

2012 Municipal Infrastructure Interviews – July 29, 2005 – 12 Noon, Caucus Room

Attending – Committee Members: Johnson, Kroeger, Chapman, Gundersen Olson, 2012 Municipal Infrastructure Development Chair Todd Ossenfort, Kay Rippentrop.

Tom Johnson explained to each group that there was a strict time schedule for the groups – fifteen minutes each with a five minute break between proposals and that the committee would adhere to the schedule. He explained that certain groups were asked to come because there were some questions, however it was not that one project was favored over another and it was not done to indicate approval or rejection of a project. He added they are looking to bring this information to the full Council by the end of August time frame and then go from there.

Downtown Parking Ramp-Hamilton/Estes: Doug Hamilton, Ken Baumann, Mac McKie. Chris (accountant for Hamilton). Hamilton asked if it was the intent of the Council to “ratify” the recommendations of the committees. Olson indicated that she didn’t think that was correct, the committees have done a lot of work; however their work will certainly be given consideration but not just a flat approval of each recommendation. Johnson stressed that this committee was asked to look at the projects and make sure the numbers are accurate in construction and operation/maintenance. The Council will take all the information, review and then make decisions. The principal question on the ramp is economics and Hamilton said he did the numbers, knowing that the building costs were correct, land cost is not a factor because they propose to use city ground, the fees are reasonable. Hamilton said he would like to look at the figures again but to be sure, he does not feel the revenue is an issue because the City will be able to get more than enough guarantees to make sure the ramp is full “going out the door”. He continued that their plan of 320 stalls of which a certain number would be metered (ground level for people who came downtown to shop). The two lots that were proposed were at the lot across from the Radisson (8th & Main) or at 5th & St. Joe. He said that they kept this pretty simple, 320 stalls --25% to general parking with meters and the balance would be leased parking. Ossenfort commented that when the 2012 MI Committee looked at this, they saw the need for a facility but felt it should be up to the Council as to the location. Hamilton said he was looking to get the approval of the City Council to build the ramp. Historically the downtown people have a problem deciding where it should be and ultimately the ramp does not get done. He specifically didn’t select a site because he feels the Council needs to give the approval and then go to downtown and ask them to make a decision. Baumann said as a downtown business, he has a vested interest in parking. He has been in the downtown almost 9 years and parking has been a continual problem. He sat on the committee that handled the current ramp and it was difficult to get the ramp going. He said if the City wants to see a thriving downtown, they need parking.

Hamilton said that the cost of \$2.7 million is a good number based on that the cost of the ramp was for the Courthouse. The rents are comparable and the open question then is operation/maintenance. He continued that he would ‘personally guarantee every space himself’ because this is such a need. Hamilton said that the city could bond out the \$2.7 million and get 5 million dollars put back into the 2012 fund and use it for other projects. Johnson asked if it was Hamilton’s proposal that this facility pay itself back or that the 2012 constructs. Hamilton said that 2012 constructs the ramp, fill it up then turn around and bond with municipal bonds. Johnson asked if 2012 builds and it is “debt free” the day the first car is parked there was Hamilton suggesting that if the city were to bond,

should they build a second facility? Hamilton said no, he would suggest that they take the net revenues of the garage and use that to pay off bonds. You could then take the revenue and pledge to bonds and turn around and sell bonds for five million, take the money and put it back into the 2012 and use the ramp revenue to pay off the bonds. He suggested that you could set this up as a revenue bond; it would not have to be applied to the city's general bond credit. Johnson said he would not mind having 2012 build a ramp, then take the revenue and put it in the downtown parking fund to fund additional improvements.

Johnson said this committee was interested in location, how many stalls. Hamilton continued that to get the Downtown Association to come together, they need to get the community behind it and then let the downtown people decide the location as long as it is on city property. Bauman said that the Downtown Association is comprised of many members, not just retail. He continued that it is important to have ample parking for people who live downtown, employers as well as the people who come to shop. It is important to keep employees off the street parking to allow for shoppers. Hamilton said people leave because there is no parking, noting that Bangs McCullen is moving their law firm because of lack of parking, and this just adds to another empty building downtown. Olson asked about additional stories on the existing ramp. Hamilton said that is a possibility but is a separate issue. Bauman stated the existing ramp was designed and built to accommodate an additional floor. Olson also asked if they were proposing commercial development with the ramp. Hamilton said that once the ramp was approved, you would be in a position to look at leasing the first floor, etc but that probably was not the business that the city wanted to get into, however if they could come back and show that commercial development would come because of the ramp, then it should be looked at. Olson specifically asked if they were requesting commercial property at the ramp site to which Hamilton said no. Olson noted that some cities have done that in an effort to "humanize" what goes on with the challenges of parking garages. Hamilton said that is possible but he didn't want to propose that now because it makes it far too hard to do the deal. Hamilton said he would prepare a more formal analysis of the numbers and get them back to the committee.

Ossenfort said that the 2012 MI Committee looked at areas to place this facility and when all the committee members got together, there were other recommended sites, so they decided that the concept is important and there is a need, but politically, the Council needs to make the decision on location.

Police Evidence/Transit/Street Operations Facility: Capt. Ed Hofkamp, Rich Sagen and Rod Johnson appeared regarding this proposal.

The proposed project is for a 40,000 sq ft facility to house a Rapid Transit maintenance/operation (20,000 sq ft) facility; a 10,000 sq ft street and traffic operations center and a 10,000 sq ft police evidence storage and processing facility. Location has not been determined, suggested the site across from MDU on Steel Avenue, the Ziggy building or the snow bowl area. The anticipated cost is \$4,400,000 and they are requesting \$2,640,000 from 2012 and the committee recommended funding \$1.5 million. Olson said she was concerned about how this facility would be built (materials) because there have been a number of buildings that have been constructed that are not appropriate for a growing community. Johnson said the original application put together by the Police Department and submitted, Engineering put a proposal forth to the committee and during the public hearing, it was blended into one facility. Ossenfort noted that this is what made this project

feasible to the committee, all groups coming together to share a facility. Sagen noted that there is a federal grant available from the Federal Transit Authority that can be leveraged for additional dollars. Sagen noted that the transit plan done couple of years ago, they talked about a 2 million dollar facility, of that 2 million; Federal Transit would pay 80%. He said that if the city owned the land, the 20% could be an in-kind land donation by the city. If they were to go into the Ziggy facility, then Federal Transit would only pay for that portion of the building that was transit related. They could also use the annual allocation that they get from transit funds or earmarked funds which could be either facilities or buses in addition to the formula money which amounts to about \$800,000 a year. Sagen said that the appropriations bill which is 2.8 million to be divided between Sioux Falls and Rapid City based on population so potentially Rapid City could get a million a year to be used for either capitol or operating expenses or both. The present evidence building would remain on the 3rd and St. Joe campus. Hofkamp explained that the current facility is used for all analysis of blood, drugs, fibers, etc. The proposed site is for cold storage such as cars and big items that must be retained for a number of years. Currently the landfill does allow the Police to utilize some of their area for cold storage. The proposed facility replaces the structure at Steel Avenue. Ossenfort commented that the committee felt that in the long run, by putting these agencies together, there could be considerable savings for the city but no location was specified.

PUBLIC WORKS PROJECTS: Dirk Jablonski presented the Public Works recommended projects

Kansas City Street Reconstruction: This project would include reconstruction of water and sewer mains and services, reconstruction of storm sewer, reconstruction of street pavement, curb and gutter with nodes and sidewalks reconstruction as necessary. The project is planned for 2006-07. The cost of the project is \$3.9 million and CIP has \$1.565 million for the project with a request from 2012 of \$2.335. The 2012 MI committee recommended funding at one million. This project benefits the downtown area for residents as well as visitors. The only identified money is the \$1.565 from CIP. Ossenfort commented that Kansas City Street is one of the worse in the downtown with the water and sewer over 35 years. Jablonski noted that it really not that old for water and sewer but the street construction is bad so while it is torn up, it is best to replace all. This will be a paved street of Portland cement. Jablonski said he not sure why the preference of cement over asphalt other than it being a political choice. Ossenfort said that the MI Committee saw this as seed money because there is a tremendous need and to get this rolling, money was needed to be set aside. Johnson said that if something is taken out on an existing 2012 project, all it does is reprogram into CIP. This project is currently on the CIP list as two separate projects.

Elm Avenue: This reconstruction project would serve a large percentage of the community, drainage facilities would be incorporated into the project. Location is on Elm Ave. from St. Patrick to Utah, Meade St (Elm to Utah) and there would probably be some easements needed. The anticipated cost of the project is \$5,400,000 for this minor arterial street with most dollars coming from CIP in 2005-07. They are requesting \$554,500 from 2012 dollars. Olson commented that she has been told the city should do more milling/overlay projects and Jablonski agreed, that the City needs to take a look at overlay projects and as soon as we see a street that needs help, we need to think about mill/overlay because it will buy a street a "lot of life". Jablonski said the city puts a lot of big money into certain streets and others continue to deteriorate, mill and overlay will help add life to a street. Jablonski said as far as he knew all the street projects proposed to be funded from 2012 are in need of reconstruction, however the City will take a close look to make sure there is not

another alternative. He noted that the City needs to be proactive with street repair. Johnson stated it would be helpful to have a spreadsheet that is pre 2012 and post 2012, to find out how much additional money would be available in the plan so he could see the total picture. Ossenfort said that the committee had a hard time in looking at the projects, which ones should be top priority. There were several committee members that would have preferred to just say that Public Works would get “x” amount of dollars and let them choose which ones.

East Blvd.: Jablonski said these projects are hard to fund because there are a few like East Blvd. that will eat up an entire year’s budget and nothing else would get done. Ossenfort noted that the “clock is ticking” to use the state dollars on East Blvd and if it does not get started by 2008, we would lose State dollars. The State will give the City \$3.57 million of the \$3.9. Jablonski said that East Blvd is a state road, the city owns the parking areas, curb, gutter, drainage, water & sewer and this is where the \$3.57 comes from and is actually a “road swap” agreement. Ossenfort noted that the State gave the City East Blvd in 1989 and it was in good shape, however from 1989 to 2005 the road has deteriorated and we are now required to fix. Ossenfort said he personally thought the entire block of dollars should be put together and let the Public Works Department decide how to spend it, if it is all on one project or separate projects they know how to best leverage the dollars. Jablonski said that even if they were to make those decisions, final decision would come from the Council. Johnson commented that he felt the dollars should be earmarked by years but not by project. Olson suggested that really you are looking at “quality of life” things that make a community grow. Chapman said that everything he has read about 2012, he would agree it should be above the normal budgetary process. He can see the importance of fixing the streets and it is a trade off. Jablonski said he would like a list of projects that PW intended to do next year and for the year after. There is a big laundry list of projects and they have to hand pick at staff level but he feels that Council needs to have a say in the projects. Once the City gets the City Engineer on board, Jablonski hopes to have him working of such a list of projects to make sure they are headed in the right direction.

Centre Street: reconstruction will include water, sewer mains and services, storm sewer as well as a new three lane Portland Cement concrete street with curb, gutter, bike path and sidewalk. Estimated cost of the project is \$1.7 million with CIP budget of \$1.55 needed in 2008. The request from 2012 is \$150,000.

Knollwood Drainage and Fairground Drainage: Jablonski said these could be tied together – East of Cambell Street, north and south of Centre Street, the entire Knollwood drainage area. Land acquisition is \$1 million and construction is \$400,000. No dollars have been earmarked for the project. Johnson commented if the city is looking to build something from 2012 that is visual, that people can see, it would not be this project. He suggested that by putting the dollars into streets, this project could be shifted into drainage, so the impact is greater to the public to see if you do streets even if you do both. Jablonski said that flooding will do more damage than a failed street, but the public does not see that like they do other projects. Olson asked what effect does drainage have on the water system. Jablonski explained that these types of drainage projects help to enhance the water quality of a community and is a separate issue from streets. He commented that the storm water drainage program is mandated by EPA, the City is just starting and is behind and probably the City will have to establish a storm water utility much like the water utility or wastewater utility. The city will be forced to do these types of projects for water quality. These projects are not treatment

other than containment, not treating it like you would wastewater, screening, filtering and making sure that debris is removed. The utility part is who is going to pay for this EPA requirement. Jablonski said that as of today, the City does not have one cent allocated towards storm water.

Downtown Storm Water Quality Improvements: This is in conjunction with the Omaha beautification project running from Omaha Street to Rapid Creek, Canal Street to East Blvd. Cost is \$392,000 with a request from 2012 of \$200,000 needed in 2005. There is \$192,000 currently identified for storm water mitigation. Jablonski commented that this is important in protecting the water resource and cold-water fishery. Olson said that the city has applied for a small grant that would help provide education to the general public about the importance of storm water. Jablonski stressed this is a project that is important for the preservation of Rapid Creek, Ossenfort commented that Mely Rahn who was a MI member was a very knowledgeable member on storm water issues.

School Flashers: This project is to install school flashers in the remaining school zones and roadway intersections. Estimated cost is \$280,000 and would be required in 2005. This project would work from grade schools, middle schools up to the high schools. Jablonski commented that this would need to address all schools, not just public schools and is truly a safety issue.

Downtown Traffic Controller Units: Proposal is to replace twenty downtown traffic controllers so that they can communicate with the Omaha Street traffic controllers. The City needs to try and coordinate the signals to provide better traffic flow to retrofit the controllers to work with the State. The cost is approximately \$250,000 over three years. 2012 recommended full funding at \$250,000.

Retrofit Existing City Traffic Signals: Proposal would be to retrofit existing traffic signals with light emitting diode LED inserts. This would increase the visibility of traffic signals, reduce electrical power consumption by 75% and result in significant savings on the city electrical costs. The project is estimated to cost \$700,000 over a five year period for the years of 2005-09. The 2012 recommendation is for the full \$700,000. The anticipated savings would pay for replacement units as needed saving the city between \$15,000 and \$20,000 a year thereafter. Jablonski said this is a very good project and from a safety standpoint with the current lights, if a bulb burns out, the traffic signal is out. With the LED, if one burns out, the others keep going and you never lose the light. The intent is to do the entire signal system in five years. **Jablonski noted that the request is that it should be \$70,000 a year for five years for a total of \$350,000.** Johnson asked if they had the money all at once, could they get them done. Jablonski commented that if they had the money, he would contract it out and get it done. This is good for the entire community and is a safety issue.

Septic System Replacement: The revolving loan fund was actually brought forward by two people to ask the City to establish a revolving loan fund for septic tank elimination. The concept is that the City would identify areas where public sanitary sewer would be of benefit. The city would extend sewer into areas and construct a project. Costs would be prorated to the benefiting property by way of the City Council passing a resolution establishing a supplemental tap fee. Jablonski noted that if anyone had ever had the opportunity to attend one of the USGS programs on the mobility of the water supply, it is very scary. The number of septic tanks directly related to the west part of town is an issue with water quality, they work fine but they must be maintained, if not, it can get into the water system. If you currently have a septic system and it fails, and there is no municipal system available, you have no option but to rebuild and we just continue the problem. If there were a

sanitary sewer that people could hook onto that would cost less than rebuilding a septic system, people would do that. Jablonski noted that this would take time, but the City needs to start somewhere to control and eliminate the septic systems. The request from 2012 is for \$1,250,000 and the committee recommended full funding. This proposal creates a funding source to do projects so that when homeowners connect, the hook-up fee goes back into the fund so that when there was enough money you would go do another project. Ossenfort commented that the MI Committee wanted to create another “out-of-the-dust” fund like the city has for alleys, however the City Attorney has advised that a revolving loan fund can not be done with 2012 dollars. Jablonski pointed out that there are hundreds, if not thousands, of septic systems that will have to continue to be inspected and maintained.

General Discussion: Johnson asked that Jablonski prepare a spreadsheet taking the dollar amount for 2012 MI capital projects and add it into the CIP to show how projects would move and see what can be done with the total dollars. The projects to be included would be only those that are for capital improvements. Johnson said if the Council were to say they were going to put the additional 17 million dollars of 2012 monies into the streets/water projects, develop a plan to do projects in two years, you could make a massive impact on the big projects. By putting the funds together, the City can show that they have advanced the street reconstruction projects by \$17 million and these are the things we did because of 2012. To be on this list, the project would also be included on the CIP 5 year plan only if they had some funding identified.