

January 27, 2021

Sturgis Community Meeting - Marcotte

Comprehensive Plan

- Between 2009-2011 the City began discussions regarding potential purchase and use of the Marcotte Property
- The 2010 Comprehensive plan included development of the Marcotte Property
 - 2/3 of the Property was to be developed as a resort
 - 1/3 of the Property was to be developed as a park and open space
- Negotiations between GF&P and the City began, with GF&P's offer being to swap the City Watershed property with GF&P's Marcotte property
 - The City rejected this proposal

Game, Fish, and Parks Site

The city should acquire the Elk Road site from the Department, using the northeast corner as a neighborhood park to serve the needs of the south part of the city. The proposed trail system serves this park and connects it to Sturgis north of I-90. The southwestern two-thirds of the site, at the foot of the National Forest, would be developed as a major resort with conference center, using the existing "Moose Drive" as primary access. This resort would also be a major trailhead, providing a base for trails that radiate up into the Hills.

Potential New Park Opportunities

In addition to these parks, Sturgis has several potential opportunities for major park and open space development. These include:

- The "Marcotte Property," a major site located on the west side of Vanocker Canyon Road south of Interstate 90. This site has commercial development opportunities as well as open space possibilities.

Sale to the City

- January and February of 2012
 - HB 1020, House Hearing
 - Bill authorized the sale of the Marcotte to the City
 - City supported the Bill to transfer the land to the City, purchase price was not known at the time
 - During the hearing, the City Manager stated that the plan was for use as parkland and open space, this was part of the negotiations, the price and conditions were not yet known
 - Following the House Hearing, there was a Senate Hearing
 - During the hearing it was reiterated that State's intent to sell it directly to the City at "full value as determined by an appraiser".
 - One Senator said it would be a good place to put homes. Asked if there would be any covenants to limit certain activities? GF&P responded that there would not be any limitations on the use of the land
- Spring and Summer of 2012
 - City requested the appraisal to consider its use as only park land
 - GF&P directed the appraisal to be at full unencumbered value
 - The appraised value was \$10,000/acre

Why the City Purchased the Property

- If the City chose not to purchase the property, GF&P would have sold the property at auction.
 - This would mean that a developer could purchase the property and build more than 200 homes with no additional parks. The City would not be able to ensure a large park or open space.
- When the City purchased the property, the City promised it would be used for future growth and recreation – the proposed plan fulfills this promise

Budget Impact:	The property purchase is a substantial investment; however, it will enable the City to continue to grow and provide recreational amenities to its residents. It will take years before funds are saved for the park's future development, though this will mark an important first step. All of the funding needed over the next year has been appropriated.
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Council Decision to Purchase

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- Council decided to ensure that there would be a planned development with a large park
- The Council decided during a Council meeting that the land would be used for future growth and recreation
- December 12, 2012, the City Council approved the purchase of the Marcotte Property with a contract for deed for \$608,100. With \$60,810 paid in 2012, \$182,430 per year in 2013, 2014 and 2015.

Future Land Use

- In 2013, the City began an extensive process to determine the best potential uses for several City owned parcels, including the Marcotte parcel.

Background Information:	<p>On November 18, 2013, the City sent out a request for proposals to conduct a Comprehensive Land Use Plan for City owned properties including the following:</p> <ul style="list-style-type: none">• Marcotte Tract – Parcel 11.98.01 consisting of 60.81 Acres located on the southwest side of Sturgis between residential and recreational property.• Undeveloped – Parcel 01.20.01R consisting of 5.45 Acres located on the south side of Sturgis along Pine View Drive. This parcel is located between residential and US Forest Service property.• Sturgis Fairgrounds – Parcel 01.59.00.071 consisting of 23.59 Acres along Ball Park Road.• High School property – This property is currently outside City limits however an exchange is pending. This area is for review only and could include a very large parcel located along the Bear Butte drainage adjacent Highway 34 east of Sturgis. <p>A comprehensive land use plan will determine the highest and best use for these properties. The study will include determination of existing conditions and opportunities and constraints along with design workshops for staff and public officials. KLJ will propose best use as well as alternatives for each site. The final phase will include public meetings and presentations.</p>
Cost/Benefit or	Two proposals were received and after review, KLJ Engineering was chosen to conduct the

KLJ Land Study 2013 & 2014

- Held 6 public meetings in 2014
- Determined that limited access prohibited commercial development as identified in the comprehensive plan
- Recommended mixed use, residential, park and open space

Public Meetings and Open Houses

Several public meetings and public open houses were held throughout the duration of the project. All were generally well attended. KLJ provided meeting summaries in the form of meeting minutes to the City to be held in the project record. Prior meetings were summarized in the subsequent meeting to ensure the public and stakeholders had input on the findings and conclusions.

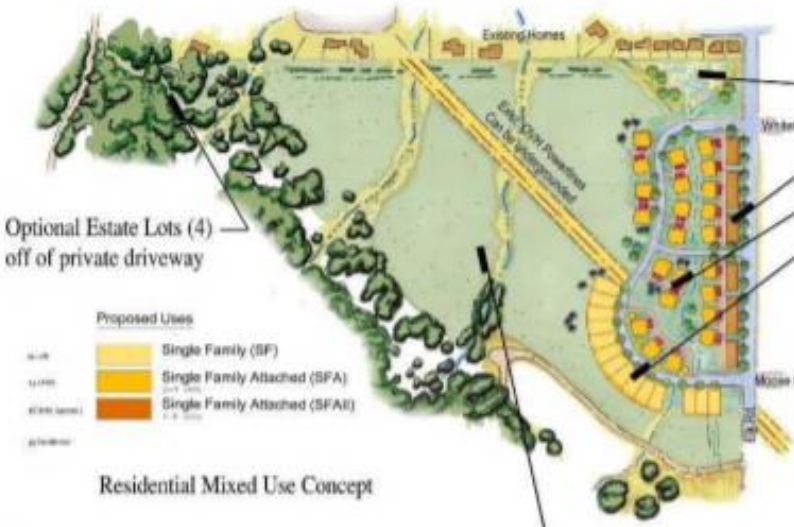
Meetings comprised a brief summary of the 'to-date' status of the project, followed by any project related updates from the City, follow-up on outstanding questions, a presentation of new maps, concepts and information on a parcel by parcel basis and a question and comment session. Several meetings took on an appropriately informal nature with significant discussion between all present.

Meetings were held on the following dates:

- » February 10th, 2014 - Kick-off Meeting
- » March 24th, 2014 - Joint meeting with City Council, Planning Commission
- » March 25th, 2014 - Public Open House, Parks Commission
- » March 26th, 2014 - Public Meeting
- » May 5th, 2014 - Public Meeting, presentation to the City Council
- » May 6th, 2014 - Public Open House



City of Sturgis Site Org. Diagrams Marcotte Site



- Dentention & water quality within existing wetland buffer.
- Row Homes along street, alley loaded garages
- Tri-plex townhomes with attached garages
- Single family residential lots

Open space could be improved with compatible recreational uses such as hiking or biking trails, amphitheater, play area, gazebo, passive use park or left 'as is' for a natural buffer.



- Single Family Lots
- Twin Homes
- Single Family 'Autocourt' homes
- Single Family homes face common courtyard, garages loaded from common driveway.

Note:
The final site plan, including all details, shall be subject to the final site plan and approved by the city council and the state. Actual details, all measurements, lot sizes and setbacks shall be determined by the final site plan and approved by the city council and the state.



Confirmation with GF&P

- On October 3, 2014, the City Manager sent a letter to GF&P to clarify if there were any restrictions on the property given the recommendations by KLJ to complete some residential construction on the property
- On November 5, 2014, the City Attorney received a response from the Special Attorney General to GF&P. The notification includes “the City will hold title and may do with the property whatever it desires. As evidenced by the recordings on the LRC website for the 2012 legislative session, Wildlife Division Director Tony Leif made this point clear in his testimony.”

During one planning discussion held by the City for future use of this property, some in the audience objected to any residential development on any part of the parcel. In doing so they referred to line 8 of HB 1020, relying on the phrase “... for the city’s use as public park and open space.” They claimed that the language prohibited any residential use on any part of the property.

At this time the city has not adopted a final plan for the future use of the Marcotte parcel. The tentative plans that are being discussed all call for some limited residential development to enable the City to recover a portion of the high purchase price. The tentative plans call for somewhere between fifteen and twenty five acres of residential development, with the balance to remain as open space and a developed City park. There are no plans for commercial development.

From GFP’s perspective, the bottom line is that once the Department receives final payment of the purchase price and transfers title to the Marcotte property to the City of Sturgis, the Department will retain no further interest in the property; i.e., at that point, as far as the Department is concerned, the City will hold title and may do with the property whatever it desires. As evidenced by the recordings on the LRC website for the 2012 legislative session, Wildlife Division Director Tony Leif made this point clear in his testimony given at the legislative committee hearings held on HB 1020. The only restrictions imposed in the Contract for Deed on the City’s use and development of the property are set forth in paragraph 5 and remain in effect only during the term of the contract. However, as I read it, nothing in the Contract for Deed restricts what you are indicating are the City’s future plans for the development and use of this property once title has been transferred to the City.

Annexation

Budget Impact:	There is no anticipated impact to the City budget at this time. Specific plans for future use has not yet been identified, however, during the purchasing process, the state required the property to be purchased at full market value, it was indicated then that in order to recoup the cost of the purchase and fund future recreational development some limited residential development may occur.
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- The City completed paying for the Marcotte property in 2015 and received clear title for the property.
- On February 1, 2016, the City Council considered annexing the property. During this meeting, it was reiterated that residential development could occur to recoup the cost of purchase of the property

Additional points

Existing City owned land

- 23.1 acres of community parks
- 3.32 acres of neighborhood parks
- 600 acres Sturgis Watershed
- 60 acres Marcotte

Benefits of growth

- Increase customer basis for existing businesses
- Increases ability to attract new businesses
- Greater capacity in schools in Sturgis then other locations in the District
- Additional local sales tax revenue of \$774 per family
- Will reduce utility surcharges as there will be more customers to share the cost

Initiated Resolution

NOW THEREFORE BE IT RESOLVED by the Citizens of Sturgis that from and after the effective date of this Resolution, the Marcotte Property shall be held, owned, occupied, and conveyed only as public park and open space; and no residential, commercial, or industrial development shall be permitted. This restriction shall be interpreted as a restrictive covenant, or an easement, or both, and shall run with the title to the Marcotte Property and be binding on all parties having any right, title, or interest in the Marcotte Property or any portion thereof, for a period of five (5) years, whereupon this restriction shall expire. This restriction shall run to the benefit of all residents of the City of Sturgis jointly and severally and may be enforceable in a court of competent jurisdiction by any such resident.

BE IT FURTHER RESOLVED that, within thirty (30) days of the effective date of this Resolution, the City of Sturgis shall prepare a copy of this Resolution in recordable form, executed by the Mayor and Finance Officer, and cause the same to be recorded in the Office of the Meade County Register of Deeds.

BE IT FURTHER RESOLVED that, if a court of competent jurisdiction determines this Resolution is ineffective to burden the Marcotte Property as described, then, in that event, the City of Sturgis shall, within thirty (30) days of such determination, prepare an instrument or instruments that create a valid easement or restrictive covenant or other similar valid restriction to accomplish the stated purpose of this Resolution, and whereupon, the Mayor, Finance Officer, and City Manager are hereby authorized and directed to execute the same and cause the same to be promptly recorded in the Office of the Meade County Register of Deeds.

- If passed, the Marcotte property will need to remain as open space for 5 years. If it is sold, a covenant will need to be placed on the property leaving it as open space for 5 years.
- There would not be a park
 - Without development there would be no funds to construct a park, it would remain a meadow



A Yes Vote means

- Passes the initiated resolution
- The 60.81 acres of land will remain as is (open space) for 5 years
- None of the improvements (including reconstruction and widening of Otter Road, construction of the park and trails) would proceed



A No Vote Means

No further limits are placed on the property,
so the plan for improvements can proceed

Proposal

- City would not be the developer
- The City would sell the property
- The City would directly bid several of the improvements, others would be built by the developer
- Any risk would be solely on the developer, not the City
- Several Black Hills communities have sold property to private developers for construction including Spearfish

Improvements include:



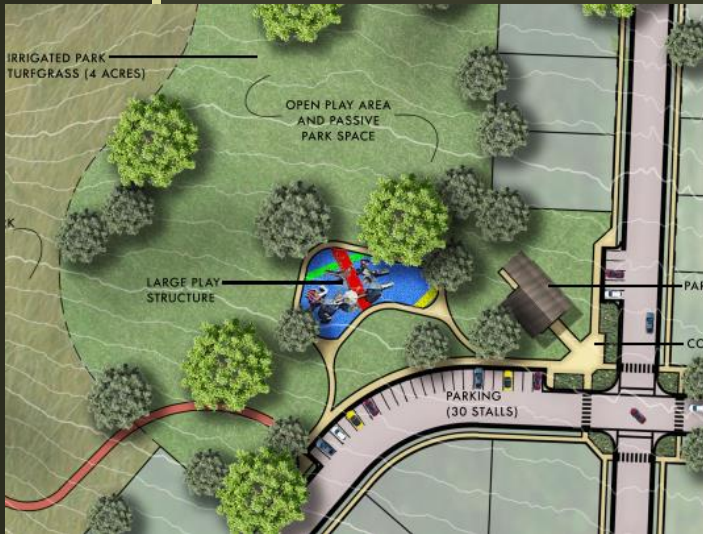
- \$1,060,000 sales proceeds from the land sales
 - \$100,000 towards the construction of an indoor batting cage
 - \$200,000 towards road improvement projects in 2022 – including Moose Drive intersections
 - \$760,000 towards a new outdoor aquatics center

Improvements include:



- Reconstruction of Otter Road to a full width road with curb and gutter
- Funding for a new trailhead and parking area at the Red Cut Trailhead
- Funding for a crossing on Elk Road to replace the low water crossing

Park Improvements include:



- 29.95 acres of parkland, trails and open space
- Play structure with shade
- Pavilion and restroom facilities
- 5,030 feet of new trails (connects Otter Drive trail system with Palisades, Dolan Creek Estates and Murray Addition)

Saving the parkland



- City would dedicate this solely to recreation/open space
- Parks, Trails and Open Space would be identified by the City as Land & Water Conservation Fund recreation sites
- This dedication and the design of the development would eliminate the ability of further housing development on the dedicate land

▶ The proposed development would not:

- Would not limit access for hunting, ATVs, Hiking, Biking, etc.
 - Plan includes enhancing the trailhead
- Would not reduce acreage available for hunting
- Would not create 900 more vehicles (that would equate to 11 vehicles per house, which is ridiculous)

Continued Economic Growth:

- Further growth allows for our workforce to grow
- Further growth increases the community's customer base for existing and future restaurants and stores
- Provides additional customers to reduce the utility rates in the City
- Increases value of the community by 6%, can allow future Councils to further reduce property taxes

“Monument Health Sturgis Hospital sees value in having quality housing available for its dedicated caregivers. We are seeing new caregivers join our team that have specifically chosen Sturgis to call home. As our organization continues to grow, it's critical we have housing options available for our team.”

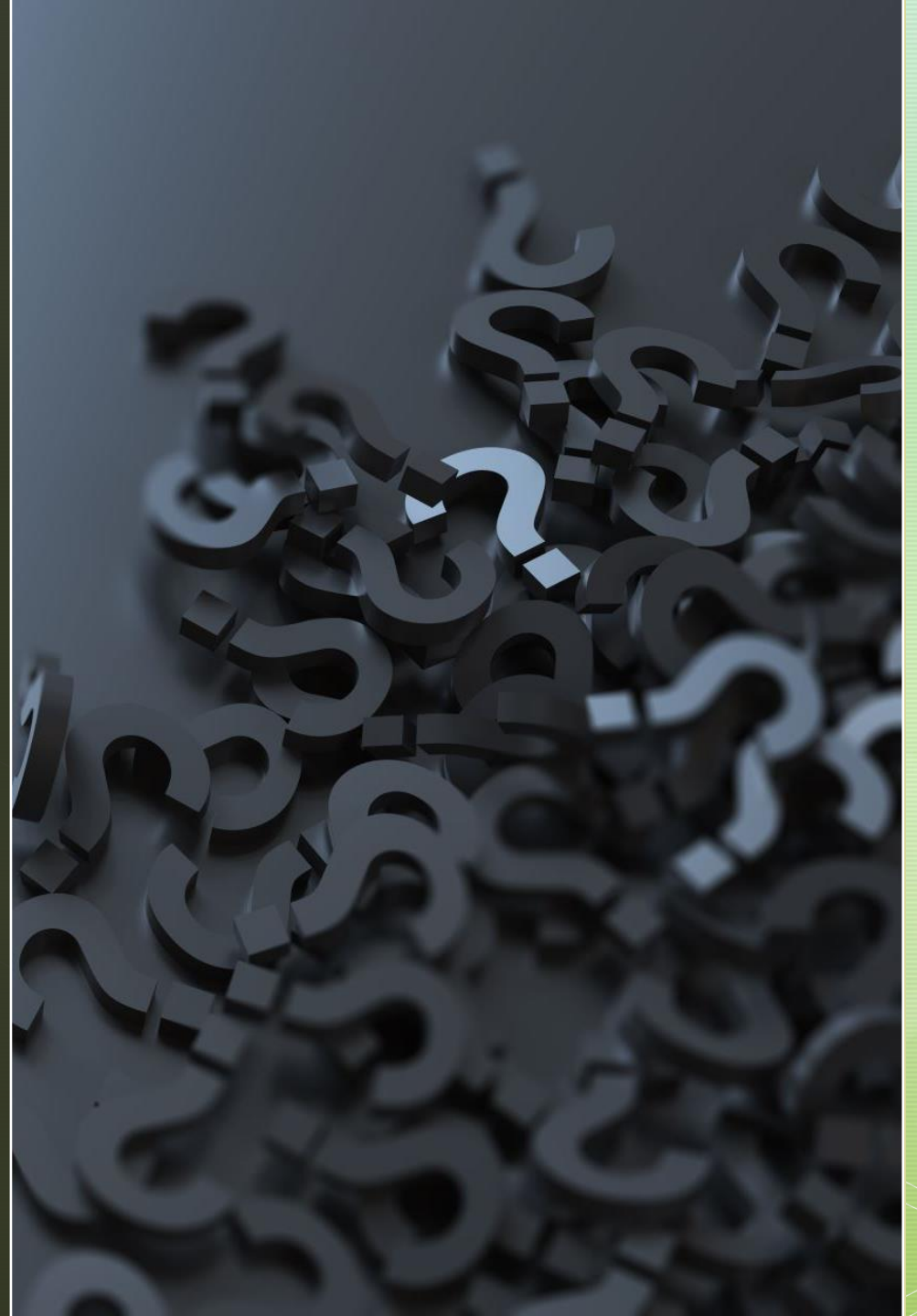
Mark Schulte, FACHE
Market President, Monument Health
Sturgis

Ability to serve new residents

- There is capacity in Sturgis schools for additional students
 - Each new student provides almost \$7,000 to the School's General Fund
- Would not require expansions in the water or sewer
- Would provide additional income from property tax, sales tax and utility revenue
 - This will allow future Councils to reduce property taxes and utility rates and increase investments in infrastructure



Questions & Comments



Traffic Impacts

- Traffic Engineers did not find a reduction in the level of service on adjacent roadways

Elk Rd

~35 ft wide curb-to-curb, would be reconstructed to ensure that it fully meets City standards
Currently directly servicing 92 households (including apartment complexes) – would expand to 186 households

Dolan Creek Rd

~24-30 ft wide
Average Daily Traffic: 1545 (2017)
Utilized by no less than 230, up to 300 households in the area
Currently maintains a very high level of service