



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

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MEMORANDUM

TO: Mayor Allender and City Council Members

FROM: Sarah Hanzel, Long Range Planner III *SH*
Dale Tech, Public Works Director
Ken Young, Community Development Director

DATE: April 10, 2018

RE: Request for Direction from the City Council Regarding the Annexation of Prairie Acres LLC Mobile Home Park

Public Works and Community Development staff request direction from the City Council on pursuing an "involuntary" annexation of the Prairie Acres South Mobile Home Park located at 1980 Seger Drive. This unplatted property is located adjacent to the City limits, and is connected to City sewer per an agreement between the property owner and the City. The agreement requires that the property annex into the City limits or be charged 300% of the sewer rate. The property owner was unable to annex voluntarily due to the requirement in South Dakota Codified Law which requires 75% of registered voters to sign the annexation petition. Following the unsuccessful voluntary annexation attempt, the property owners requested the City to pursue involuntary annexation as an alternative. On December 7, 2015 the City Council directed staff to begin the involuntary annexation process.

The process to involuntarily annex property differs from voluntary annexation in a number of ways. Involuntary, or "forced" annexation requires the completion of an annexation study, notice to the property owners and County Commissioners, and approval of the annexation by the County Commissioners (for unplatted property). In addition, involuntary annexations must follow a two part process with a stringent timeline to bring forward first, a Resolution of Intent to Annex, and second a Resolution of Annexation.

The Community Development Department completed the annexation study which by State Law must 1) determine the need for the contiguous territory and 2) identify the



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resources necessary to extend municipal boundaries. Overall the study found that there is demonstrated need for the annexation, and that costs to the City will be marginal.

However, in the course of developing the study, Community Development staff identified a persistent deficiency in the property's ability to comply with City Mobile Home Park licensing requirements. Inspection staff made multiple visits to the property over the last 16 months and identified several areas where the mobile home park does not comply with City standards. Following each inspection, the property owners were informed of the needs to correct the areas of non-compliance. Some areas needing improvement include lot number size and placement, skirting material, window/door obstructions, and clutter. Though some improvements were made over time the property remains largely non-compliant.

Community Development is reluctant to bring forward and recommend approval of an annexation where the owner will be unlikely to obtain a license to operate the Mobile Home Park in City limits. There are approximately 27 licensed parks within the City currently, several of which are in compliance. The City's experience with the annexation of Mobile Home Parks in the past is that areas that are not in compliance at the time of annexation typically do not improve over time, and are highly problematic in terms of code enforcement.

Community Development is supportive of the annexation, contingent on the property owner first demonstrating their ability to obtain a license. Given that involuntary annexations require approval by the County Commissioners, and certified notice to the property owners and the County Auditor, Community Development does not recommend initiating this process until the code compliance issues are mitigated.

Public Works supports annexation of the property regardless of Mobile Home Park licensing compliance issues. Public Works notes the spirit of the agreement was to have 100% of the property within the City. The following are additional reasons Public Works supports the annexation:

- A portion of the City sewer main will be located in the county if annexation does not occur. Per the terms of the agreement, the City will be obligated to own and maintain the sewer main in the County.
- The Mobile Home complex is owned by a single entity. Approximately 3/4 of the mobile home park is within the City and approximately 1/4 is outside City limits.
- The amendment added the requirement that in the event the property was not annexed, the property outside the City would pay 300% of the rate established by ordinance. Splitting the park between City and non-City will create difficulty in billing as Owner is billed a single bill for the entire mobile home park.
- If annexation does not occur, additional agreements will need to be drafted in order to provide service outside the City to enforce municipal ordinances as they pertain to sewer service.
- The City has made a substantial investment in infrastructure in and around Seger Drive and the Owner's property. It is likely that growth and annexation will occur

around the Owner's property and in the near future could result in an island of un-annexed property being created in this area.

- Annexation of the property will not result in increased street maintenance costs as the streets are not within right-of-way and are privately maintained.
- At this time the Owner has a private water system. However, annexation would allow the City the opportunity to provide water service at such time as the Owner would desire.

In light of these conditions, City staff request direction from the Council to proceed. Refer to the attached Agreements with Summary document from Public Works for more information.

Recommendation: Direct staff regarding the annexation of Prairie Acres Mobile Home Park.

Options: A) Pursue annexation of the property; address the compliance issues after annexation occurs. B) Delay annexation until owner demonstrates that it can obtain a license to operate; amend the agreement to remove the 300% billing upcharge. C) Delay annexation until owner demonstrates that it can obtain a license to operate; do not amend the agreement to remove the 300% billing upcharge and charge the property accordingly. D) Other, as provided by the City Council