits to 6<sup>th</sup> Street

- City added storm sewer
- City will add curb and gutter
- City will asphalt 6<sup>th</sup> Street
- City water line upgraded from 4 inch to 6 inch
- Cost is \$63,300 for upgrades
- None of the costs were paid by the property owners







Extra storm sewer

New Asphalt Road

Select objects:





Lot now has  
sewer and  
water

Select objects:

10

# 2014 Housing Study

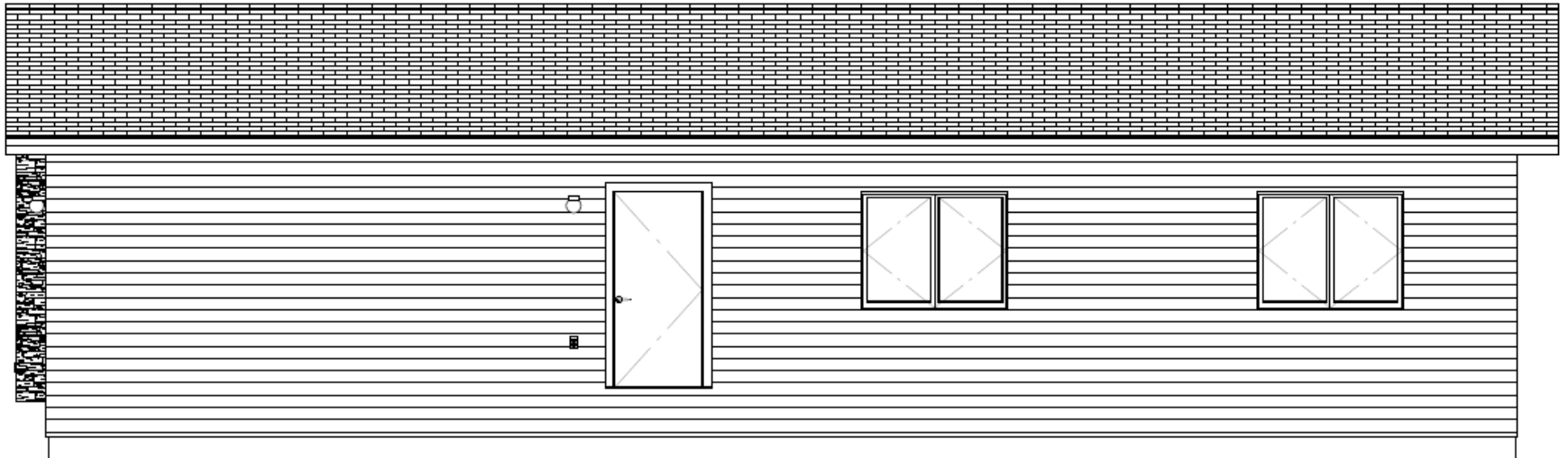
- Determined a significant need for all types of housing, including owner-occupied workforce housing priced \$200,000 or lower
- Although development in Sturgis has increased, there is a shortage in workforce housing
- City-owned land on W. Woodland Drive was identified as an area for potential development
- Build four single-family homes that will match the nature of surrounding development



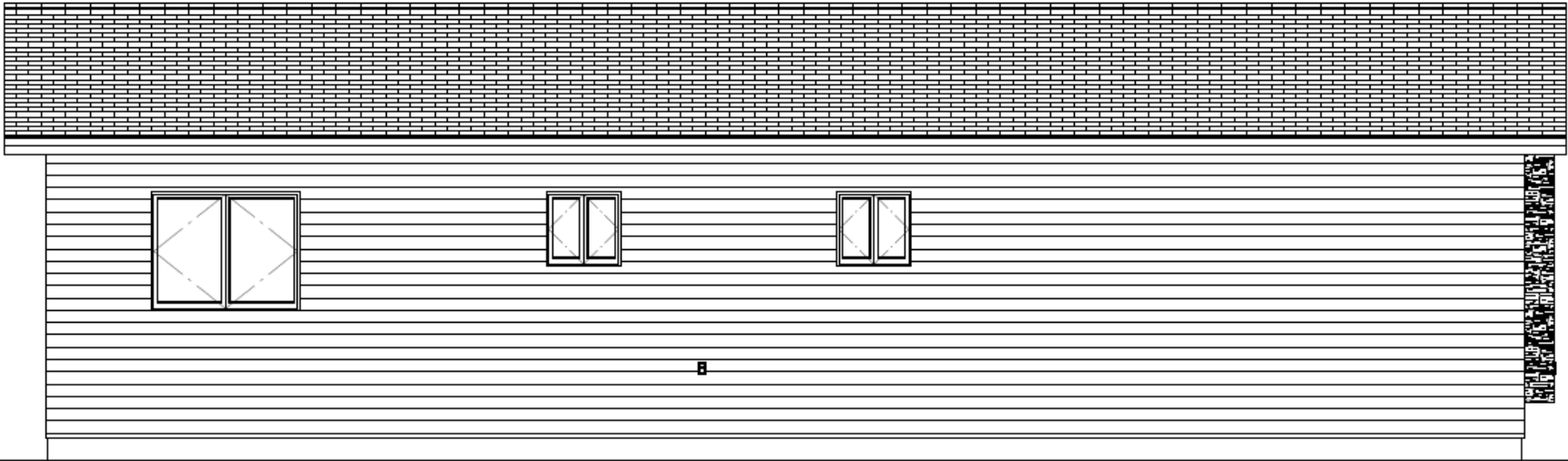
# Governor's Houses



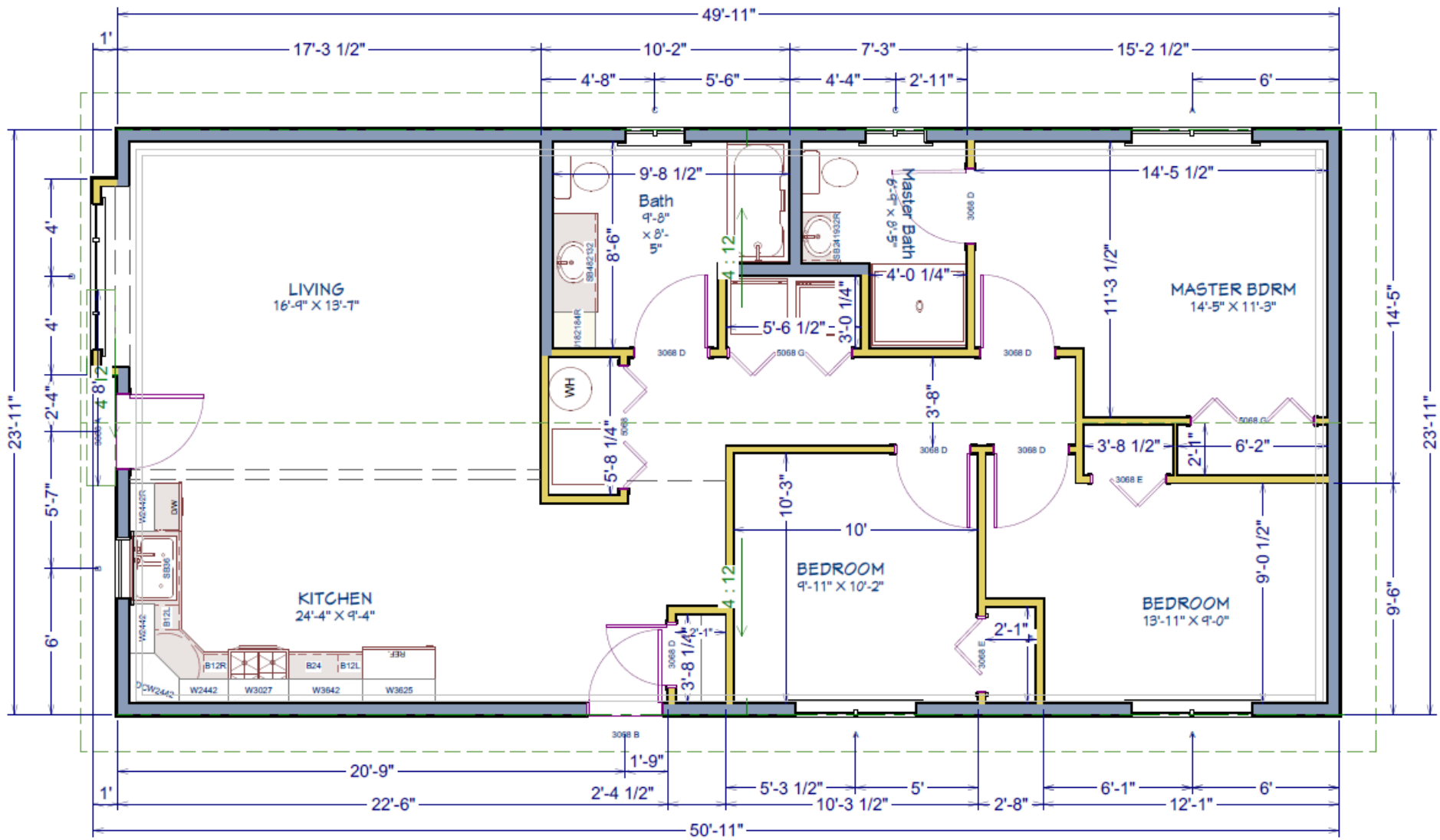
- 3-Bedroom 1200 sq ft. home
- Attached 2-car garage w/ paved driveway
- Project information available on the City of Sturgis official website



Left Elevation 1/4"=1'



Right Elevation 1/4"=1'



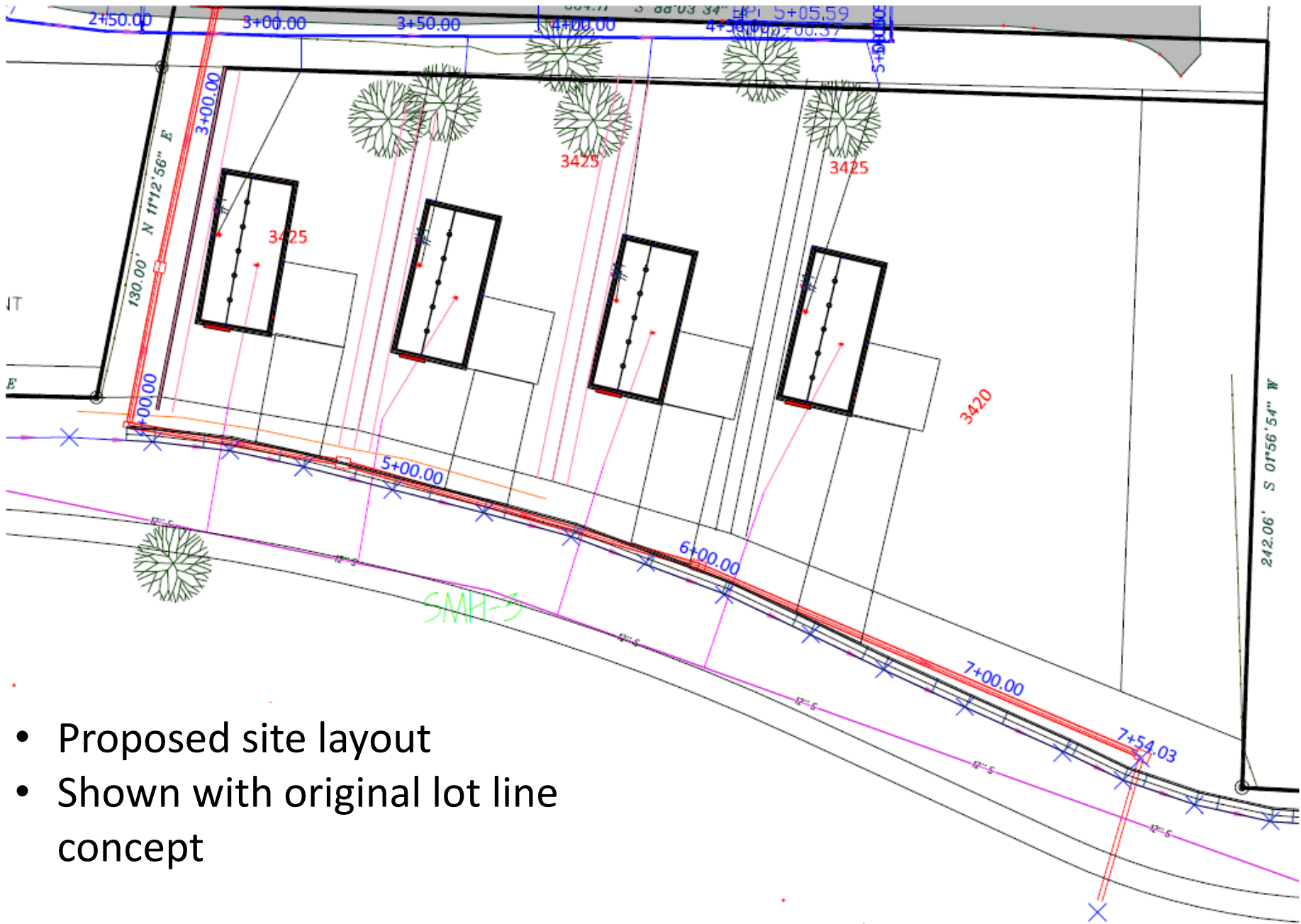




# SD Housing Development Authority Requirements

- Adjusted gross household income will not exceed:
  - **\$49,910.00 for household of 2 or less** (or 70% of state median income), or
  - **\$57,040.00 for household of 3 or more** (or 80% of state median income)
- Must be one and only place of residence; one purchased per lifetime
- There is a limitation of total net worth and liquid assets
- Penalty of \$5,000 payable to SDHDA if rented within 3 years of purchase
- Cannot borrow against equity of the home within 3 years of occupancy (second mortgage)
- If sold within 3 years, owner shall pay to SDHDA an amount equal to the difference between the purchase price plus documented improvements and the sale price
- If homes are rented to another individual within 10 years, any rental of the house must be to tenant(s) whose income is no more than 60% of the current state median income
- Restrictive covenants will be filed with the Register of Deeds





- Proposed site layout
- Shown with original lot line concept

# Zoning Amendment

- Rezoning of the property can commence that the property is surveyed and plat has been approved
- Lots 1-4 rezoned to Medium-Density Residential Housing
- Lot 5 rezoned to RV Park/Campground
- Requested zones are contiguous to existing zones to the east and west
- Lot 5 not intended for development, is within 100-year floodplain
- Lots 1-4 to be developed to meet some workforce housing needs in the community



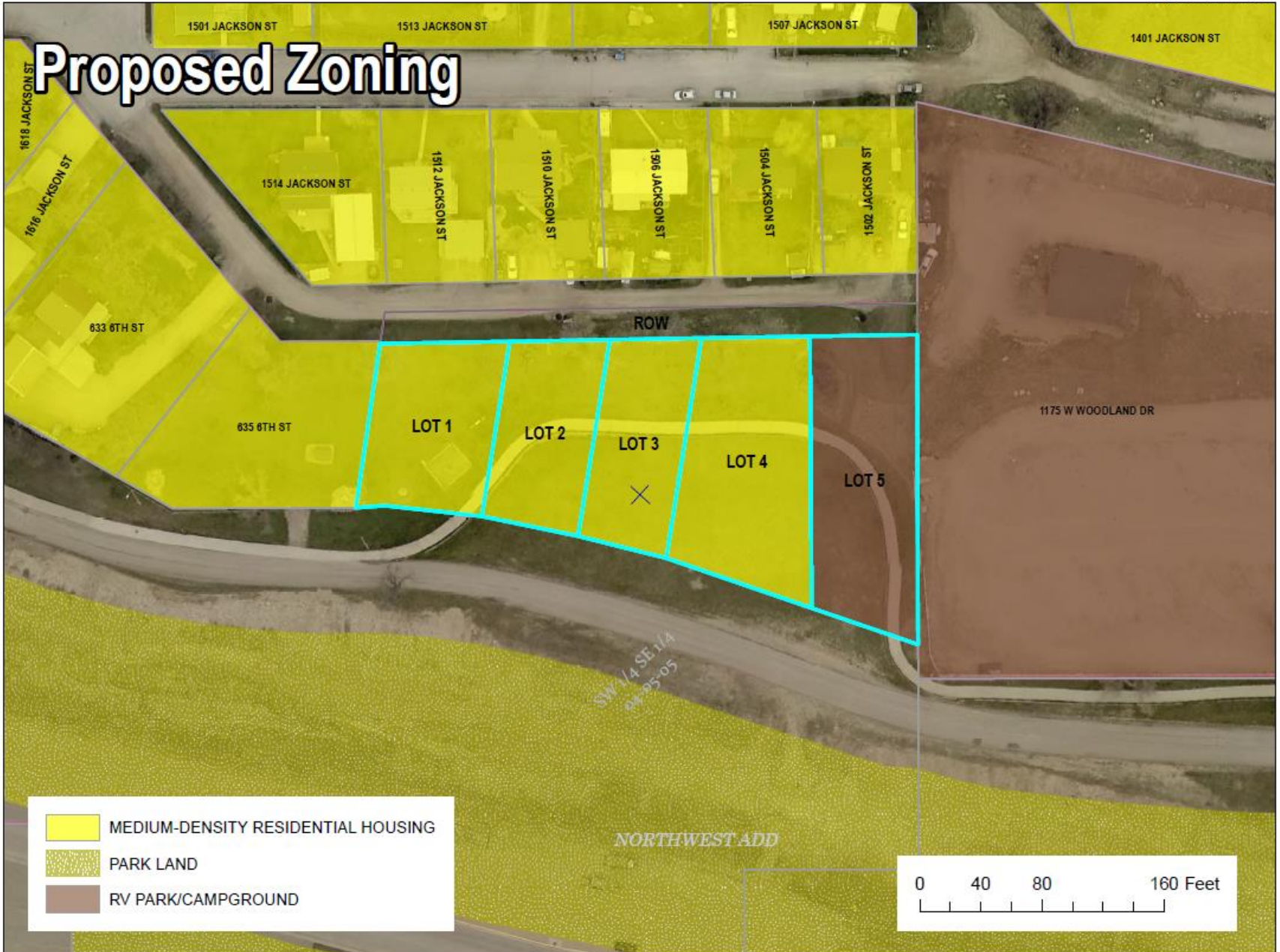


# Current Zoning





# Proposed Zoning






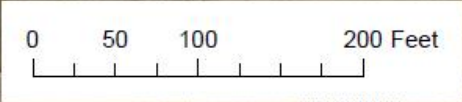
# Public Meetings and Notifications

Date	Topic
August 23, 2017	Parks Board discussion on Capital Improvement Schedule
March 2018	City SIP newsletter re: TIF creation
April 2, 2018	City Council agenda considering bids for Woodland Dr. and 7 <sup>th</sup> St.
April 4, 2018	Parks Board discussion on Community Center Park and repurposing public land
April 16, 2018	City Council agenda approving creation of TID #15, Creekside development and project plat
November 7, 2018	Parks Board discussion on Community Center Park and Woodland Dr. property
November 19, 2018	City Council agenda approving bids for improvement on 6 <sup>th</sup> St.
November 28, 2018	Townhall meeting at Community Center
April 2019	City SIP newsletter re: Zoning Amendment
May 7, 2019	Planning Commission meeting to consider Zoning Amendment

# 150' Notification Zone



 Creekside\_Subdivision\_150\_Buffer1



820 KINSHIP ST









*This aerial view by Gary Coe shows Bear Butte Creek where it carried away the Seventh Street bridge approach and part of the new tennis court erected in the floodway.*





# Budget Impact

- Improvements made for utility infrastructure have been added at no additional cost to surrounding landowners due to TIF funds
- Growth in households will increase municipal utility revenue and sales tax revenue
- Anticipated annual return to City:
  - \$4,140 City Property Tax (once TIF is repaid)
  - \$3,204 City Sales Tax
  - \$1,708 Waste Water revenue above added costs
  - \$ 808 Water revenue above added costs
  - \$ 348 Sanitation revenue above added costs





## Budget Impact (Cont.)

- 6<sup>th</sup> St Road surface and utility infrastructure improvements have provided upgraded services
- Undeveloped lot now has services
- City will collect revenue via Sturgis Economic Development Corp as a result of the surplus of Lot 5 and from the sales of four workforce houses



# Staff Recommendation

- Planning Commission voted to recommend approval
- Rezoning necessary step that will allow a new housing project to conform to the surrounding area
- Project is part of a capital improvement project to provide additional workforce housing
- Staff recommends the approval of the zoning amendment

