



MARCOTTE PROPERTY

October 5, 2020

Previously owned by GF&P

- Acquired by GF&P in 1954, “Sturgis Deer Area”
- State began contemplating selling the property in 2002 due to neighboring urban growth

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

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.

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.

Sale to the City

- January and February of 2012
 - HB 1020, House Hearing
 - During the hearing, the City Manager stated that the plan was for use as parkland and open space
 - 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 Representative said it would be a good place to put homes. Asked if there would be any covenants to limit certain activities? No, there would not be any limitations
- Spring and Summer of 2012
 - Appraisal of the Marcotte was at full unencumbered value, City asked that if the value would be as park land. It would not be valued as parkland. City then asked if there would be any encumbrances, there would not be once the Contract for Deed was fully paid

Purchase by the City

- The Marcotte property was appraised at full unencumbered value of \$10,000/acre
- 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.
- The report included the significant cost that the City would need to pay, and that the land would be able to be used for future growth and recreation

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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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.

<p>Background Information:</p>	<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>
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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.

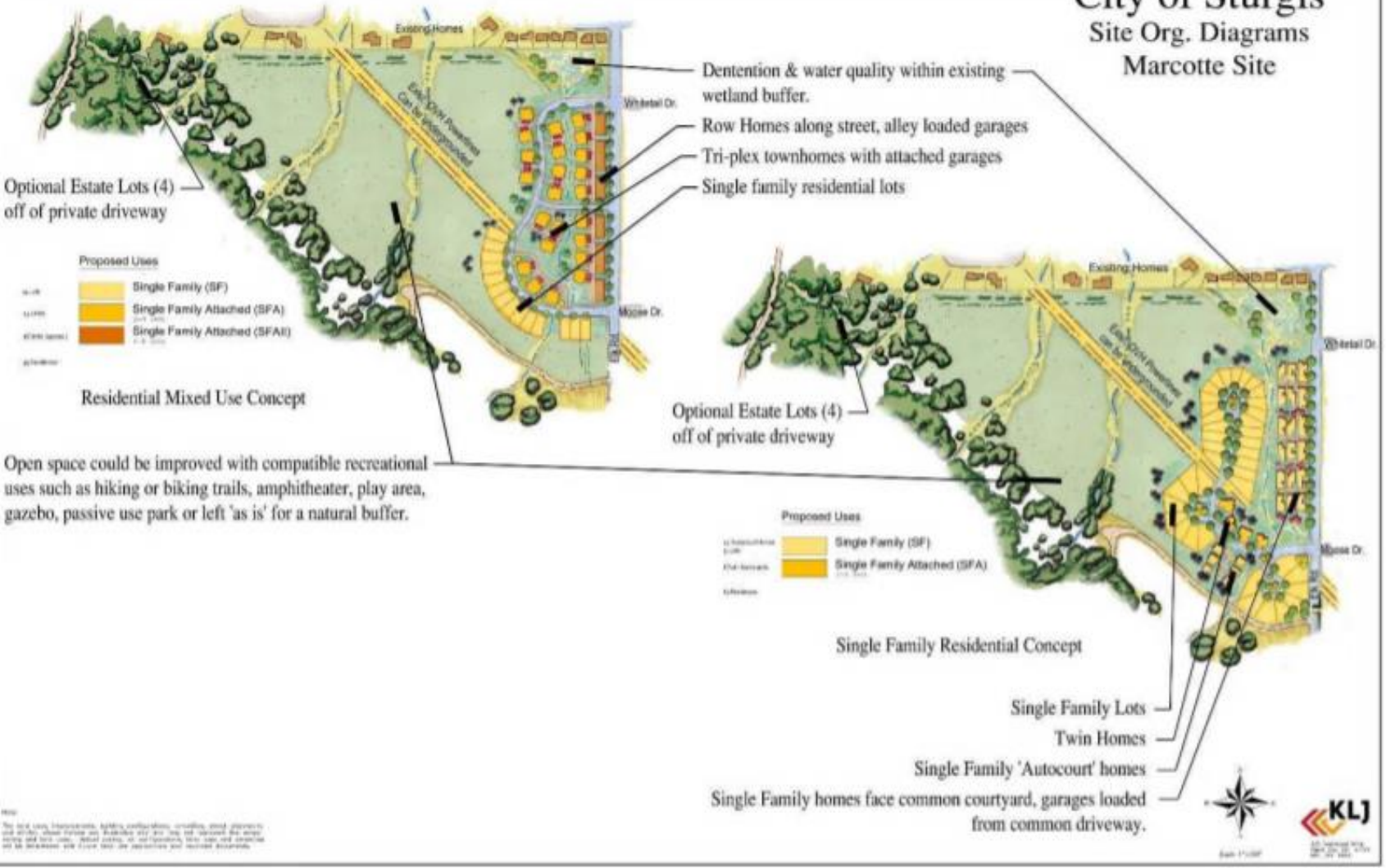
Meetings comprised a brief summary of the 'to-date' status of the project, followed by any project related updates from the City, follow-up on outstanding questions, a presentation of new maps, concepts and information on a parcel by parcel basis and a question and comment session. Several meetings took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



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
- 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

- The City completed paying for the Marcotte property in 2015 and received clear title for the property.
- On February 1, 2020, the City Council considered annexing the property. During this meeting, it was reiterated that limited residential development could occur to recoup the cost of purchase of the property

Budget Impact:	studies for the land but a final decision is not going to made at this point. 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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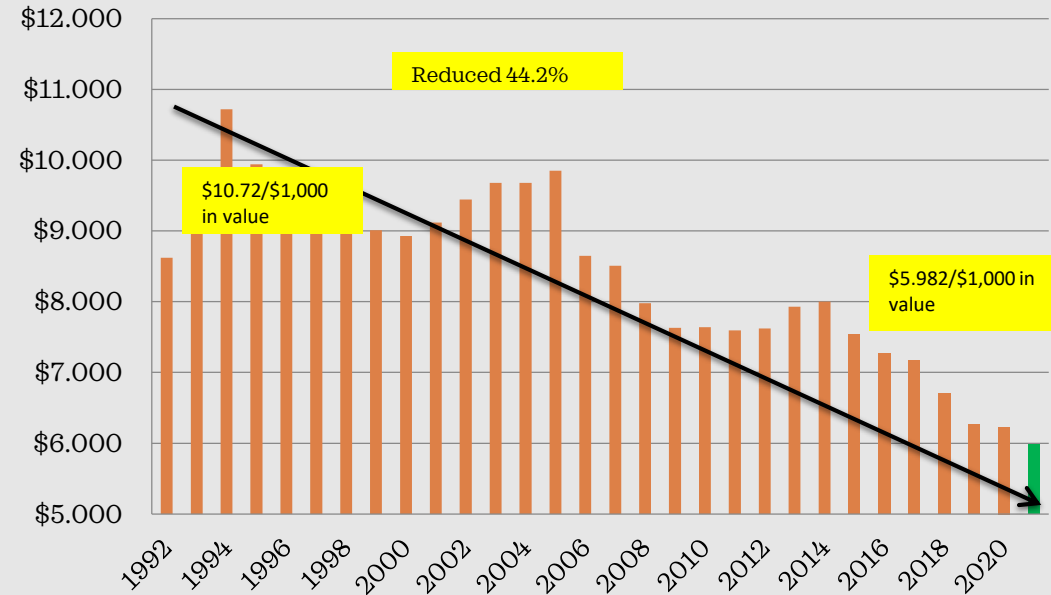
Proposed Development

- The proposed development would include
 - Approximately 30 acres of new park land and open space
 - Including a large playground and pavilion
 - Reconstruction of Otter Road
 - Funding for a crossing over Deadman Debris Basin
 - Construction of new trails
 - These improvements would be paid for through the development TIF, it would not come at a cost for the current taxpayers of Sturgis
- The sale of the property would:
 - Provide nearly \$1,000,000 in additional funding for an outdoor splash pad and aquatics facility (in addition to the \$200,000 currently budgeted in the capital improvement fund)
 - Provide \$100,000 in match funding for an indoor batting facility for the softball and baseball programs of Sturgis

A few data points

	2000	2010	Percent Change
Box Elder	2,841	7,800	174.6%
Belle Fourche	4,565	5,594	22.5%
Spearfish	8,608	10,494	21.9%
Rapid City	59,607	67,956	14.0%
South Dakota	737,333	820,077	11.2%
Meade County	24,253	25,434	4.9%
Lead	3,027	3,124	3.2%
Sturgis	6,442	6,627	2.9%
Hot Springs	4,129	3,711	-10.1%

**History of Sturgis City Mill Levy
2021 will be the lowest in 30 Years!**



The City of Sturgis' mill levy will have been decreased by 25.3% since 2014!

Additional points

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 than other locations in the District
- Additional local sales tax revenue of \$774 per family

Recommendation

- Request from some residents was for the Council to reconsider its decision
- Staff's recommendation is to rescind its resolution and to hold a community meeting in the future to discuss the proposed project