

Parking ramp expansion hits a cash bump

FUNDING: City may tap the 2012 program to pay the extra \$640,000 needed to complete the third level.

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Adding a third level to the downtown parking ramp hit a snag Monday night after the Rapid City Council learned an extra \$640,000 will be needed to pay for the project — an amount that could come from the 2012 program.

A third level would add about 164 spaces to the 323-space, two-level ramp south of the railroad tracks between Fifth and Sixth streets.

The council postponed until Aug. 4 awarding a contract to J. Scull Construction Services to build the ramp expansion for \$2,614,100 until the city nails down the funding sources for the project.

The city has 30 days from when bids were opened on July 17 to either award the project or reject all bids.

2012 fund

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However, the city has talked for months about using the money for the Rushmont project.

PARKING: City council to meet as 2012 committee Aug. 4.

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The city finance office believes that about \$2.2 million from bond sale proceeds will be available for the project. However, another \$638,000 is needed to cover the cost of construction, including the design cost and extra for contingencies.

The two likeliest places for the city to find additional funds is the 2012 program or the capital improvements reserve fund.

Alderwoman Deb Hadcock prefers using reserve funds to award the bid now, then repaying the fund with 2012 revenue.

The majority of the council rejected the idea, 7-3. Some council members were concerned about using nearly two-thirds of the \$1 million available in the reserve fund on the ramp's expansion.

Money is available in the 2012 fund for the project; the council set aside \$2.8 million dedicated for parking when it created the current five-year plan in 2005. However, the city has talked for months about using the money for the Rushmont project, a multi-use building that will include 600 parking spaces, though progress on the building has been slow.

Another \$2 million in uncommitted 2012 funds might be tapped if projects not ready to move forward soon are pushed back.

Alderman Bill Okrepkie urged the council not to divert money from the proposed Rushmont development.

"I would certainly caution us to make sure we don't dilute that," Okrepkie said. "If there's other money in 2012 that we can use for this, I'm all for it. But we need to make sure we keep this \$2.8 million set aside ... so the Rushmont can happen."

Alderman Ron Weifenbach was not happy to learn that revenue from the parking lot area fund — generated from parking fines, meters and space rental — would be not pay for the third level's entire cost.

He also was irritated about the prospect of using more 2012 funds, especially after the

council rejected his proposal a few months ago to spend \$400,000 in 2012 funds on a box culvert project in his ward by arguing it had not gone through the same review process as other projects.

"We're circumventing the process of 2012 that we went through, which we spent a lot of time setting up that process. I let go of a major project in Ward 1 and Ward 2," he said.

Some council members asked why the city could not issue enough in bonds to cover the ramp's entire cost. Finance

officer Jim Preston indicated that the city was limited because of the debt service for the ramp's original construction.

The city still owes about \$1.25 million in principal on the bonds used to build the ramp in 1998. Bond payments are scheduled through 2018. The city's parking lot area fund is used for monthly bond payments, to operate the parking enforcement system and to maintain all the city's parking lots downtown.

The city had enough money in the parking fund — about

\$1.34 million at the end of 2007 — to pay off the original debt but can't call those bonds until at least 2012. As a result, the city put money from the parking fund into an escrow account dedicated to paying the original bonds, which allowed the city to also bond for the proposed new level.

The council will meet as the 2012 committee immediately before the regular council meeting Aug. 4 to discuss funding options.

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