

Land Purchase & Exchange Proposal

with Meade 46-1 School District

OVERVIEW PRESENTATION

JOINT STURGIS CITY COUNCIL & MEADE SCHOOL
DISTRICT MEETING

MAY 23, 2016

Summary Overview

Affected Properties & Current Ownership Status

Recent Timeline of Events

Terms of Proposed Land Purchase & Exchange

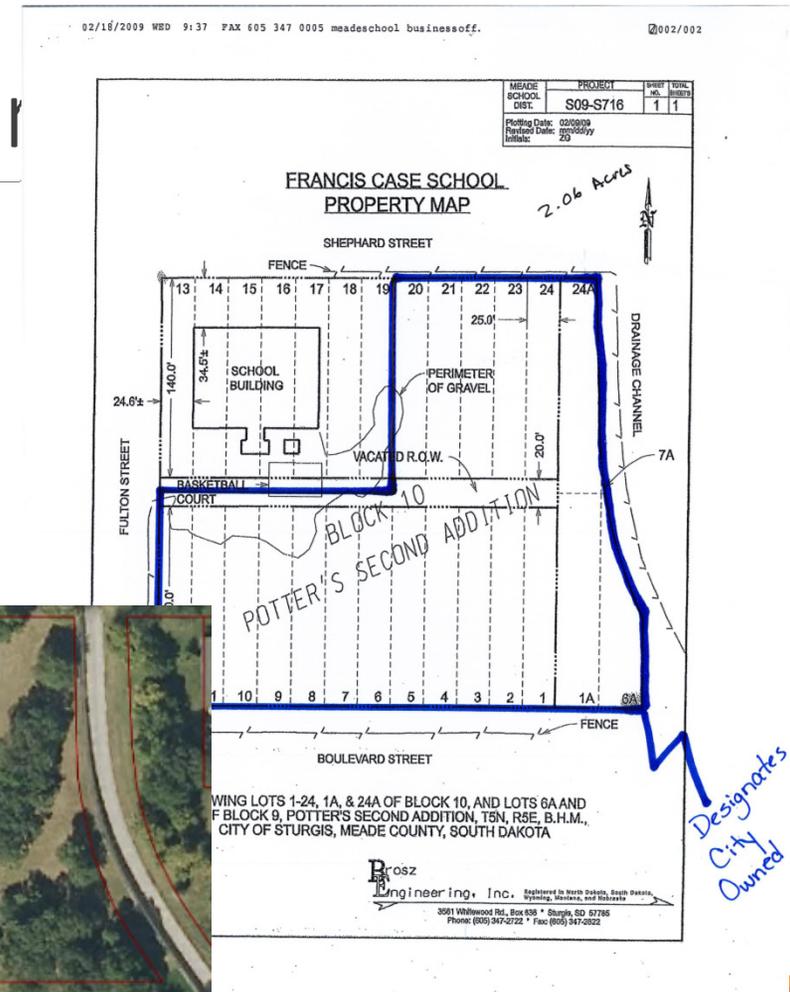
Supplemental Information / FAQs

Francis Case School Property

Francis Case

- Former neighborhood elementary school
- City owns the land.
- The Meade 46-1 School District occupies the former school building for administrative offices.
- In 2013 following the expansion of Bear Butte Elementary School, the City resumed maintenance & upkeep of the City land (blue outline).

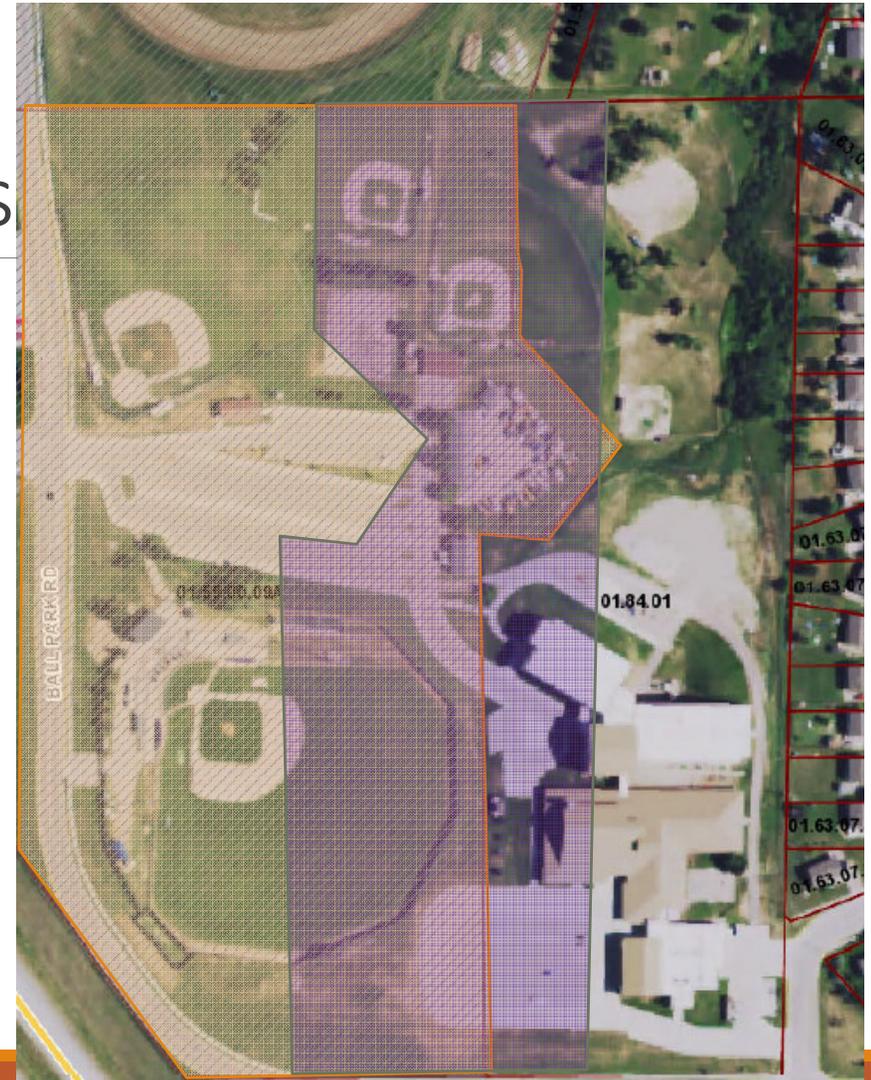
By previous agreement, if when land is sold, net revenue is to be split 50/50 between School and City.



Current Ownership Bear Butte Elementary, City Parks Shop & Ballfields

City Parks Shop and a portion of the school parking lots are City owned.

City Little League fields are owned by the School District.



Sturgis Brown High School Property



Recent Timeline

HOW MEADE 46-1 DISTRICT AND THE CITY OF STURGIS GOT TO THIS
PROPOSAL

School District and City discussed potential land purchase of the High School Property

City explained would only pursue a purchase if there was a feasible use of the property that would eventually expand the tax basis

A larger City park was discussed, though the ongoing maintenance cost would likely be more than \$200,000 with no new revenue to cover the cost

- The cost of development of a new park would likely cost millions
- Sturgis already has the highest per capita park land in the hills and several times the national average

Spring 2013: Fairgrounds Use Committee

Spring of 2013 a demolition derby promoter and a separate motocross promoter approached the City and asked to use the existing Fairgrounds for their respective events. Several concerns were raised from residents, specifically:

- Noise
- Interaction between motorized vehicles and horses

From that Council asked that a Fairgrounds Use Committee be formed. This Committee was composed of 13 members from the rodeo community, motocross community, surrounding land owners and residents.

The Committee found that the existing fairground/rodeo facility has 3 fatal flaws:

- Adjoining residences – noise considerations
- Lack of parking
- Difficult access to the property

Committee's unanimous recommendation was to relocate the Fairgrounds and repurpose that land.

- The Committee then studied six potential sites and unanimously recommended that the City look to relocate the Fairgrounds next to the High School.

Spring 2014: Housing Study

The study found that the current Vacancy Rate in Sturgis was **0.7%**

- Meaning for every 1,000 housing units, 7 are available for rent, in a healthy market, there are 50 housing units available. At 3,300 housing units in our City, a “healthy” housing market for Sturgis requires 141 units available.

Sturgis’ Labor Force was 4,609 in 2010. With a labor participation rate of 62.8%, there are an estimated 2,894 workers living in Sturgis. However, the 19 largest employers alone employ 2,639 employees. This means Sturgis is a job center within the Black Hills, with significant numbers of people commute to jobs in Sturgis.

In 2013 Rapid City built 661 total housing units

- Rapid City is about 12x’s Sturgis’ size, 1/12 of 661 is 55 units.
- Similar rates for annual construction of residential housing were occurring in Spearfish, Summerset, and Box Elder.

Sturgis’ growth has been hindered by lack of available sites for construction.

- The City has worked with private developers since 2014 to open up residential construction sites within City limits (i,e, Dolan Creek & Canyon View Estates, Sierra Vista apartments).
- To continue residential growth for a healthy housing market, additional residential developments are needed within the City.

Spring 2014: Land Use Study

In January of 2014, the City and Sturgis Economic Development Corp (SEDC) hired a team of planners, architects and engineers from KLJ, an engineering company located in Rapid City, to provide a Comprehensive Land Use Plan for several areas of undeveloped city owned parcels as well as an area of land surrounding the Sturgis Brown High School.

- City owned utility lot - 5.45 acres south of Pine View Drive (which was subsequently sold to private developer and is being developed as Canyon View Estates)
- Current Fairgrounds Property - 23.59 acres on Ball Park Road
- High School property located both east and west of the current Sturgis Brown High School along Hwy 34. (*In this proposal, projected at 323.3 acres*)
- Marcotte Property - 60.81 acres located west of Elk Road. (Purchased from Game Fish & Parks)

Public hearings and presentations regarding the possible uses of these properties were held in early May 2014.

- Public comment was generally in favor of redevelopment of current Fairgrounds and pursuing purchase agreement for a portion of the High School property for residential and multi-use recreational development.

Fall 2014: City approached the School Board

On August 12, 2014, on behalf of the Council, City Manager Daniel Ainslie presented a proposed Land Use Plan to the Meade 46-1 School Board based on the KLJ recommendations.

- Although the High School property was not being actively marketed, the KLJ proposal anticipated the City being able to purchase approximately 320 acres of excess land surrounding Sturgis Brown High School.

On October 14, 2014 the Meade 46-1 School Board voted to move forward with negotiations with the City of Sturgis for the sale of excess property located around the Sturgis Brown High School.

The purpose of the future negotiations was to determine the amount of property to be sold and to determine a future fair sale price. There was no time frame on when the sale would be closed.

February 2015: Voluntary Annexation

Meade 46-1 School District filed a petition of voluntary annexation to bring the high school property into City limits.

The resolution identified that the current use is educational - Sturgis Brown High School campus and all facilities adjoining open spaces; and that the proposed future land use would include limited residence and commercial use and enhanced multi-use outdoor recreation.

The size of all parcels annexed was approximately 461 acres of land.

Spring 2016

Since fall 2014, representatives of Meade 46-1 School District and the City have continued to meet to negotiate possible deal elements.

On May 9th, the Meade 46-1 School Board conducted a discussion of the proposed land exchange/purchase deal points with the City and set a public hearing for additional input on May 23rd.

Proposed Exchange & Purchase Details

	Meade County School District			City of Sturgis	
Quit Claims	<u>Land</u>	<u>Cost</u>		<u>Land</u>	<u>Cost</u>
Parks Building Road Strip (Lot 4B)	+1.13 acres	no charge		-1.13 acres	no charge
Lower Baseball Field (Lot 3)	-1.17 acres	no charge		+1.17 acres	no charge
Parks Building Site (to be vacated by Summer 2020, Lot 4A)	+1.05 acres	no charge		-1.05 acres	no charge
Francis Case free title (currently proceeds split)	-1.00 acres	no charge		+1.00 acres	no charge
Long Term Leases	<u>Land</u>	<u>Cost</u>		<u>Land</u>	<u>Cost</u>
Upper Baseball fields (Lots 1 & 2)	-2.66 acres	no charge		+2.66 acres	no charge
Relocated Rodeo Grounds (High School Property)	-20.00 acres	no charge		+20.00 acres	no charge
Purchases	<u>Land</u>	<u>Cost</u>	<u>Comments:</u>	<u>Land</u>	<u>Cost</u>
High School Property	-323.3 acres	\$ 2,955,000	\$9,140/acre (average)	+323.3 acres	\$(2,955,000)
Existing Rodeo Grounds for a future Elementary School	+10.00 acres	\$ (600,000)	\$60,000/acre	-10.00 acres	\$ 600,000
Total		\$ 2,355,000			\$(2,355,000)
Payments		<u>Revenue</u>			<u>Cost</u>
2016 Down Payment (20%)		\$ 471,000			\$ (471,000)
Lease to Own 7 years equal payment 2017 (2.5%)		\$ 293,659			\$ (293,659)
Lease to Own 7 years equal payment 2018 (2.5%)		\$ 293,659			\$ (293,659)
Lease to Own 7 years equal payment 2019 (2.5%)		\$ 293,659			\$ (293,659)
Lease to Own 7 years equal payment 2020 (2.5%)		\$ 293,659			\$ (293,659)
Lease to Own 7 years equal payment 2021 (2.5%)		\$ 293,659			\$ (293,659)
Lease to Own 7 years equal payment 2022 (2.5%)		\$ 293,659			\$ (293,659)
Lease to Own 7 years equal payment 2023 (2.5%)		\$ 293,659			\$ (293,659)
Notes:					
School District would agree to provide basic maintenance (i.e. mowing) at not cost for the (new) rodeo facilities on the property at the High School that the District will be long-term leasing to the City at no cost to the City.					
The rodeo would be able make use of existing out buildings; the City would pay for and coordinate the moving of the sand and corrals to the new location; the City would continue its role of coordinating and managing events,					
City would work to level the property at the existing Fairgrounds facility to be owned by the School District.					
School would provide a 100' access easement along the southern area of the remaining school land to ensure construction of a roadway to the proposed area to be purchased by the City.					



Quit Claims:

Lots 1 & 2: School to long-term lease to City

Lot 3: Transfer from School to City

Lot 4: Transfer from City to School fully by 2020

Property proposed to be purchased near Sturgis Brown High School



City to purchase 323.3 acres from School.

City to lease additional 20.0 acres for new fairgrounds facility

City's Benefits

Relocation of the Fairgrounds to the high school property will allow concurrent use at the new facility by equestrian and motorcycle events.

- Through a private/public partnership, this new facility would not increase the cost burden of maintenance, like a traditional City park.

The current in-town Fairgrounds site, Francis Case property, as well as a portion of the land purchased from near the high school would likely see some residential, commercial and/or industrial development, increasing annual revenue from property tax as well as other enterprise fund services for the City (and the School District).

- The City can continue to meet the residential growth needs predicted by the 2014 Housing Study over the middle-term. This increase in “roof tops” will help attract businesses to our community.

The City would own or have long-term leases for the Little League field facilities that the City currently maintains, improves and controls.

Successful negotiation of a land exchange and purchase with the Meade 46-1 School District would achieve a long-term Council goal to set the stage for continued residential and recreational growth.

- Note, Stagnated growth in the early 2000s hurt our community and we have started to turn that around (this leads to far more interest in commercial growth). This allows for continued future growth in a manageable manner.

Supplemental Information / FAQs

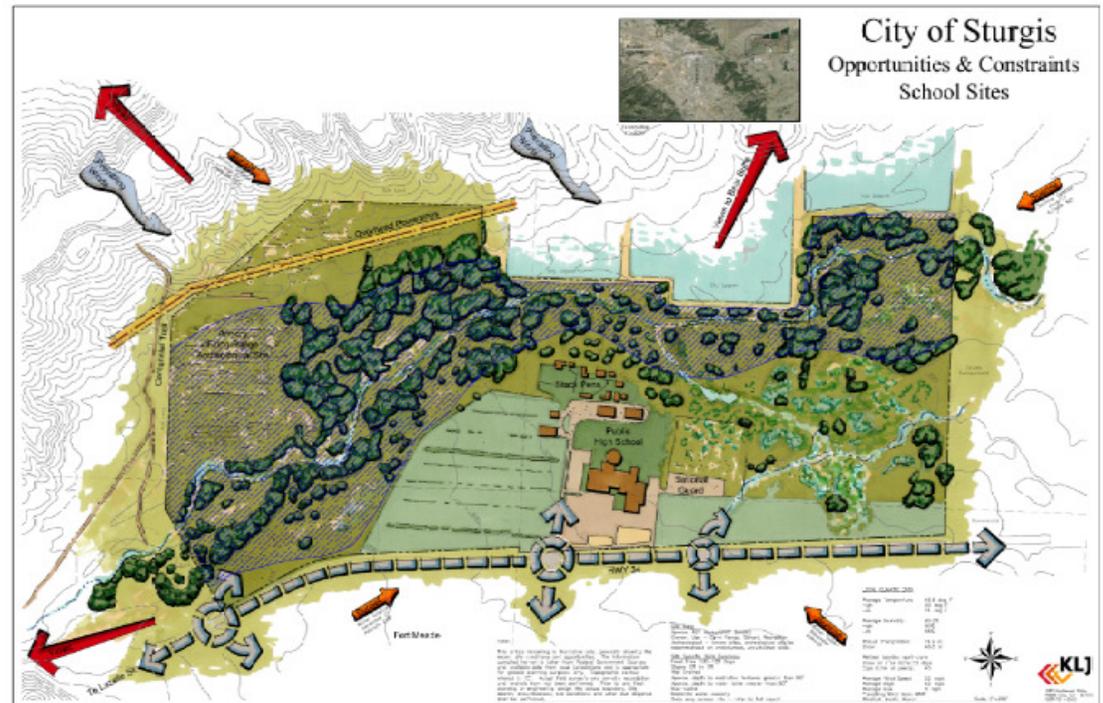
If the School District sells the High School Property, what would the City do with it?

The Council has not made any decisions at this time regarding future use.

However, in its land use study, KLJ affirmed that all the proposed uses for the High School property could be accomplished simultaneously:

- Provide much needed housing within the City Limits
- Accommodate current and future growth, estimated at 1.5% per annum (60 units/year)
- Provide affordable housing, rental & owner occupied
- Relocate fairgrounds to accommodate separation of uses and expansion potential
- Provide multi-use recreational opportunities

KLJ produced several conceptual drawings to spark public discussion about how best to develop this property.



Fairgrounds/rodeo grounds

City would always ensure that at least the existing or the new facility was available, we do not want there to be a gap in available rodeo or race track

The half mile track would be recreated in the new location

The rodeo facility (both arenas) would be relocated, the sand and gates would be relocated

What could the new Rodeo Grounds look like?

CURRENT LAYOUT



CONCEPTUAL
RENDERING

What type(s) of seating might be purchased for a new Fairgrounds facility?

The City would likely explore mobile bleacher style seating.

- The existing Fairground Grandstand has a 16 rows of seating (~700 people with 24" seats) plus a 7 row mobile stand (~140 people with 24" seats).

One possible vendor: Century Industries



TSP15 Series Mobile Grandstand Bleachers PATENT PENDING

MODEL	SEATING		DIMENSIONS	
	ROWS	MAX CAP	LENGTH	DEPTH
TSP15-390	15	390	41' 9" (12.73m)	29' 10" (9.09m)
TSP15-450	15	450	47' 9" (14.55m)	29' 10" (9.09m)



TSP7E

Shown with Optional Canopy

MODEL	SEATING		DIMENSIONS	
	ROWS	MAX CAP	LENGTH	DEPTH
TSP7E-27	7	110	35' 2" (10.72m)	17' 11" (5.46m)
TSP7E-39	7	166	47' 2" (14.39m)	17' 11" (5.46m)
TSP7E-45	7	194	53' 2" (16.21m)	17' 11" (5.46m)



TSP12E Series Mobile Elevated Grandstand Bleachers PATENTS PENDING

MODEL	SEATING		DIMENSIONS	
	ROWS	MAX CAP	LENGTH	DEPTH
TSP12E-39	12	282	41' 8" (12.67m)	28' 7" (8.7m)
TSP12E-45	12	330	47' 8" (14.50m)	28' 7" (8.7m)