

Prairie Acres South Mobile Home Park

Annexation Study

April | 2018

Prepared by:

City of Rapid City | 2018



INTRODUCTION

Cities throughout the United States traditionally use annexation as a means of extending urban services to urbanized or potentially urbanized areas. South Dakota Codified Law (SDCL) 9-4 establishes the procedures by which municipalities annex areas. The first method states that, “upon receipt of a written petition describing the boundaries of any territory contiguous to that municipality sought to be annexed to that municipality, may by resolution include such territory or any part thereof within such municipality if the petition is signed by not less than three-fourths of the registered voters and by the owners of not less than three-fourths of the value of the territory sought to be annexed to the municipality...”¹

The second method requires the City to prepare a study of the area to be annexed. Within the study the governing body shall determine “the need for the contiguous territory and to identify the resources necessary to extend the municipal boundaries.”²

The purpose of this study, the Prairie Acres South Mobile Home Park Annexation Study, is to satisfy the statutory requirements of 9-4-4.1. This annexation study represents a situation where the property owner has attempted voluntary annexation, but has been unable to fulfill the statutory requirements to collect 75% of registered voter signatures located in the Study Area.

The Study Area is identified as a long term priority in “A Resolution Establishing Future Annexation Study Areas.” This resolution was adopted by the City Council on April 2, 2001. By this resolution the City adopted the following annexation goals:

- The annexation of lands which are necessary for the orderly growth and development of the City,
- The annexation of lands which are urbanized or urbanizing to the extent that they require an urban level of services,
- The annexation of lands, the development of which effects the health and/or safety of the residents of the City, and
- The annexation of lands to ensure an equitable tax base.

The goals of this study are to determine the need for annexation of the Study Area, quantify the costs of annexation where possible, and identify and describe those costs where it is not possible to quantify them.

¹ South Dakota Codified Laws 9-4-1.

² South Dakota Codified Laws 9-4-4.1

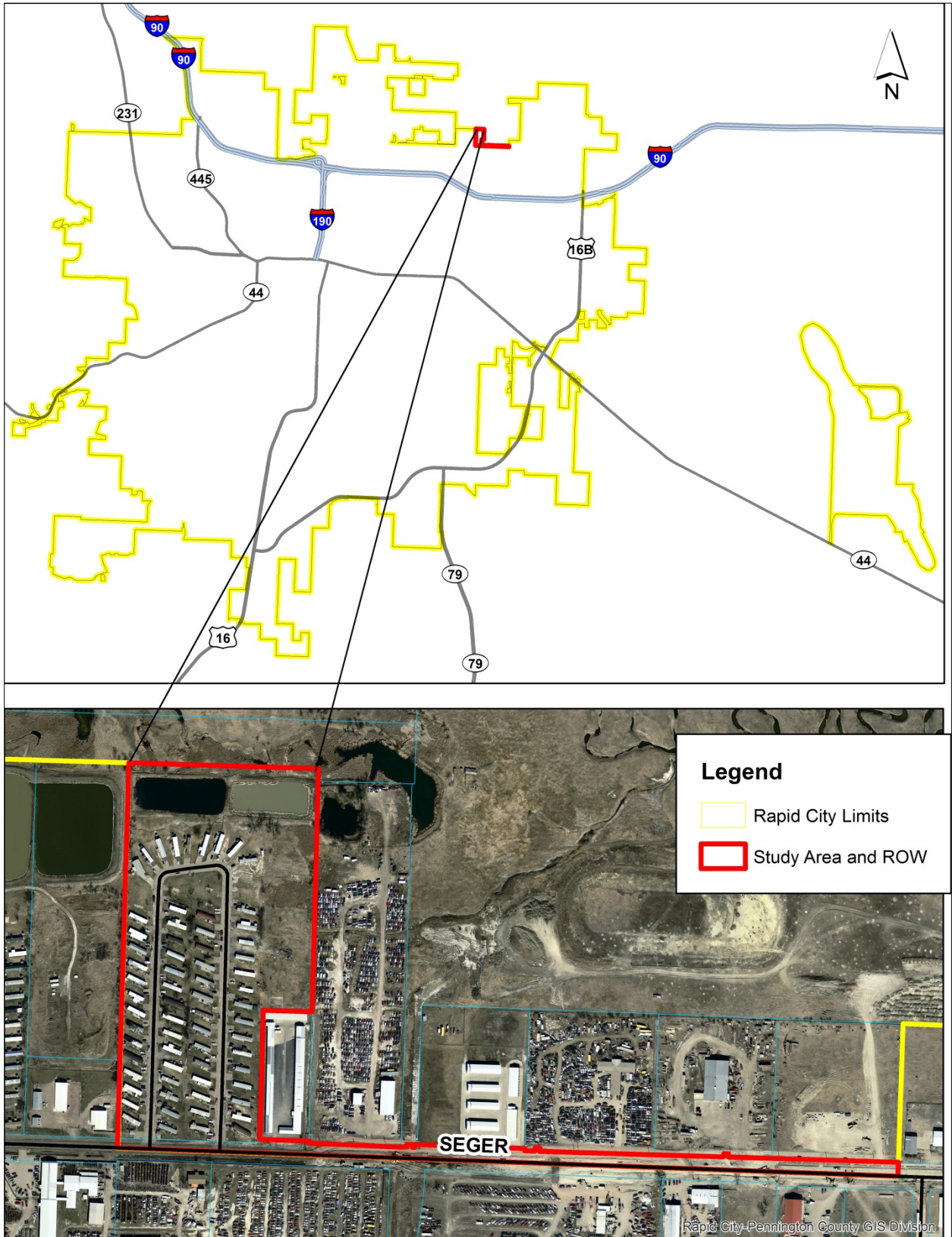
CHARACTERISTICS OF THE STUDY AREA

Location

The Study Area is comprised of approximately 21 acres and is generally located north of Seger Drive, east of 143 Avenue and west of Dyess Avenue including private property and public right of way, Figure 1. The Study Area is contiguous to the City limits on the west and south. The legal description for the study area is as follows:

The W1/2 of the E1/2 of the SE1/4 of the SW1/4 Less Tract 1 of Vetsch Subdivision; the E1/2 of the W1/2 of the SE1/4 of the SW1/4; all of the section line right-of-way and dedicated right-of-way lying north of Seger Drive including plat of Lot H1 and dedicated right of way in the W1/2 of the E1/2 of the SE1/4 of the SW1/4 less Tract 1 Vetch's Subdivision and the E1/2 of the W1/2 SE1/4 of the SW1/4; plat of Lot H1 in the E1/2 of the E1/2 of the SE1/4 of the SW1/4; plat of Lot H1 in the SE1/4 less lots A, B, C and D; all of the dedicated right-of-way in Lot D of the Golden Eagle Subdivision in the SW1/4 of the SE1/4; plat of Lot H1 in Lot B in the SW1/4 of the SE1/4; plat of Lot H1 in W400' of Lot A in the S1/2 of the SE1/4; and plat of Lot H2 in Lot A Less W400' in the S1/2 of the SE1/4, all located in Section 20, T2N, R8E, BHM, Pennington County, South Dakota

Figure 1: Study Area Location



Study Area Description

The Study Area is comprised of approximately 18 acres of private property, and three acres of right of way. The private property is zoned Suburban Residential in Pennington County. It is developed with approximately 67 manufactured homes and a management office that make up the Prairie Acres South Mobile Home Park.

The property immediately east of the Study Area is zoned Light Industrial in Pennington County and developed with storage units. There is a salvage yard located within Rapid City Limits south of the Study Area on the south side of Seger Drive. The property located immediately south of the Study Area is zoned Heavy Industrial District. Another mobile home park is located to the west of the Study Area within the Rapid City corporate limits and is zoned Medium Density Residential District. Property located north of the Study Area is zoned Limited Agriculture in Pennington County.

Access to the Study Area is secured from Seger Drive, a minor arterial on the Major Street Plan. Access to each manufactured home is provided by an approximately 33' private paved road that forms a loop through the property. Off street parking pads are provided for each unit. Landscaping in the mobile home park consists of grass and some mature trees.

Elevation in the Study Area ranges from about 3,144 feet to 3,154 feet above sea level. No portion of the Study Area is located within the Federal Emergency Management Agency (FEMA) special flood hazard area.

Existing Services in the Study Area

A Capital Improvements Project (CIP) completed in 2016 reconstructed Seger Drive in the project area from 143rd to Dyess Avenue. This project involved a complete reconstruction of the street, curb and gutter, sewer, water and a multi-use path on the north side of the street. Following reconstruction of the street, the City entered into an agreement with the property owners, granting them the right to discharge sewage into the City's sewer system. Under this agreement the City transports, treats, and disposes of the sewage. The City collects sewer and services charges under the terms specified in the agreement.

The two sewer lagoon cells located on the property have been disconnected and no new flows are entering the lagoons. They will undergo a period of evaporation and will eventually be abandoned or reclaimed.

The Rapid City Fire Department currently provides medical response (ambulance) services that are funded through user fees. The Study Area is located within the North Elk Fire District. Fire protection in the Study Area is primarily provided by the North Haines Volunteer Department which shares the same boundaries as the North Elk Fire District. The Rapid City Fire Department provides back up support through mutual aid agreements. The Study Area currently receives police protection

from the Pennington County Sheriff's Department. Refuse collection is currently provided by a private collector.

The Comprehensive Plan

The City's comprehensive plan, *Plan Rapid City*, is a policy document to guide future growth and development. It is a tool for ensuring orderly, efficient, and resourceful growth and development in the community.

The Study Area is located within the Northeast Neighborhood Area. The neighborhood goals for this area are to support reinvestment and revitalization of the Rushmore Mall area and to expand housing, employment, and service options as new growth occurs. The comprehensive plan identifies future land uses in the Study Area to consist of Urban Neighborhood, a category encouraging residential development with eight or more dwelling units per acre. Development in Urban Neighborhood areas should consist primarily of high density housing types such as townhomes, apartments, small lot single family, duplexes, patio homes, assisted living centers, and live-work units. Using the comprehensive plan as a guide, the property within the Study Area would be rezoned Medium Density Residential, Mobile Home Residential, or High Density Residential.

By State Statute and City Ordinance 17.26.010, all annexed land is placed into the No-Use District. Within 120 days of the effective date of the annexation, the City must establish zoning classifications for the area. Following an annexation, property is typically rezoned using one of three following methods: based on the future land use plan from the City's comprehensive plan, based on the existing uses on the property, or based on an application filed by the property owner. It is anticipated that this property would be rezoned from No Use District to Medium Density Residential District within 120 days after the effective date of the annexation.

Three – Mile Jurisdiction

The City of Rapid City regulates the subdivision of land within the three-mile area contiguous to the Rapid City limits. Zoning of land in the three – mile jurisdiction continues to be regulated by the Pennington County Commission. If annexed, the three – mile jurisdiction would extend further north into Pennington County.

URBAN SERVICES

Definition

One of the principal considerations of annexation is the level of urban services to be provided by City government and the ability of the City to provide those services. If annexed, urban services would be provided in the following manner:

Fire Protection

The Study Area is within the protection area of Station 7. Fire protection services would be made available immediately upon annexation. Existing personnel, equipment, and facilities can deliver all City fire services including fire suppression (structure and wildland protection), fire protection (code enforcement, plans review, and fire investigations), hazardous materials response and mitigations, rescue functions, and emergency medical support. As such, annexation of the Study Area would not impose significant present day costs to the City. Based on the number of proposed acres to annex and the annual Fire Department budget, this annexation represents an increase in approximately \$3,600 annually in costs to the Fire Department.

Police Protection

If annexed, police protection would be provided immediately upon annexation. The Rapid City Police Department could provide service with existing personnel, equipment, and facilities to respond to calls for service and routine patrol at no additional significant present day cost to the City. A standard response time to provide law enforcement services has not been studied by the Police Department because responding units are mobile. Though annexation of the Study area would not impose a measurable short run cost the City, there are long range cost implications for growth at the City's edges.

Building Services, Ordinance Enforcement, and Planning

Development in this area is currently governed by State Electrical and Plumbing Codes and the Pennington County Zoning Ordinance. The Building Services and Code Enforcement Divisions of the City will immediately begin administering services such as building permits, sign permits, addressing, plan reviews, building inspections, mechanical inspections, electrical inspections, plumbing inspections, erosion/sediment control, flood plain permits, ordinance enforcement, mobile home park permits, air quality permits, and other similar services.

These services can be delivered using existing personnel, equipment, and facilities with no additional cost to the City in the near term; however, there will be future costs to the City to administer Code Enforcement and Community Planning and Development Services.

The operations of Mobile Home Parks are regulated in sections 17.50.110 and 15.48 of the Rapid City Municipal Code. The property owner will be required to obtain a license to operate a mobile home park within City limits within four months of the effective date of the annexation. Some expansions or changes in use in a Mobile Home Park require a conditional use permit. In general, if a new unit is added or if an existing unit is expanded such that clearances cannot be met, then a conditional use permit must be obtained prior to the building permit being issued for the expansion of the use.

The property owner will be responsible for costs to bring the mobile home park into compliance with City standards. An inspection of the annexation area by the Rapid City Fire Department identified several areas where the mobile home park does not comply with City standards. Some areas needing improving include lot number size and placement, skirting material, window/door obstructions, and clutter. Cost estimates for bringing the mobile home park into compliance are not available. The annual mobile home park permit fee will be \$178 for 74 lots.

Public Transit

The City of Rapid City currently operates both a fixed route and Dial-a-Ride transit system. The fixed route system currently extends to north Rapid City via the Roosevelt Route; however, this route does not serve the Study Area. The City provides Dial-a-Ride services to all incorporated areas of the City for individuals meeting Americans with Disabilities Act (ADA) certification criteria. A cost estimate to provide additional public transit services into the Study Area is not available.

Water and Sewer Services

City water and sewer utilities are currently available to serve the subject property. The property owners are connected to sewer services through an agreement with the City and pay fees for service. Water service is available; however, the City is not requiring the owner to connect to City water at the present time.

This infrastructure was funded by a bond through the Utility Support Fund. By Rapid City Municipal Code section 13.04.190, the City Council may by resolution impose water or sewer construction fees on individual properties in certain identified, unserved areas when properties in such service area are benefitted by the installation of a water or sewer main.

The City anticipates recouping the cost of the water and sanitary sewer mains through construction fees paid by the benefiting properties at the time they connect to the utilities.

Sewer and Water Construction Fees

This property is located within Sewer Construction Benefitting areas; however, these construction fees have already been paid by the property owner. Annexation of the Study Area will not incur additional sewer construction fees.

There are pre-existing water utility construction fees within the Study Area. These construction fees are estimated in Table 1 and shall be paid at such time that the City requires the property owner to connect to City water, or at the time connection is requested by the property owner. In addition to the construction fees, the infrastructure costs associated with connecting to City water mains will be paid by the developer.

Table 1: Study Area Estimated Water Construction Fees

Existing Construction Fees	Acres	Frontage	Frontage Fee/Ft.	Cost per acre	Total Cost Per Fee
Seger Drive Reconstruction Dyess to 143rd Water Oversize Code 3624	17.77	N/A	N/A	\$ 423.29	\$7,521.86
Seger Drive Reconstruction Dyess to 143 rd Water Frontage Code 3623	17.77	490.26 ft.	\$107.30	N/A	\$52,604.90
Country Road & 143rd Avenue Water Transmission Main Extension Low Level – Oversize Code 3628-0009	17.77	N/A	N/A	\$262.14	\$4,658.23
Country Road & 143rd Avenue Water Transmission Main Extension Low Level – Oversize Code 3628-0057	17.77	N/A	N/A	\$147.45	\$2,620.19
<u>Total Construction Fees</u>					<u>\$67,405.18</u>

Operation of City Water & Sewer Services

The Rapid City water and sewer systems are operated through enterprise funds similar to a private business. Rates charged to users of the systems are established so as to generate revenue to pay for operating costs and costs of repair or improvements to the system. None of the funds for operating, maintaining, or improving the water or sewer systems are derived from property taxes.

Streets

The City Streets Department provides street cleaning and snow removal services on Seger Drive within the Study Area. If the Study Area is annexed, the City will continue to provide street cleaning and snow removal services on Seger Drive. Country Village Place serving the interior of the mobile home park is a private road and will not receive City services upon annexation.

Street Lighting

Street lights are installed adjacent to the Study Area in the City limits on the south side of Seger Drive. There is no additional need for street lighting anticipated.

Solid Waste Collection

Upon annexation into the City limits, the subject property will be required to become a licensed mobile home park. Under the definition and provisions for “Family Domestic Units” found in the Rapid City Municipal Code, sections 8.08.010 and 8.08.030, the City will not provide solid waste refuse service to the subject property.

Stormwater Drainage

The City develops and implements a stormwater management plan within its corporate limits to protect the quality and quantity of stormwater runoff entering Rapid Creek, Canyon Lake, Box Elder Creek, Roosevelt Pond, Lime Creek, the Cement Plant Pond, and all tributaries resulting from Rapid City’s urban growth. The plan addresses control measures City wide such as public education and outreach; public participation/involvement; illicit discharge detection and elimination; construction of site storm water runoff control; post construction storm water management; and pollution prevention/good housekeeping for municipal operations. No stormwater drainage facility improvements are currently planned directly within the Study Area.

Upon annexation, the property owners will be subject to the stormwater utility fee. Based on the size and land use of the existing property, the estimated annual fee is \$3,365.66. However, the owners may apply for a site specific fee calculation.

Parks and Recreation

The City does not currently provide any parks or recreation services specifically located within the Study Area. The City’s comprehensive plan identifies the need for future greenway conservation along the floodway located on property less than one mile from the subject property. Currently there are no plans in place for these conservation efforts. Cost estimates for future conservation efforts are not available.

Other Services

The City provides numerous other urban services for which residency is not required including parks and recreational facilities, the Rushmore Plaza Civic Center, Dahl Fine Arts Center, Rapid City Regional Airport, Journey Museum and Learning Center, and the Public Library. No additional costs to the library will be incurred as a result of the annexation. Though fees and rental payments fund a large portion of their costs, tax support from City residents also plays a role.

COSTS OF ANNEXATION

Taxes

Taxes are an important consideration for the City government, city residents, and affected property owners to consider as part of annexation. City government is concerned about property taxes because through these taxes many urban services are

financed. In Rapid City, police protection, fire protection, road maintenance, park maintenance, the city library, and many recreation activities are directly supported by property taxes. Therefore, it is important that Rapid City maintain a strong and diverse tax base.

City residents are concerned that property taxes and levels of service be kept in balance. Services must be kept at an acceptable level without raising property taxes to unreasonable heights. All three units of government that levy property taxes, the County, the School District, and the City must respect this concern.

Certainly residents of the Study Area are concerned about potential property taxes. The section will analyze the impact of city property taxes on the Study Area. The amount of city taxes to be paid by the property owners and collected by the City is determined based on the assessed valuation of property in the Study Area. The 2017 assessed valuation of the property in the Study Area is \$889,600. It belongs to tax district 4/D-NF which has a 2017 mill levy of 18.730 under Non-Ag (NA). In other words, for each \$1,000 in taxable property valuation a property owner pays \$18.73. If annexed, the property would assume the tax district 4D-RC, which has a mill levy of 19.561 under Non-Ag (NA). If annexed, \$19.56 would be collected for every \$1,000 in taxable property valuation. Table 2 identifies that annexation would result in a net increase in the total mill levy by 0.831, or about \$0.83 for each \$1,000 in taxable property valuation.

If annexed, the estimated difference in the 2017 tax assessment rate applied to the subject territory upon annexation would be the addition to the City levy of 3.196 mills (or about \$2,843) and the elimination of 2.365 mills (about \$2,104) for the North Elk Fire District³, County Fire Administration, Unorganized Road District, and the Rapid City Library.

Annexation of the subject territory will result in a 4.4% increase in property taxes, Table 3, or about \$740⁴ for land owners. These property taxes will support provision of urban services.

Table 2: Estimated Mill Levy Difference if Annexed.

³ The Study Area is located within the North Elk Fire District. The North Haines volunteer fire department is the responding department. According to SDCL 34-31A-35 any portion or area of land which was part of a rural fire district and which is annexed into a bordering municipality is liable for any indebtedness incurred while within the boundaries of the Fire District. The property owner should be aware that the North Haines Fire District has a capital loan from the United States Department of Agriculture for buildings and land. The property owner may be liable for a proportion of the Fire District's debt through the tax levy.

⁴ This estimate did not utilize the factored rate.

2017	4D-NF (NA)	4D-RC (NA)	Difference
County	4.763	4.763	0
School	11.573	11.573	0
Water	0.029	0.029	0
Fire	0.976	0	-0.976
Civil	0	3.196	3.196
Sewer	0	0	0
Roads	0	0	0
Ambulance	0	0	0
Fire Admin	0.084	0	-0.084
Unorg. Road	1.110	0	-1.110
Library	0.195	0	-0.195
<u>Total Levy</u>	<u>18.730</u>	<u>19.561</u>	<u>0.831</u>

Table 3: Anticipated Changes to Property Taxation upon Annexation

Current Total Mill Levy Outside City Limits	18.730
Estimated City Mill Levy Upon Annexation	19.561
Net Change in Mill Levy	.831
% Change in Mill Levy	4.4%

Table 2: Estimated Mill Levy Difference if Annexed.

	4D-NF (NA)	4D-RC (NA)	Difference
County	4.804	4.804	0
School	12.288	12.288	0
Water	0.029	0.029	0
Fire	0.963	0	-0.963
Civil	0	3.201	3.201
Sewer	0	0	0
Roads	0	0	0
Ambulance	0	0	0
Fire Admin	0.086	0	-0.086
Unorg. Road	1.122	0	-1.122
Library	0.201	0	-0.201
<u>Total Levy</u>	<u>19.493</u>	<u>20.322</u>	<u>0.829</u>

Table 3: Anticipated Changes to Property Taxation upon Annexation

Current Total Mill Levy Outside City Limits	19.493
Estimated City Mill Levy Upon Annexation	20.322
1Net Change in Mill Levy	.829
% Change in Mill Levy	4.25%

PRESENT DAY COSTS TO CITY GOVERNMENT

The estimated costs of annexation for City government are identified in the table below. No additional cost is indicated for services where existing City resources are adequate to service the Study Area. This estimate does not take into account the compounding effect that City growth at the edges has on long range fiscal sustainability. As the City grows at the edges,

costs to provide service increase system wide; however, these costs are difficult to estimate on an annexation by annexation basis, particularly for smaller scale annexations such as this.

Table 3: Present Day Costs to City Government

<u>SERVICE</u>		<u>YEARLY COST</u>
General Administration		
	Mayor's Office	No additional cost
	Finance Office	No additional cost
	Attorney's Office	No additional cost
	Information Technology/GIS Office	No additional cost
	Department of Community Planning & Development Services	No additional cost
	Building Services	No additional cost
	Code Enforcement	No additional cost
Public Transit		No additional cost
Fire Protection		Estimated \$3,600
Police Protection		No additional cost
Water Service		Costs to be paid by construction fees. Refer to Table 1
Sewer Service		Costs already paid through construction fees.
Operations of City Water & Sewer Service		No additional cost
Streets & Highways		
	Traffic Control	No additional cost
	Street Maintenance	No additional cost
	Snow Removal	No additional cost
	Street Cleaning	No additional cost
Parks/Trails/ Recreation Facilities	Parks and Recreation Department	No additional cost
Solid Waste Collection		Not Applicable. Solid Waste Collection not provided by City
Stormwater Drainage		Funded through the stormwater utility fee
Other Urban Services		No additional cost

TIME TABLE

If the Study Area is annexed, urban services would be provided according to the following timeline.

Table 4: Timetable for Delivery of Urban Services

<u>SERVICE</u>		<u>TIME OF DELIVERY</u>
General Administration		Effective date of annexation
Public Transit		Existing facilities and services will be available as of the effective date of the annexation
Fire Protection		Effective date of annexation
Police Protection		Effective date of annexation
Water Service		Following the effective date of annexation and installation of any necessary infrastructure by property owner
Sewer Service		Services are currently being delivered
Operation of Water & Sewer Services		When petitioned by land owners for water. Sewer operation currently exists through an agreement with the City.
Streets & Highways		
	Street Maintenance	Following effective date of annexation for public roads
	Snow Removal	Following effective date of annexation for public roads
	Street Cleaning	Following effective date of annexation for public roads
Parks	Parks/Trails/Recreation Facilities	No developments in the immediate future
Solid Waste Collection		Solid Waste services will not be provided by the City per RCMC, sections 8.08.010 and 8.08.030
Stormwater Drainage		Effective date of annexation. No projects planned in the Study Area.
Other Urban Services		Variable, many services available to residents outside of city limits

RECOMMENDATIONS

Annexation of the Study Area is recommended based on the criteria established in SDCL 9-4 and in the Rapid City Annexation Policy. A review of the criteria shows need for annexation and that ample and suitable resources exist to serve the area as follows:

Need for Annexation

Annexation is necessary in order to provide sewage treatment and disposal facilities and services to a populated area that is contiguous to the City limits. Under Rapid City's Annexation Policy, the City will consider an area properly annexable if it meets one or more of six criteria.

- 1) An area that exists primarily to furnish a place of residence for persons who are employed in a densely settled municipality
- 2) An unincorporated area that is densely populated in and of itself
- 3) An area that represents the actual growth of a municipality beyond its legal limits and has developed for urban purposes
- 4) An area whose residents have the advantages of a municipal government and its institutions
- 5) An area where commercial and or industrial expansion has occurred
- 6) An area that is more valuable for town or city purposes than it is for agricultural purposes.

By these criteria, the Study Area meets the requirements to be considered for annexation as defined by criteria numbers 1, 2, 3, 4, and 6.

Demonstration of Ample and Suitable Resources

This study has shown that ample and suitable resources exist presently to extend the Rapid City municipal boundaries to include the Study Area. Urban services and public infrastructure to serve the existing development are currently available, or can be provided at minimal present day cost to the City. This study has made an attempt to describe long range future costs where it is possible to do so.