

ANNEXATION STUDY

CAMBELL EAST ANNEXATION AREA

JULY 2001

Annexation Study of Cambell East Annexation Area

INTRODUCTION:

The following is a study prepared pursuant to SDCL 9-4-4.1, which examines the merits of annexing portions of Section, 32, T2N, R8E, Black Hills Meridian. This area is located north of S.D. Highway 44, east of Cambell Street, and south of U.S. Highway 16, and includes approximately 67.83 acres. The subject area is wholly surrounded by the City limit boundaries.

This area is one of the areas identified as a short-term priority by the City Council as established in the Resolution Establishing Future Annexation Study Areas, adopted April 2, 2001. On July 2, 2001, the City Council directed the Planning Staff to prepare an Annexation Study for the Cambell East Annexation Area.

THE ANNEXATION PROCESS:

Annexation is the process by which lands adjacent to a municipality are made part of the municipality so as to share in the services the municipal government provides and share in the obligation of paying for those services. When an area has developed, is in the process of developing, or is key to the development of other properties, annexation should be considered. As stated in the Rapid City Annexation Policy Document, adopted December 19, 1983;

“When a city is willing and able to provide the urban services from which an adjacent and contiguous developing area benefits; when there exists a community of interest between the city and the developing area; when it is essential that a city be allowed to exercise proper police powers to ensure orderly growth and development; when the development of an area may easily effect the health and safety of the residents of a city; and when a tax inequity exists because of the provision of urban services to (a) developing area; then the area so described must fairly be considered for annexation.”

The process of annexation as spelled out in South Dakota Codified Law Chapter 9-4 provides for annexation by petitioner of the property owners and annexation initiated by the municipality. This study represents the first step in the process of a city-initiated annexation. This study will analyze the impacts of annexing the subject territory and identify the municipal resources that are in place or available to serve the area.

DESCRIPTION OF TERRITORY:

The territory considered in this annexation contains 67.83 acres, more or less, and includes the following eight (8) properties, as evidenced by information provided by the Pennington County Director of Equalization's Office:

1. Parcel #1: Tract C of SW1/4 SW1/4, Section 32, T2N, R8E, BHM, Pennington County, South Dakota, (3.67 acres);

2. Parcel #2: Lot 3-4 of NW1/4 SW1/4 and vacated Alley less RTY, Section 32, T2N, R8E, BHM, Pennington County, South Dakota (1.41 acres);
3. Parcel #3: Unplatted portion of NW1/4 SW1/4, Section 32, T2N, R8E, BHM, Pennington County, South Dakota (10.57 acres);
4. Parcel #4: East 613 feet of the North 511 feet of SW1/4 SW1/4, Section 32, T2N, R8E, BHM, Pennington County, South Dakota (7.2 acres);
5. Parcel #5: East1/2 SE1/4 SW1/4, Section 32, T2N, R8E, BHM, Pennington County, South Dakota (20 acres);
6. Parcel #6: NW1/4 SE1/4 SW1/4, Section 32, T2N, R8E, BHM, Pennington County, South Dakota (10 acres);
7. Parcel #7: Tract B of SW1/4 SW1/4 less RTY, Section 32, T2N, R8E, BHM, Pennington County, South Dakota (4.98 acres);
8. Parcel #8: SW1/4 SE1/4 SW1/4, Section 32, T2N, R8E, BHM, Pennington County, South Dakota (10 acres).

The study area is located east of Cambell Street, north of S.D. Highway 44 East, and south of U.S. Highway 16. The parcel located on the north side of the annexation area next to U.S. Highway 16 is zoned General Commercial by Pennington County and is the location of a commercial business. The unimproved ten acres just south of this business is zoned Limited Agriculture by Pennington County. The southwest parcel located adjacent to Cambell Street is zoned Heavy Industrial by Pennington County and is the location of a recreational vehicle sales business. Continuing east, the next three parcels are also zoned Heavy Industrial by Pennington County. All three parcels have access to East Philadelphia Street. An auto salvage yard is located on two of the parcels. The final two parcels located on the southeast boundary of the annexation area are zoned General Commercial and Limited Agriculture by Pennington County. The General Commercial parcel is the location of a radiator business and the Limited Agriculture parcel east of this business is twenty acres of unimproved land. All of these properties are larger than one acre in size and have the potential for future development.

AREA STUDIES/FUTURE DEVELOPMENT:

The Elk Vale Neighborhood Future Land Use Plan, adopted in May 2000, calls for general commercial use on all the property within the proposed annexation area. There is significant commercial growth in this neighborhood and land values, established by the Pennington County Director of Equalization's Office, have risen considerably.

PUBLIC SERVICES:

Physical improvements supported by the City of Rapid City, which have occurred or are proposed in the vicinity of the subject properties, include water and sanitary sewer. Municipal services afforded the residents and property owners of the area surrounding the subject territory include police, fire protection, garbage collection, building

inspections and nuisance control, parks, airport, public transit, civic center, fine arts, and library.

Street and Road Services: There are three Principal Arterial roads that are located around the annexation study area, Cambell Street, S.D. Highway 44 East, and U.S. Highway 16. Cambell Street, west of the study area is the boundary of the original town site in 1883. S.D. Highway 44 East is located south of the study area. Mickelson Drive, Grimm Drive, and Creek Drive intersect S.D. Highway 44 East, and provide access to the parcels located in the southeast area of the annexation study. U.S. Highway 16, north of the study area, is in the process of being voluntarily annexed into the City limits. The State Department of Transportation and the City of Rapid City will have joint responsibility for controlling access to U.S. Highway 16.

East Philadelphia Street is a dedicated public right-of-way, 724 feet in length. The road is paved as it comes off Cambell Street and then continues with gravel to the end. This road serves as access to five properties. All other properties in the annexation area are accessed directly and indirectly by the three arterial roads. As development occurs, East Philadelphia Street will need to be upgraded to meet all City codes. Maintenance of existing roads within the annexation area shall be provided only if such roads are dedicated public right-of-way. There will be no significant cost to the City at the time of annexation.

Water/Sewer: Private wells and sewer systems currently serve the commercial businesses located in the annexation area. However, City sewer and water are located within the area. The owners may extend these services to the properties if the property is annexed into the corporate limits of Rapid City. Future connection and use of City sanitary sewer and City water would be allowed only according to State Law and in accordance with the City Subdivision Ordinance.

Solid Waste Collection and Disposal: The City currently services the annexation area by allowing commercial solid waste haulers serving the area to utilize the landfill and material recovery facility. The cost to commercial haulers for using the landfill is \$45.00 per ton. There should be no significant cost to the City at the time of annexation.

Fire Protection: The City of Rapid City currently provides mutual aide response to the proposed annexation area through the mutual aide agreements with the North Haines Fire District. Upon annexation, all City fire services would be provided to the area including: fire suppression (structure and wildland protection), fire prevention services (code enforcement, plans review, fire investigation), hazardous materials response and mitigation, rescue functions (water related rescue and recovery, vehicle extrications, and industrial rescue), and emergency medical service (basic life support and advance life support).

The City has an obligation to compensate rural fire districts that have capital improvement debts, when annexations diminish their tax base. The North Haines Fire District has indicated that they have no debt at this time. No compensation is required. Insurance costs to property owners could be lowered once annexation has occurred.

The Rapid City Fire Department has a method for calculating incremental annexation costs to their department. The formula gives a current average yearly cost per acre, multiplied by the number of acres to be annexed, and adjusted for location to response

districts and land use. The incremental cost of covering the subject area is \$7,173.00 per year. This figure is used by the Fire Department to evaluate the necessity of building and manning a new fire station.

The current cost to the City for providing mutual aid fire protection services to this area is negligible. As this is within the current response area, fire and EMS call volume should be minimal and handled with current resources. In the future, there is a long-range plan for an additional fire station to be constructed for the east (Hwy 44 East) area as further development and annexation occurs. There will be minimal impact on the current budget. At the time of annexation, there should be no significant cost to the City.

Police Protection: Law enforcement is currently provided to the subject properties by the Pennington County Sheriff's Department. Upon annexation the territory would become the responsibility of the City of Rapid City Police Department. There should be no significant cost to the City at the time of annexation.

Building Inspection and Ordinance Enforcement: The services of the Building Inspections Division required by City Ordinance and available immediately to the proposed annexation area include: building permits, sign permits, addressing, plan reviews, building inspections, mechanical inspections, electrical inspections, ordinance enforcement, and other similar services. There is no significant increase in cost to the City in providing these services to the study area. As the area develops, fees or charges for building inspection services would help support the staff and any additional costs.

Public Transit: The City of Rapid City currently operates both a fixed route and dial-a-ride transit system. The City provides dial-a-ride services to all incorporated areas of the City. This service must be provided to all individuals meeting Americans with Disabilities Act (ADA) certification criteria. Dial-a-ride service is provided on a space available basis to the public at large provided they reside more than three-quarters of a mile from a transit stop. A cost estimate is not available at this time due to the uncertainty of the need for transit service in the annexation area.

Other Public Services: Community wide services provided to residents of Rapid City include but are not limited to: parks and recreation, the Rushmore Plaza Civic Center, Dahl Fine Arts Center, Rapid City Regional Airport and the Public Library. Upon annexation, the levy for library services applied to County residents, will be removed.

Residency is not considered for services provided patrons of the Rushmore Plaza Civic Center, Dahl Fine Arts Center or Rapid City Regional Airport. While fees and rental payments help offset costs for these and other citywide facilities, tax support from the City residents does play a role.

TAXATION:

The estimated difference in the 2001 tax assessment rate applied to the subject territory upon annexation would be the addition of the City of Rapid City levy of 3.4252 and the elimination of a total of 2.7060 mills for the County Fire Administration, Unorganized Road District, North Haines Fire District, and the Rapid City Library. The Pennington County Director of Equalization assesses all the parcels as non-agriculture, with the exception of one property, which has a residence. This parcel is assessed as partially

owner occupied and partially non-agriculture. The table below gives the current mill rates and anticipated changes upon annexation of the Cambell East Annexation Area:

	<u>Owner Occupied Residence</u>	<u>Non Agriculture</u>
Current Total Mill Rate	18.2280	26.8472
Total Mill Rate Upon Annexation	18.9472	27.5664
Net Change in Mill Levy	+ .7192	+ .7192
% Change in Total Tax	3.95%	2.68%

<u>Owner</u>	<u>Designation</u>	<u>Est. Taxes Currently</u>	<u>Est. Taxes If Annexed</u>	<u>\$ Increase</u>	<u>%Add.</u>
Parcel #1	NonAgriculture	\$29611	\$30403	\$792	2.68%
Parcel #2	NonAgriculture	\$ 4306	\$ 4422	\$116	2.68%
Parcel #3	NonAgriculture	\$13028	\$13378	\$350	2.68%
Parcel #4	NonAgriculture	\$10893	\$11184	\$291	2.68%
Parcel #5	NonAgriculture	\$ 3221	\$ 3308	\$ 87	2.68%
Parcel #6	NonAgriculture	\$ 2014	\$ 2067	\$ 53	2.68%
Parcel #7	NonAgriculture	\$22294	\$22891	\$597	2.68%
Parcel #8	NonAgriculture/ OwnerOccupied	\$ 3138	\$ 3233	\$ 95	2.93%
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NEED FOR ANNEXATION:

Annexation is the traditional method by which a city extends its boundaries to include areas that are urbanized or are in the process of urbanizing, and are contiguous and adjacent to the existing boundaries of the city. Rapid City established a policy in December 1998, regarding the annexation of property into the City. In developing the Rapid City Annexation Policy Document, the City adopted a set of annexation goals. These goals are:

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

Annexation of the Cambell East Area is an area that should be considered according to the four previous goals, based on the following findings:

- The annexation of the land is necessary for the orderly growth and development of Rapid City. Currently this area incorporates several acres of undeveloped land. It is wholly surrounded by the City limits, and therefore has the potential for development, which would include roads and utility services. Zoning and nuisance ordinances will ensure that negative impacts from future developments are minimized.

- The annexation of the subject area is necessary as this area is urbanizing and will require future urban level of services. These properties can be serviced by the Rapid City Fire Department. Sewer and water are currently available in the annexation area.
- The annexation of the Cambell East Area impacts the City of Rapid City as this area is surrounded by the City limit boundaries. Future development will have a direct impact on adjoining incorporated areas.
- The annexation of the subject area is also necessary to preserve an equitable tax base. Islands of unincorporated lands located within a City lead to certain inefficiencies. Services such as police and fire protection are more adequately and efficiently provided if they cater to a cohesive service area rather than a scattered or broken service area. Infrastructure improvement costs and maintenance costs are also reduced with a compact urban form rather than a sprawling form.

The property owners of the Cambell East Annexation Area share a community of interest with Rapid City and benefit now from certain City services. Residents of the annexation area drive upon City streets, utilize City parks, and benefit from other City services such as City planning. Many of the properties within this territory have available to them an urban level of service due to the growth that has occurred in adjacent portions of Rapid City. Sewer and water services are available to this annexation area.

Based on the goals of the City's adopted Annexation Policy Document, annexation of the subject territory is warranted.

COMMUNITY GROWTH:

Rapid City continues to grow, with a substantial amount of commercial development occurring in the northeast section of the City. According to the U.S. Census Bureau, the Rapid City Population numbers have increased from 54,523 in 1990 to 59,607 in 2000. Rapid City needs to annex areas beyond its boundaries to accommodate the continued growth of the community.

CONCLUSIONS:

The Annexation Policy that Rapid City has adopted will ensure the continued orderly growth of the City and the equitable development of our infrastructure.

The area under study for annexation has some developed and undeveloped properties. There is supporting infrastructure and service in place to accommodate continued development. The costs of annexation to the City are negligible. The study area complies with all aspects of the City's Annexation Policy Document. To continue the orderly growth of the City and ensure equitable development of supporting infrastructure, the annexation of this Cambell East Study Area is warranted.