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CITY COMMISSION STAFF REPORT PETITION FOR DEANNEXATION

Staff Report

Date: September 15, 2025
From: Kevin Kuchenbecker
Planning, Zoning & Historic Preservation Officer
To: City Commission
Re: Petition for Deannexation of Territory

APPLICANT(S): Boot Hill Estates LLC

PURPOSE: Petition for Deannexation of Territory

LEGAL DESCRIPTION: Buena Vista Tract, being a portion of M.S. 343, M.S. 681, M.S. 685, M.S. 686, M.S. 788, M.S. 840, M.S. 920, M.S. 1208, and Lot R7 of M.S. 840, located in Sections 23 and 24, T5N, R3E, B.H.M., containing portions within and outside the City of Deadwood, Lawrence County, South Dakota.

FILE STATUS: All legal obligations have been completed by the petitioner.

ZONE: PF – Park Forest

SUMMARY OF REQUEST

The applicant has submitted a Petition for Deannexation of Territory for the Buena Vista Tract requesting removal from the Deadwood City Limits.

FACTUAL INFORMATION

1. The property is currently zoned PF – Park Forest.
2. The property sits within the city limits of Deadwood.
3. The property is situated on a large, prominent hill that is viewed when entering the city via Highway 85 from the north.

STAFF DISCUSSION

On July 16, 2025, the City received a Petition for Deannexation of Territory, from Boot Hill Estates LLC, a South Dakota limited liability company citing SDCL 9-4-6. The request is to deannex from the Deadwood City Limits (petition and correspondence attached). The state law referenced in the request is as follows:

9-4-6. Exclusion of territory from municipality on petition or by vote of governing body.

Upon a two-thirds vote of the governing body, or on petition in writing signed by not less than three-fourths of the legal voters and by the owners of not less than three-fourths in value of the property in any territory within any municipality being upon the border thereof, the governing body may by resolution exclude the territory from the municipality. However, if all the land sought to be excluded is more than one-half mile from any platted portion of the municipality, the petition must be signed by the owner only.

This petition presents key factors to be considered during the review and possible action by the Deadwood City Commission. Below is an exploration of several crucial aspects that may justify the Commission's decision on this petition, with expanded context on each point based on the specifics of the property and the city's needs.

CONSIDERATIONS FOR DEANNEXATION

In reviewing the Petition for Deannexation of Territory and as a further guide to its decision upon the facts of the case, the Commission(s) shall consider, among other things, the following facts:

1. Location within the Deadwood National Historic District

The subject property is located within the Deadwood National Historic Landmark District (Exhibit A). This designation carries importance, as properties in such districts must adhere to preservation standards intended to safeguard their historic, cultural, and architectural integrity. The 1981 city limits of Deadwood were identified as the boundaries of this historic

district. Only a small portion of the property requested to be excluded from the territory of Deadwood is outside this historic district. Deannexation could compromise coordinated preservation initiatives aimed at maintaining Deadwood's distinctive historical character and value that the district offers to both residents and visitors. The sites' context and setting within the historic district are particularly integral to these efforts.

Being situated within the boundaries of the Deadwood National Historic Landmark District, the subject property carries a regulatory weight. The district, recognized at the national level for its cultural and architectural significance, is a key asset to the city's identity and economy. Allowing deannexation of any portion within this district could undermine ongoing preservation efforts, compromise its status, and erode the integrity of the historic designation as a whole. The city has a vested interest in maintaining cohesive oversight of properties within this district to ensure consistent standards for restoration, use, and protection of historic resources.

The National Park Service, under the Department of the Interior, would need to be notified and the district would need to be amended. This step is likely to be complex, lengthy and may compromise the balance of the National Historic Landmark District.

2. Inclusion in the Original Town Site of Deadwood (dating back to 1881)

The property lies within the Original Town Site which was established with the incorporation of Deadwood in 1881. The Original Town Site forms the original boundaries of Deadwood, contributing to the city's identity and legacy. Deannexing property from this core area could disrupt the historical continuity, diminish the city's heritage, and set an undesirable precedent for future petitions seeking to separate historically relevant parcels.

The property inclusion in this foundational footprint ties it to the early development, settlement patterns, and identity of the city itself. The Original Town Site represents more than a geographic boundary; it reflects the legacy, stories, and communal milestones that have shaped Deadwood for generations. Allowing exclusion of this parcel of land from the original boundaries of Deadwood could diminish the continuity and authenticity of the city's heritage, weakening the narrative that both residents and visitors experience. Maintaining the property within city limits supports efforts to preserve the integrity of Deadwood's origins and ensures that decisions affecting its future remain subject to local stewardship.

3. Loss of Property Tax Revenue

Deannexation would remove the property from the city's tax rolls, resulting in a direct loss of property tax revenue. This impact could be particularly significant for Deadwood, where every dollar contributes to essential municipal services, infrastructure maintenance, and community programs. If this property gets developed to its fullest potential, the property taxes generated through the mill levy could positively impact city revenues. The cumulative financial repercussions, if not in the City Limits, could hinder the city's ability to maintain or improve services for its residents.

Properties situated within city boundaries contribute to the municipal tax base, helping to fund essential services such as public safety, infrastructure, maintenance, parks and cultural programming. Should the subject property be removed from city jurisdiction, Deadwood would forfeit its ability to levy property taxes on this land, placing greater strain on remaining taxpayers and potentially jeopardizing the quality or availability of vital public services. This loss of revenue could also impact long-term planning and investment in community assets that benefit all residents.

4. Deadwood's Need for Housing

Deadwood, like many communities, has an ongoing need for additional housing, with particular emphasis on affordability, as expressed in the 2018 Deadwood Comprehensive Plan. Retaining land within the city limits is crucial for the city's ability to guide development and incentivize residential projects that address housing shortages. Excluding this property from the city limits could remove valuable land from the pool of potential sites for new homes, thus impeding efforts to expand affordable housing options for Deadwood's current and future citizens.

The ongoing challenge of housing availability – particularly affordable housing – should be carefully considered. Deadwood, like many historic communities, faces a persistent need for more diverse and attainable housing options to support both its current residents and future growth. Retaining properties within city boundaries allows local officials to pursue targeted housing strategies, including incentives and zoning tools, that address affordability gaps and promote a more inclusive community. Allowing deannexation would reduce the city's ability to address these housing needs holistically, potentially worsening shortages or pushing out long-term residents. By maintaining oversight, the city can leverage every available parcel to advance housing priorities and ensure that development aligns with community values and demographic needs while allowing for orderly development and preventing unregulated sprawl.

The land in question is within proximity to municipal utilities. Areas near utilities are ideal for managed growth. Keeping the land within municipal boundaries allows the city to expand services more efficiently. In addition, proximity to municipal utilities allows access to services such as fire protection, road maintenance and stormwater management. Deannexing such land could diminish oversight and increase environmental or safety risks.

5. Importance of Zoning in this Area

Zoning is an essential tool for managing the character, safety, and orderly development of the city. The area in question is subject to zoning regulations that protect the interests of the broader community. Deannexation would eliminate the city's authority to enforce zoning standards on the property, potentially leading to incompatible development or uses that conflict with the community's vision and planning objectives.

Maintaining this property within city limits allows local authorities to exercise oversight over zoning decisions, balancing growth with historic preservation, environmental protection, and the well-being of residents. Deannexation would remove an important check on how the land might be used in the future, potentially opening the door to incompatible or undesirable development. By preserving the city's ability to apply its zoning ordinances, Deadwood can better safeguard the character of its neighborhoods and protect the interests of its citizens.

6. Contribution to Deadwoods' Unique Viewshed

The property is part of the historic viewshed that helps define Deadwood's special sense of place. Scenic views play an important role in the city's appeal, attracting tourists and enhancing the quality of life for residents. Removing land from city oversight could threaten the preservation of these vistas, affecting both economic opportunities tied to tourism and the city's intrinsic character.

Beyond the practical implications of taxation, housing and zoning, the property in question also contributes significantly to Deadwood's iconic landscape. The 2018 Deadwood Comprehensive Plan refers to the preservation of natural resources such as this as follows, "A common theme regularly expressed by community members throughout the community engagement process was for the historic and natural resources of Deadwood to be preserved, particularly its historic structures and scenic setting in the Black Hills."

Its location and natural features play an integral role in shaping the visual experience enjoyed by residents and visitors alike. Preserving these sightlines and the overall aesthetic continuity is vital to maintaining the city's unique character and heritage. Deannexation could open the door to changes that disrupt the established viewshed, undermining the sense of place that distinguishes Deadwood from other communities. Protecting these visual assets not only supports tourism and local pride but also honors the collective memory embedded in the city's historic vistas.

CONCLUSION

In summary, acceptance or denial of the Petition for Deannexation of Territory can be justified on several substantive grounds, including historic preservation, fiscal stability, housing needs, zoning integrity, protection of the community's viewshed, social cohesion, and the need to maintain consistent application of city regulations. Each of these reasons underscores the broader public interest in retaining the property within the City of Deadwood's boundaries.

ACTION REQUIRED:

1. Approve/Deny Petition for Deannexation via a two-thirds vote of the governing body.

(Planning and Zoning does not recommend approval of the Petition for Deannexation, per Planning and Zoning Commission meeting held September 3, 2025.)