

STAFF REPORT

Application: Ordinance Amendment to Allow Accessory Structures without Principle Structure

Applicant: Joe Datzman

Agenda Item: 3(b)

Background Information: The applicant is requesting an Ordinance amendment to allow accessory structures without a principle structure in zoning districts other than Shoreline Residential. Currently the Ordinance allows accessory structures to be built without the establishment of primary use with the Shoreline Residential Zoning District.

The applicant currently owns a piece of property that is zoned part Forest Residential and part Open Space. The applicant would like to place a storage shed on this parcel, which is 40 acres. He has stated if he cannot do this he would have to sell the property and he feels the allowance of accessory structures without a primary structure only being allowed in Shoreline Residential is discriminatory.

Prior to 2002, the Ordinance did not allow for any accessory structures without the establishment of a principle structure first. The change was made for shoreline properties for two reasons:

1. It was felt that socially the notion of buying a lot, years later establishing a garage and years later establishing a principle dwelling was part of the Emily experience. It has been a way of life for many in the City.
2. With the high value of shoreline, there is very little risk that the property would not be fully developed in the near future.

To illustrate the second point, we can examine the Improvement to Land value ratio, also often called a Redevelopment Ratio. This is an examination of the value of the improvements on a piece of property in comparison to the value of the underlying property. For rural areas with plenty of available land, a Redevelopment Ratio greater than one is generally a stable situation. Less than one and there is a greater likelihood of redevelopment.

Consider the following examples:

Shoreline Property with Dwelling and Garage

Land Value: \$250,000

Improvement Value (Dwelling and Garage): \$350,000

I/L ratio = $\$350,000 / \$250,000 = 1.4$

This is a stable I/L ratio – this property is not likely to be redeveloped.

Shoreline Property with Garage (no dwelling)

Land Value: \$250,000

Improvement Value (Dwelling and Garage): \$25,000

I/L ratio = $\$25,000 / \$250,000 = 0.1$

This is an unstable I/L ratio – this property is very likely to further developed.

Forested 40-acre Parcel with Garage

Land Value: \$80,000

Improvement Value (Dwelling and Garage): \$25,000

I/L ratio = $\$25,000/\$80,000 = 0.3$

This is an unstable I/L ratio – this property is likely to be further developed.

Residential Lot of with Garage

Land Value: \$25,000

Improvement Value (Dwelling and Garage): \$25,000

I/L ratio = $\$25,000/\$25,000 = 1$

This is a stable I/L ratio – this property is not likely to be further developed.

Proposed Amendments: The applicant has not submitted any language they would like to change, they have just submitted the concept. The following language is what is currently allowed in the Shoreline Residential District:

5.6 Shoreline Residential (SR).

3. Performance Standards (SR):

- G. Establishment of Primary Use. All garages permitted without principle dwelling units shall have adequate buildable area for a principle dwelling unit, a sewer treatment system and a well. Applicants for garages without principle dwelling units shall submit a sewer design by a licensed designer for the future principle structure before obtaining a permit.

Planning Commission Direction: The Planning Commission may recommend approval of the Ordinance amendment by deciding which districts they would like to allow this in. The Commission may deny the Ordinance amendment or table the application to gather further information.

Staff Recommendation: We have had this discussion many times over the past seven years. The main reason not to make a change of this type is the fact that the public has made investments in infrastructure (roads) throughout the City to serve these lots. We currently do not have enough tax base to properly maintain those roads. While it is tempting to add a little bit of tax base in the short term by allowing people to buy properties in the City solely to be used for a storage garage, in the long-term this will not address the tax disparity. Putting garages on our residential lots without a dwelling will simply, as shown in the Redevelopment Ratio examples, enshrine a tax base that is permanently lower than what is needed to maintain the infrastructure that is supported by it. This will cause the City to either raise taxes citywide to support the infrastructure, reduce maintenance and allow infrastructure to deteriorate, or both.

Prior Commissions and Councils have remarked that they do not want local taxes raised so that the City of Emily can provide infrastructure for cheap land for storage to wealthy shoreline property owners in neighboring communities.

This financial disparity, the threatened loss of opportunity for growth, is most critical in the properties just off the shoreline. These are largely zoned Rural Preservation, Neighborhood Residential or Downtown Mixed-Use. Even with a garage, property zoned Forest Residential would maintain a healthy Redevelopment Ratio, along with ample

land for redevelopment. If accessory structures were allowed in the Forest Residential zone, it likely would have little impact on the overall tax disparities in the City.