



Board of Adjustment Agenda Item

Subject: Board Consideration of a Conditional Use Request for Hotel/Motel/Inn in the C-1 Community Commercial District located at 23 2nd Street NE

Meeting: Board of Adjustment - Jun 26 2025

From: Kristen Bobzien, Interim City Manager/Chief Financial Officer

BACKGROUND INFORMATION:

Owner/Applicant: City of Watertown

Property Address: 23 2nd Street NE, Watertown, SD 57201

Legal Description: Lots 1-2 & E10' Lot 3 & W6.9' 2 St Abutting Lot 1 Block 3 of Original Plat to the Municipality of Watertown, Codington County, South Dakota.

Conditional Use Request:

The applicant is seeking a Conditional Use pursuant to §21.2503 for 9. Hotel/Motel/Inn in the C-1 Community Commercial District; contingent upon compliance with Specific Rules Governing Individual Conditional Uses §21.0202 under 2.b.7. a - h at the previous City Hall location. The property is 10,750 SF, or 0.2 acres, which conforms with the minimum lot area requirement of 625 SF in the C-1 District. The C-1 District is unique in that it allows for 0' setback requirements and does not have the same off-street parking requirements found in other zoning districts. A provision for off-street parking states: §21.6301.7. The C-1 Community Commercial District shall be exempt from off-street parking requirements. Exception: Properties that contain more than four (4) residential units shall provide a minimum of 50% of the required parking spaces in accordance with 21.6302 which states Apartments require 1 stall/bedroom. (Ex. if there were 10 2-bedroom apartments being constructed downtown in the C-1 District, 10 off-street parking spaces would be required per ordinance.) The hotel/motel/inn is similar to this provision with units for transient residents. In other commercial districts, the off-street parking requirement for Hotels/Motels/Inns is 1/sleeping room plus 1/each two employees plus 1/300 SF gross floor area for meeting/restaurant/bar areas.

The site can accommodate 16 parking stalls on the ground floor. There are 14 parking spaces immediately adjacent to the property on 2nd Street NE and a public parking lot within 100' of the property with approximately 70 parking spaces. There are event venues for receptions, bars/restaurants, Foundation Plaza, and many retail establishments downtown Watertown. The Guest House that is located downtown is also a hotel/motel/inn, however, it does not currently take nightly reservations and only rents monthly as an extended stay model. The City is applying for this conditional use to market that the property could be developed as a hotel/motel/inn.

Facts:

- The property is located in the D-T Downtown Overlay District.
- The current structure is not registered on Watertown's National Register of Historic Places.

- The Marketplace project approved for a conditional use for apartments over 4 units in October 2021 was required to have 62 off-street parking spaces with 62 units and 78 bedrooms proposed.
- The Ruins project approved for a conditional use for apartments over 4 units in October 2021 that had not finalized bedrooms was required to have 1 parking stall per unit.
- The ordinance was amended following those projects to allow 50% of the required parking for apartments that require 1 stall/bedroom in other districts to create consistency and an exception for the C-1 District with the on-street parking availability and general nature of downtown development with smaller lots and 0' setbacks that is unique compared to other districts.
- National occupancy trends for hotels for 63.1% occupancy.

Chapter 21.0202 2 b.7.(a-h) states:

Before any conditional use shall be issued, the Board shall make written findings certifying compliance with the specific rules governing individual conditional uses and the satisfactory provision and arrangement has been made concerning the following, where applicable:

- (a) Ingress and egress to property and proposed structures thereon with particular reference to automotive and pedestrian safety and convenience, traffic flow and control, and access in case of fire or catastrophe.
- (b) Off-street parking and loading areas where required, with particular attention to the items in (1) above and the economic, noise, glare or odor effects of the conditional use on adjoining properties and properties generally in the district.
- (c) Refuse and service areas, with particular reference to the items in (a) and (b) above,
- (d) Utilities, with reference to locations, availability and compatibility.
- (e) Screening and buffering with reference to type, dimensions and character.
- (f) Signs, if any, and proposed exterior lighting with reference to glare, traffic safety, economic affect, and compatibility and harmony with properties in the district.
- (g) Required yards and other open space.
- (h) General compatibility with adjacent properties and other property in the district.

FINANCIAL CONSIDERATIONS:

N/A

OVERSIGHT / PROJECT RESPONSIBILITY:

Brandi Hanten, Community Development Manager
Carla Heuer, Planner

STAFF RECOMMENDATION / SUGGESTED MOTION:

Staff recommends approval of the conditional use through the following motion:

I move to approve the Conditional Use Request for Hotel/Motel/Inn in the C-1 Community Commercial District located at 23 2nd Street NE.

ATTACHMENT(S):

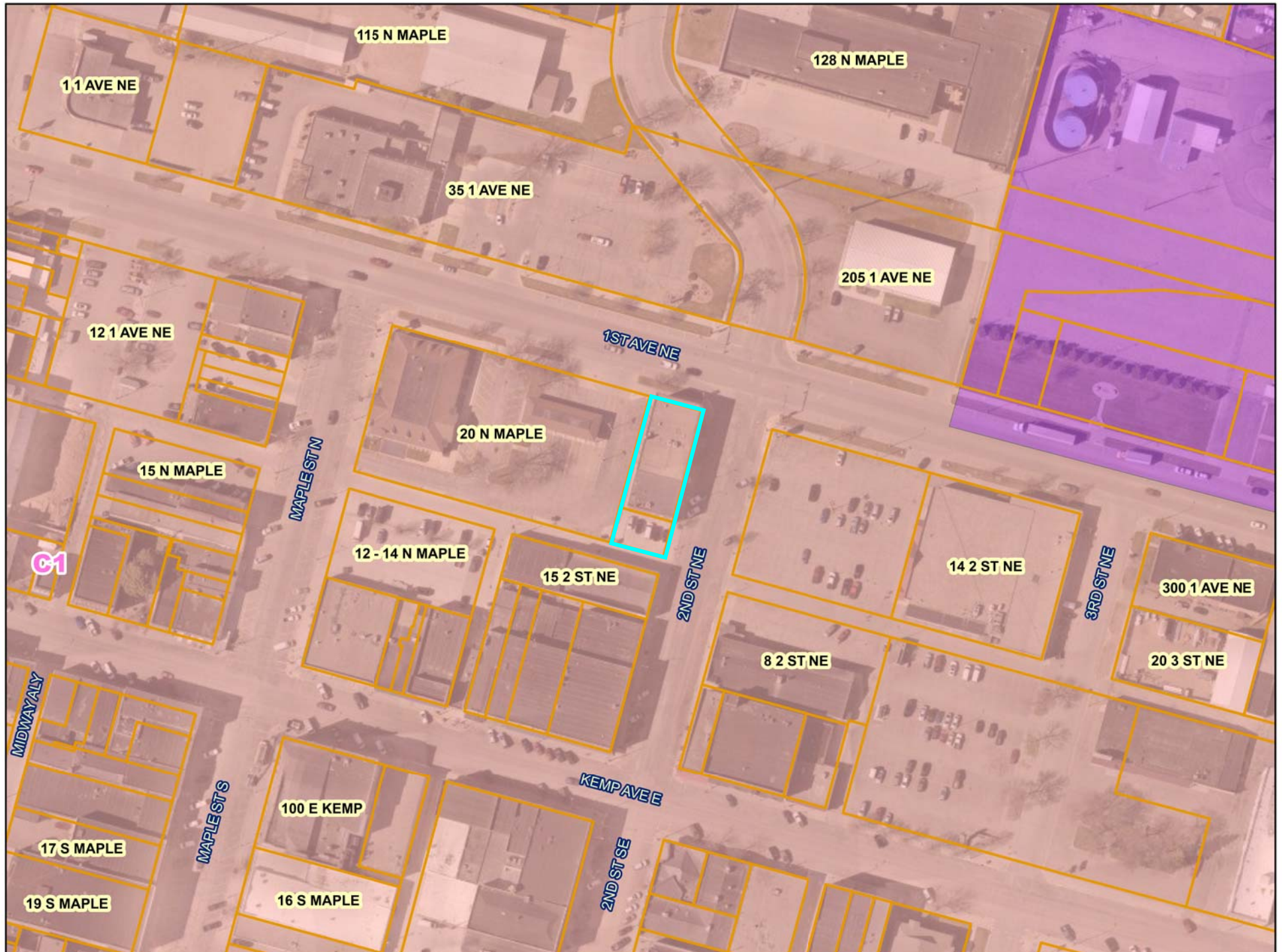
[Vicinity Map](#)

[National Register of Historic Places](#)



Vicinity Map


0 50 100 200 Feet





NATIONAL REGISTER OF HISTORIC PLACES NOMINATION REVIEW MAP



Legend

 Historic District Boundary

 Contributing

 Non-Contributing



NOMINATION FOR:

CLICK HERE TO ENTER
PROPERTY NAME,
ADDRESS OR LOCATION,
CITY, COUNTY
OF NOMINATED PROPERTY

SOUTH DAKOTA
COUNTIES

