

STAFF REPORT
September 25, 2014

No. 14AN002 - Petition for De-Annexation

ITEM 8

GENERAL INFORMATION:

APPLICANT	David S. Lamb
PROPERTY OWNER	David S. Lamb
REQUEST	No. 14AN002 - Petition for De-Annexation
EXISTING LEGAL DESCRIPTION	That portion of E1/2 of the SE1/4 of the NE1/4 lying south of Highway 44 and the railroad right-of-way less Lot H2; the NW1/4 of the SW1/4; the W1/2 of the W1/2 of the NE1/4 of the SW1/4; the S1/2 of the SW1/4; the E1/2 of the E1/2 of the SE1/4 less Lot H1 of Section 15 and the E1/2 of the NW1/4; N1/2 of the NE1/4 of Section 22; all located in T1N, R8E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 339.030 acres
LOCATION	South of SD Highway 44 and west of Reservoir Road
EXISTING ZONING	General Agricultural District
FUTURE LAND USE DESIGNATION	Low Density Neighborhood, Urban Neighborhood
SURROUNDING ZONING	
North:	Limited Agricultural District (Pennington County)
South:	General Agricultural District, Limited Agricultural District (Pennington County) - Low Density Residential District I - Medium Density Residential District
East:	Limited Agricultural District (Pennington County)
West:	Low Density Residential District I - Low Density Residential District II - General Agricultural District
PUBLIC UTILITIES	Water: Rapid Valley Sanitary District and private well Sewer: septic tank and drain field
DATE OF APPLICATION	August 22, 2014
REVIEWED BY	Sarah Hanzel / Bob Reiss

RECOMMENDATION:

Staff recommends that the Petition for De-Annexation be approved.

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GENERAL COMMENTS: The applicant has submitted a petition to exclude approximately 339 acres of unplatted property from the Rapid City municipal boundary. The property was annexed in 2007 and 2008 (File Numbers 07AN002 & 08AN005).

The property is currently used for agricultural purposes and the property does not utilize any City utilities at this time. The City's Comprehensive Plan (Plan Rapid City) and Utility System Master Plan support future growth of residential development in this area and expansion of City utilities. The nearest residential development, Elks Country Estates Subdivision, is located less than 500 feet from the western boundary of the de-annexation area.

On August 18, 2014 the City Council passed a resolution which reduced the Stormwater Drainage Utility fee for property located within the Rural Service District by 75%. The fee for the property was reduced from \$5,907.26 to \$1,476.82.

This petition is filed concurrently with 14AN003. Action by Council on both applications cannot result in a dis-contiguous City limit. Approval of 14AN003 is contingent on approval of 14AN002.

STAFF REVIEW: The property is located east of Jolly Lane, south of SD Highway 44 and west of Reservoir Road. The 339 acres are unplatted and currently used for cattle ranching and forage production. Portions of the property are located within the 100 year and 500 year floodplain. The property was annexed voluntarily into the City in 2007 and in 2008 through a petition by David Lamb in conjunction with a proposed residential subdivision called "Morningstar." The 2007 annexation was to secure access for City utilities. The 2008 annexation was to create contiguity for Tax Increment District 66 that would fund public infrastructure improvements for the Morningstar project. TID 66 has since been dissolved with no funds expended.

Surrounding Zoning: The property is zoned General Agricultural District. It is surrounded by land zoned Limited Agriculture District by Pennington County, as well as Rapid City Area School District Property zoned General Agricultural District. Elks Country Estates is adjacent to the western boundary. Elks Country Estates, zoned Medium Density Residential District, is experiencing growth towards the western boundary of the de-annexation area. Platted parcels of the subdivision are located within 500 feet of the de-annexation area.

City water and sewer infrastructure is located within 500 feet of the property along Jolly Lane and in the SD Highway 44 right-of-way. However, this property utilizes the Rapid Valley Sanitary District and a private well for water and a septic tank and drain field for sewer services.

Long Range Plans: The proposed de-annexation area is located in the Southeast Connector Neighborhood Area. Plan Rapid City supports both residential development and agricultural conservation in this area. The property's location within the Urban Services Boundary and its proximity to a growing residential subdivision suggests that future development of the property may be supported by City services.

Rapid City's Utility System Master Plan calls for sanitary sewer extensions and water main extension within the proposed de-annexation area. Specifically, the Capital Improvements

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Plan has identified a \$2.8 million dollar project to construct a trunk sewer from Jolly Lane to Reservoir Road (Project #51005 - 2014). Future connections to the proposed facilities would be affected by the de-annexation of the properties. Any future development of the property will require connections to these facilities per the adopted regulations.

The City's Major Street Plan shows a proposed minor arterial street planned for the east west section line between Section 15 and Section 22. The Major Street Plan also identifies the extension of East Minnesota Street as a proposed minor arterial street. The capital costs of construction of East Minnesota and the underground power lines are certifiable costs associated with TID number 74. The project plan for this TID was approved in August of 2013; however, as of December 31, 2013, the costs for the project have not been certified. Any future development will require construction of these roadways as defined in the Infrastructure Design Criteria Manual.

Harney Peak Ranch Master Plan: The website for Harney Peak Ranch, www.harneypeak.com, provides a vision for the area that is compatible with the City's Comprehensive Plan and Utility System Master Plan. It states "the residential development adjoining the ranch has seen strong upscale development complementary to future integration with equestrian, golf and resort facilities and high-value housing. Later it states "A prime example and likely model for Harney Peak Ranch development is the great Hart Ranch development, a well-established integrated recreational and residential community on the vast former Western Cattle Company ranchlands." In addition it claims "the ranch property is well served by the current transportation plan and the utility infrastructure is at or near the property lines." Based on this information, it appears that development of this agricultural property will occur at some time in the future.

Utility Connections Outside City Limits: Chapter 13.04.150 of the Rapid City Municipal Code states that "No water or sewer connection permit shall be issued, after the effective date of this chapter, to serve any property located outside the corporate limits of the city, except with specific approval of the Common Council. The connections shall be authorized by resolution and shall be subject to such terms, conditions and fees as the Council finds necessary or appropriate."

Subdivision Requirements: On September 2, 2014, the City Council approved Ordinance #6001 concerning the general provisions of Chapter 16.04.090 of the Rapid City Municipal Code. This ordinance requires that any area contiguous to Rapid City must be annexed prior to the City's approval of a plat for the property. As such, prior to Council's consideration of a plat, the property must be annexed.

Exclusion Process: The process for excluding property from a municipality is similar to the process for including property in a municipality and is provided in SDCL Sections 9-4-6 through 9-4-10. The City may approve a resolution excluding property from its boundary if the written petition describing the boundaries of the area is signed by no less than three-fourths of the registered voters and by owners of no less than three-fourths of the value of the area to be removed, the area being removed is located upon the border thereof and has not been laid out into lots and blocks.

Section 9-4-7 also identifies that the governing body shall not take action upon the petition

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until notice of the presentation of such petition has been given by the petitioners by publication at least once each week for two successive weeks. The petitioners have been notified of this Statutory Requirement.

The petition appears to meet all requirements for consideration under the provisions for excluding property from the municipal boundary.

This petition is filed concurrently with 14AN003. Action by Council on both applications cannot result in a dis-contiguous City limit. Approval of 14AN003 is contingent on approval of 14AN002.

Staff has reviewed the petition for de-annexation and determined that the property receives very little benefit from its inclusion in the City and that no injustice to other City residents would occur if the de-annexation petition is approved. However, the City has engaged in multiple long range planning endeavors which support urban development in this area including the extension of roads and utility infrastructure. As the property is in use for solely agricultural production, these services are not necessary. At such time in the future that the property is ready for further development, annexation may be necessary.

Staff recommends that the Petition for de-annexation of the unplatted property be approved based on the agricultural character of the property and the lack of utility services that are currently provided by the City.