



## Near Lake Property Purchase

On the Agenda, I am proposing that the Council consider the purchase of property that is adjacent to Lake Mitchell for the creation of a wetland to improve the water quality in the Lake Mitchell Watershed. I believe that this purchase, along with our efforts to provide grant funding to the James River Water Development District (through our funding with the SD DENR), and partnerships we are working to establish with Ducks Unlimited, Pheasants Forever, USDA, NRCS; will put us well on our way to addressing the water quality concerns of the Lake Mitchell Watershed.

### Property Overview:

The property includes 330 acres of land adjacent to Lake Mitchell. To purchase the 330 acres, the City would also be required to purchase the additional 40 acres that comes with a residential home. The 330 acres purchase cannot be purchased without also purchasing the 40 acres with the residential home. The 330 acres acquired would be used to create an improved wetland adjacent to Lake Mitchell. This wetland area alone would have a significant impact on the total number of acres needed for watershed work as previously identified in a consultant's study. A substantial benefit with this purchase is that the City owns the land versus entering into reoccurring lease arrangements. This potential ownership gives the City the opportunity to develop joint uses for the area. The proposed purchase agreement does include residential property, which in this agreement remains occupied for a period of time while the owner finds alternate accommodations. That allows the Council time to decide the future of the residential property, so that decision can be thoroughly vetted.

### Partnerships:

The City is already working with James River Water Development District on watershed improvements utilizing grant funding made available through the City's financing of infrastructure projects benefiting the City of Mitchell. This purchase would open up additional partnership opportunities with JRWDD, Ducks Unlimited, Pheasants Forever, Game Fish & Parks, and others. Any additional work in the watershed will just improve the future outcomes of the wetland development in the near-lake property. There are many other potential partnerships when we consider this could be a new "destination driven" location for the Mitchell community and visitors alike.

### Financing:

I understand the financial commitment this purchase would require, and I do not take that lightly. We have already identified that 84% of the total debt service could be paid through existing lease agreements on the property as well as funds received from POET for its water use. We have also discussed other alternatives for additional revenue generation towards the debt service depending on how the Council would like to move forward with the property. The purchase would not require us to increase taxes.

While I realize a proposed purchase of this size is a major decision for the Mitchell Community, I believe that the proposal has the potential to provide the necessary wetland acres to address our "Near Lake Solution". I hope that during Wednesday's presentation, everyone can imagine potential benefits that this purchase has to ensure that the community of Mitchell preserves one of our natural resources, which is arguably one of our greatest assets of our community. I also hope that the community can envision and help us enhance the additional opportunities for growth and development of the area if the Council decides to move forward.

Sincerely,

Mayor Bob Everson