

# Rapid re-vision

**FUTURE OF FUNDS:** As sales tax revenue dwindles, Rapid City tries to keep ambitious goals on track.

**BEFORE**



**AFTER**



Ryan Soderlin/Journal staff

An artist's rendering, above, shows what the parking lot on the corner of Main and Sixth Streets will look like after the construction of a downtown plaza, Main Street Square — a project proponents hope will be funded in part by Vision 2012 funds.

## Mayor rules out borrowing to build

By Emilie Rusch  
Journal staff

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Journal

The reach of Vision 2012, Rapid City's program for investing in community projects beyond the scale of normal government, is spread wide throughout the city.

Since 1995, the half-cent city sales tax has funneled more than \$100 million into dozens of projects, ranging in scale from a \$25.6 million professional ice arena to an \$180,000 skateboard park.

But this year, as another five-year round of funding is set to begin, city officials find themselves facing a question new to the 2012 process: Just how much can Rapid City afford to invest?

After a sluggish 2009, city sales tax revenue is still struggling to regain ground. And like communities and families nationwide, Rapid City could have to cut back and pay for Vision 2012 projects as they go, instead of taking out loans, or in the city's case, bonds.

In 2005, residents and city officials divvied nearly \$60 million to build myriad community projects over five years. In

2010, that number could be closer to \$33 million.

But, city officials agree, the power of Vision 2012 will not be derailed in the next five years, sour economy or not.

"If sales tax doesn't come in at a certain point, sure, there will be less money in the 2012 pot," Ward 5 Alderman Malcom Chapman said. "But, it's pretty significant that you're able to invest whatever the amount in the community."

"Will 2012 impact the community? Absolutely, in a large way."

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Vision 2012 was born out of one of Rapid City's most traumatic events, the June 9, 1972, flood.

In 1992, as residents observed the flood's 20th anniversary, then-Mayor Ed McLaughlin started reflecting on everything the city had done to rebuild over the previous two decades.

"Looking back at all the improvements and all the things that made Rapid City a

### Proposing a Vision 2012 project

Applications for Vision 2012 project funding are due to the mayor's office by 5 p.m. Monday.

In addition to describing the project, applicants are also required to provide detailed information about the proposal's effect on the community and the funding source for ongoing operational costs.

Citizen committees will fully vet all projects starting sometime this month, before sending funding recommendations onto the city council for approval.

Applications are available on the city's web site at [www.rcgov.org/2012-projects.html](http://www.rcgov.org/2012-projects.html).

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"The vision goes on beyond the date. That part doesn't matter. The thing that matters is the vision and the long-term goals of what's in the best interest of the city in the long run. That's the heart of it."

Former Mayor Ed McLaughlin



"We need to go back to the basics of 2012. ... We need to prioritize those projects that will provide the biggest bang for the buck and just as important, what we can do that will help create jobs."

Mayor Alan Hanks

**VISION:** Alderman says projects need to have 'wow' factor for city.

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better place to live, a group of us got together and decided we needed a vision and a plan for the next 20 years and not just let it go by happenstance," the current state legislator said.

That plan, after countless public meetings and presentations, would become Vision 2012.

First, though, city leaders had to lock down a funding source for projects above and beyond the scope of typical city government.

The half-cent sales tax that funded the construction of Rushmore Plaza Civic Center was set to expire in 1995, and, on Nov. 9, 1993, 53 percent of the voters approved extending the tax. It was immediately referred for another vote to eliminate the tax outright, but 74 percent of voters rejected that proposal on Jan. 17, 1995.

"The council could have taken that action on its own and just extended it. But that wasn't the right way to do it," McLaughlin said. "If we had a plan and need for those things, we needed to take it to the public for a public vote. And we did."

From the community conversations between the two votes came a list of potential projects, which were whittled down to six: the Canyon Lake restoration, The Journey Museum, the Material Recycling Facility at the Rapid City Landfill, the Black Hills Visitor Information Center, funds for economic development and recreation enhancements.

In the years since, Vision 2012's reach has extended throughout the community, as the city approved a new set of projects every five years — the community gyms at West and South middle schools, Roosevelt Park's ice arena and swim center, the Rapid City Public Library, Youth & Family Services, the Catron Boulevard extension.

The year 2012 was never meant to be an expiration date, either, McLaughlin said. The tax voters approved in 1995 is actually called the "Rapid City Economic Development and Civic Improvements Fund" and has no mention of 2012 or a sunset date.

"The vision goes on beyond the date," McLaughlin said. "That part doesn't matter. The thing that matters is the vision and the long-term goals of what's in the best interest of the city in the long run. That's the heart of it."

These days, McLaughlin finds himself smiling whenever a new project is proposed in the community. It's a far cry from the days when residents were voting on whether to extend the tax at all.

Almost without fail, McLaughlin said, supporters mention Vision 2012 as their funding source.

"Whether it really fits or not, the feeling in the community now is we've been blessed with the results of those things, and that's one source of funds that's available," McLaughlin said. "Everywhere you look, there's a project that's been tied to it."



Journal file photos

The Rapid City Skate Park was built with Vision 2012 funds between 2000 and 2002. The fund gave \$180,000 to the park, located by The Journey Museum.

## What the city has accomplished

The Rapid City Economic Development and Civic Improvements Fund, or Vision 2012, has left its footprint all over the city, in projects both large and small since 1995.

### Completed projects from round three (2005-2010) include:

- Rushmore Plaza Civic Center ice arena, \$25.6 million
- Dahl Art Center renovation, \$3.25 million
- Police Evidence/Traffic Building, \$1.78 million
- Residential street reconstruction, five projects, \$1.5 million
- Kansas City Street reconstruction/beautification, \$1.39 million
- Pactola Water Plan, \$1 million
- Skyline Drive preservation, \$737,000
- Downtown parking structure, third level, \$700,000
- Elm Avenue reconstruction, \$600,000
- Roosevelt Park improvements, \$598,000
- Parkview tennis courts, \$480,000
- Western Dakota Technical Institute burn building, \$476,500
- Canyon Lake restoration, \$337,000
- Stevens High School Westside gym, \$350,000
- O'Hara Stadium artificial turf, \$280,000
- LED traffic signals, \$278,250
- Playground equipment, Wilderness, Scott Mallow and College parks, \$273,200
- Homeless Coalition, \$250,000
- M Hill land purchase (part of



Journal file photo

The Rushmore Plaza Civic Center ice arena, home of the Rapid City Rush hockey team, received \$25.6 million from Vision 2012 during the third round of distributions, between 2005-2010.

- Chuck Lien Family Park), \$160,000
- School zone flashers, \$129,700
- Hospice House, \$100,000
- Rapid City Girls softball, \$39,500

**The Opportunity Capture fund, the economic development leg of Vision 2012, received \$3.7 million over five years to assist in business recruitment and job creation.**

- Blacks Hills incubator Phase II, \$350,000
- Miscellaneous, \$568,982
- Cabela's, \$2 million
- South Dakota School of Mines &

- Technology, \$389,848
- TDI Arms, \$50,000

### Previously completed Vision 2012 projects:

- Meadowbrook Golf Course clubhouse, \$1.2 million, 2001-2002
- Canyon Lake restoration, \$2.2 million, 1995-1996
- Fitzgerald parking, \$300,000, 1996
- YMCA gymnasium, \$800,000, 1997
- Animal shelter, \$200,000, 1999
- Rapid City Swim Center, \$10.3 million, 2002-2004

- Catron Boulevard, \$4.5 million, 1999
- Sioux Park tennis courts, \$600,000, 1999-2002
- Rapid City youth boxing facility, \$75,000, 2001-2002
- Rapid City Club for Boys, \$1 million, 2000-2001
- Journey Museum, \$10.4 million, 1996-1997
- Roosevelt Park Ice Arena, \$5 million, 2001-2002
- Jimmy Hilton Pool, \$3.4 million, 1999-2002
- West Middle School gym/community center, \$3.3 million, 2002-2003
- Skateboard park, \$180,000, 2000-2002
- Rapid City Public Library, \$2.77 million, 2001-2002
- School of Mines track, \$400,000, 2002
- Little League lighting, \$461,070, 2000-2002
- Sioux Park improvements, \$2.3 million, 1999-2002
- Storybook Island gift shop, \$447,337, 1999-2000
- South Middle School gym/community center, \$3.3 million, 2002-2003
- Highway 16 Fire Station No. 6, \$1.09 million, 2002-2003
- Visitor Information Center, \$2.76 million, 1998
- Girls ASA softball fields, \$900,000, 2002
- Public Safety Building, \$1.25 million, 2003
- Youth & Family Services/Girls Inc., \$3 million, 2002-2003

## What the city has yet to accomplish

As of today, five major Vision 2012 projects approved in 2005 have yet to be completed. Leases and other

Proposed location: 80 acres off North Elk Vale Road donated by developer Doyle Estes

**Performing arts center**  
2012 funding: \$3.25 million  
Supporting organization: Rapid City Performing Arts Coalition

City, St. Joe Investment Group  
Proposed location: city parking lot at Sixth and St. Joseph streets  
Status: Master development agree-



is we've been blessed with the results of those things, and that's one source of funds that's available," McLaughlin said. "Everywhere you look, there's a project that's been tied to it."

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Today, though, city officials find themselves grappling with how to budget for five years of Vision 2012 when the last one has been so uncertain.

Through the end of January, the most recent data available, the city's general sales tax revenue is down 3.95 percent over 2009. The city ended 2009 down 3.2 percent, with a \$636,000 gap in the tax-supported budget that funds basic city services.

Mayor Alan Hanks said the last thing the city wants to do in an uncertain economy is overextend itself in the next round of Vision 2012. He will propose a "pay as you go" approach that would free up about \$33 million over five years, as compared to the \$59.9 million budgeted for 2005-2010.

"I don't want to take any chances," Hanks said. "We're not going to borrow any money to go out and build these projects."

And while not borrowing will limit the scale of projects, Hanks said the benefit to the community will still be there. Large projects like the civic center ice arena, which cost \$25.6 million, are the exception, not the rule.

"We need to go back to the basics of 2012," Hanks said. "We need to look at streets. We need to look at infrastructure. We need to look at economic development. We need to prioritize those projects that will provide the biggest

## What the city has yet to accomplish

As of today, five major Vision 2012 projects approved in 2005 have yet to be completed. Leases and other agreements are in place, and city officials have said funding will continue at their promised levels. They are not, however, guaranteed any additional funding if they choose to apply in the upcoming round of 2012.

### 25-field soccer complex

2012 funding: \$3.8 million  
Supporting organization: Soccer Rapid City

bang for the buck and just as important, what we can do that will help create jobs."

How the available money will be spent is up to the community.

The only guideline is a set of percentages that determine how the money is divvied out among three categories — municipal infrastructure, civic improvements and economic development.

Under "pay as you go" 50 percent, or \$16.5 million, would go to municipal infrastructure, which includes streets, sewer, water, city-owned buildings and parking facilities.

The remaining 50 percent, or \$8.25 million each, would be split equally between civic improvements and economic development. Civic improvements are defined as any facility or program that adds to quality of life.

As with the last round, citizen committees will vet all of the proposals, before sending their recommendations to the full city council for approval. While the

Proposed location: 80 acres off North Elk Vale Road donated by developer Doyle Estes  
Status: In design process

### Native American art market and powwow gardens

2012 funding: \$812,000  
Supporting organization: Alliance of Tribal Tourism Advocates  
Proposed location: north of The Journey Museum  
Status: In design process

council ultimately revised some of their recommendations, the community input was valuable, Chapman said.

"They became another lens to look at these projects through," Chapman said.

Chapman, who was in his first term on council in 2005, spearheaded the revisions to the process for 2010. This time, three council members will sit on each committee, in addition to the community members.

The goal, Chapman said, is to get the council up to speed on the projects sooner.

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And even though the citizen committees get the first crack at the projects, city officials have a few ideas, a few lessons learned from 2005.

In the last round, 36 projects, ranging from \$5,000 for bike path signage to \$25.6 million for the ice arena, were approved. In

### Performing arts center

2012 funding: \$3.25 million  
Supporting organization: Rapid City Performing Arts Coalition  
Proposed location: Dakota Middle School theater  
Status: Memorandum of understanding signed among city, school district and coalition.

### Downtown parking (mixed-use parking development)

2012 funding: \$2.8 million  
Supporting organization: city of Rapid

the previous two rounds, a total of 26 projects were completed.

Ward 3 Alderwoman Karen Gundersen Olson said there were just too many projects spreading the funding too thin.

Like Chapman, she was in her first term on council in 2005. When Vision 2012 was first proposed, she was working on a cultural master plan for the Rapid City Arts Council.

"We need to set more parameters," Gundersen Olson said. "We need to do fewer and better fund them. We made it too challenging for some of those organizations."

Some projects, in Hanks' mind, didn't really fit the original intent of Vision 2012, either.

"If we need to put up a stoplight, we'll put up a stoplight. We don't need to fund that through 2012," Hanks said. "It should be projects that are above and beyond the normal scope of what we do in the city."

This time, that includes further investment in residential

City, St. Joe Investment Group  
Proposed location: city parking lot at Sixth and St. Joseph streets  
Status: Master development agreement signed; seeking financing and prospective tenants

### Sixth Street reconstruction

2012 funding: \$1.7 million  
Supporting organization: City of Rapid City  
Proposed location: From Omaha to Kansas City streets  
Status: In design process

street projects that have long been on the city's back burner, Hanks said.

"I would love to hear complaints that there's so much road construction in the neighborhoods that we're having a hard time getting around," Hanks said.

But Chapman said with every Vision 2012 project, the city should be going for a wow factor.

"How can you not say by far the biggest gem of 2012 from the very beginning to the addition is the civic center," Chapman said. "Wow. That's what it should be — a wow effect for the community."

Gundersen Olson tends to agree with Chapman in that regard.

"Everyone complains about potholes, but when asked what the best thing in the city is, no one says their streets," Olson said. "They say their wonderful buildings."

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