

PUBLIC WORKS COMMITTEE MINUTES
Rapid City, South Dakota

October 30, 2018

A Public Works Committee meeting was held at the City/School Administration Center in Rapid City, South Dakota, on Tuesday, October 30, 2018, at 12:30 p.m.

A quorum was determined with the following members answering the roll call: Darla Drew, Lisa Modrick, John Roberts, Jason Salamun and Amanda Scott. Absent: Ritchie Nordstrom.

(NOTE: For sake of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents are on file with the Master Agenda.)

ADOPTION OF AGENDA

Motion was made by Salamun, second by Modrick and carried to adopt the agenda.

GENERAL PUBLIC COMMENT

None.

CONSENT ITEMS

Motion was made by Salamun, second by Modrick and carried to approve Items 1-19 as they appear on the Consent Items with the exception of Item No. 18.

- 1) Approve Minutes for October 9, 2018

ITEMS FROM THE MAYOR

- 2) PW103018-01 – Confirm the appointment of Jim Jackson to the Historic Sign Review Committee.
- 3) PW103018-02 - Confirm the reappointment of Shon Hanczyc and new appointments of Michael Calabrese and Samantha Linhart to the Parks and Recreation Advisory Board

ITEMS FROM THE PUBLIC WORKS DEPARTMENT

ENGINEERING SERVICES

- 4) PW103018-03 - Approve Change Order 2 to Mainline Contracting, Inc. for 38th Street Reconstruction, Clifton to Range Project, Project #15-2232/CIP 50716.1 &.2 for an increase of \$3,953.60.
- 5) PW103018-04 - Approve Change Order 1 to Dakota Barricade, LLC. for 2018 Lane Line Painting Project, Project #17-2374/CIP 50594 for an increase of 7 days on the completion of project. No cost change order.
- 6) PW103018-05 - Approve Change Order 1F to Tru-Form Construction, Inc. for ADA Compliance Project, Project #15-2311/CIP 50761 for a decrease of \$1,237.00.
- 7) PW103018-06 - Approve Change Order 1F to Highmark Construction, Inc. for East Rapid city Water System Expansion Mesa View Estates Subdivision, Radar Hill Road and Morris Lane Water Extensions Project, Project #14-2198/CIP 50964.F for a decrease of \$50,843.80

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- 8) PW103018-07 - Approve Change Order 1F to Lind-Exco, Inc. for East Rapid City Water System Expansion Anderson Road Water Main Extension Project, Project #14-2194/CIP 50964.B for a decrease of \$27,201.18.
- 9) PW103018-08 - Approve Change Order 1F to Hills Materials Company for Anamosa Street Reconstruction Midway Street to Milwaukee Street Project, Project #07-1473/CIP 50559 for a decrease of \$86,936.23.
- 10) PW103018-09 - Authorize Mayor and Finance Officer to Sign Professional Services Agreement between the City of Rapid City and Ferber Engineering, Inc. for Maple Avenue and Nebraska Street Sanitary Sewer Project No. 18-2337.1, CIP No. 50975.1 in the amount of \$52,460.00.
- 11) PW103018-10 - Authorize Mayor and Finance Officer to Sign An Agreement Between the City Of Rapid City and BALLISTA, LLC for Construction of Public Improvements within the Beckman Drive Right-of-Way.
- 12) PW103018-11 - Approve Acceptance of Infrastructure for Magellan – Rapid City Canopy Fire Hydrant Extension- DEV16-1330
- 13) PW103018-12 - Renew Street Light Maintenance Contract with Lighting Maintenance Co. (a division of Solar Sound Corp.) for 2019.

STREETS DIVISION

- 14) PW103018-13 - City Staff recommends extending contract bid to Mainline Contracting for Operated Equipment Rental for Street Snow Removal contract for the 2018-2019 snow season.
- 15) PW103018-14 - City Staff recommends extending contract bid to Simon (a.k.a. Hills Materials) for Operated Equipment Rental for Street Snow Removal contract for the 2018-2019 snow season.
- 16) PW103018-15 - City Staff recommends extending contract bid to Tru-Form Construction, Inc. for Operated Equipment Rental for Street Snow Removal contract for the 2018-2019 snow season.

PARKS AND RECREATION DIVISION

- 17) PW103018-16 - Approve Change Order No. 1 to Simon Contractors of SD, Inc. for Cemetery Improvements Project No. PR18-2409, for a decrease of \$14,206.74.

18) PW103018-17 – Scott moved to send Lease Agreement between the City of Rapid City and Black Hills Soccer Federation, Inc. to Council without recommendation. Second by Roberts. Scott stated she has received three phone calls today regarding this item. In the past we have had people come to Council when it comes to these parks that are actually owned by the City but we lease the parks to sporting events. She has asked Parks and Recreation Director Jeff Biegler to make sure when the fields are not in use for the lease in which they are written, that they are still open to the public. She is asking for this item to be sent to Council without recommendation so that anyone who would like to come before the Council and to hear that even though there is a lease in place, the City parks are still open to the public when not in use for the intent of lease. Drew asked Biegler to address the leases and when the leases are not in force. Biegler explained that we have several

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athletic field in the City and we do lease them to the sporting groups and when they are not being used for the intended use of the leaseholder they are available to the public. This particular site is a large site with a large parking lot and we do allow that parking lot to be closed off from time to time to eliminate the possibility of people coming out there after hours. The fields themselves do have gates on them and they are available to the public. Modrick asked Biegler what determines when the parking lot is closed off and what happens when a lock is placed on the gate by the lessee. Biegler stated the need or the locking of the gate done by the user group in an effort to keep vehicles mostly from going out there and driving on the fields which can cause a lot of damage. There is parking available near the entrance of the fields which citizens and park there and walk up to the fields. Modrick asked if we are extending all of our leases out ten years as we are doing with this one. Biegler said no we are not extending all of them. In fact, a number of our facilities are encumbered with land and water conservation fund restrictions and those areas we are moving in favor of use agreements rather than lease agreements. Salamun made a substitute motion to Approve Lease Agreement between the City of Rapid City and Black Hills Soccer Federation, Inc. Second by Modrick. A vote was taken with Modrick, Roberts, Salamun and Drew voting "yes" and Scott voting "no". Motion carried.

WASTE WATER DIVISION

- 19) PW103018-18 – Purchase Authority for New Wheeled Loader from Source Well Agreement. Purchase price \$136,000.00. Loader to be used by Storm Drainage, Waste Water and Utility Maintenance. Second by Roberts for discussion.

END OF CONSENT CALENDAR

NON-CONSENT ITEMS – Items 20 - 25

Public Comment opened – Items 20 - 25

Public Comment closed

ITEMS FROM THE PUBLIC WORKS DEPARTMENT

ENGINEERING SERVICES

- 20) PW091118-11 – Roberts moved to continue Authorize Mayor and Finance Office to Sign an Agreement between the City of Rapid City and FMG Engineering for Professional Engineering Services for Perrine and Unnamed Tributary Drainage Basin Design Plans (DBDPs) Amendment – Phase 2, Project No. 18-2430 / CIP No. 51189.2, in the amount of \$146,196.00 to the November 27, 2018 Public Works Committee meeting. (*Continued from October 1, 2018 City Council Meeting*) Second by Modrick. Motion carried.

- 21) PW103018-19 – Modrick conducted some research on this item and found that the entire area comes to a dead end on Seger Drive, it has only a storage facility and very little existing sidewalk. The area is truly industrial and nothing else to this dead end. Modrick is in favor of this variance. Roberts agrees with Modrick, he said this area is highly industrial and there is very little foot traffic in this area. Scott asked City Engineer Ted Johnson if there is any specific reason why staff would like to see sidewalks in other than the reason that when anyone pulls a building permit you are required to install sidewalks. Johnson stated staff reviewed this and everything is in place and they are building the building based on our ordinance requirements this is the time to put that side walk in. There are no hardships staff is aware other than the cost. There is limited development at this time but based on our continuing policy and ordinance

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that it is required at this time. Roberts moved to approve Request from Genesis Capital LLC for a Variance to Waive the Requirement to Install Sidewalk along Seger Drive, Rapid City, per City Ordinance 12.08.060. Second by Modrick. Motion carried.

- 22) PW103018-20 – Kale McNaboe from Sperlich Consulting appeared on behalf of the petitioner and made a short presentation on this item. The exception request he has made is for a portion of Reservoir Road. The hardship they have on this project is regarding a section of residential lots that were platted in the 1980's, back up to the section line highway but stop 33 feet short of the center line of it. They platted all of these lots up to the 33 foot statutory section line right of way and did nothing more. The improvements to this piece of Reservoir Road, if enforced, would total \$450,000 and would be carried by the lots in the Homestead Subdivision. Where this gets problematic is the lots on one side are City and the lots on the other side are County. There are six home sites that Homestead grants access to and spending a half of a million dollars on 1,400 feet of road that half of it is in the County and in their opinion it is not need at this time. Scott asked City Attorney Joel Landeen if the City wanted to try to work with the developer to do a special assessment against all of that property on the other side in order to get the street in, is it up to the City or would we have to work with the County in order to make that happen. Landeen explained that he would need to do some additional research on this issue. Legally there would be a question on whether or now we can assess properties in the County. The other question specifically with Reservoir Road, how do you craft an assessment that is fair to everyone? Traditionally when you do a roadway you assess the adjoining properties. If your backyard is Reservoir Road, and we assess you for Reservoir Road when you already have access to your house and the road is really not going to go anywhere, you would not be very happy about it. At some point this road will need to go in and it will benefit a large area. Scott does not believe that one developer should be responsible to build an entire road. Scott asked McNaboe if he has contacted the County regarding this road. McNaboe stated he has not contacted the county on this particular project. Roberts asked Landeen if the City even has the authority to ask them to build the entire road since half of the road is in the county. Landeen stated it is complicated, the law gives us the ability to enforce our subdivision regulations outside of the city limits to make sure the roadways all are going to work with the city street specifications and layouts when it gets into the city. Roberts supports the variance because he feels the developer is not responsible. Salamun asked Johnson if there is existing water and sewer lines. Johnson stated this is in the Rapid Valley Sanitary District, he is unsure what exactly is under there since the Valley has the master plan. The City maintains the current road and the County maintains the paved area to the East. Salamun is torn on this one, he feels it would be unfair for the developer and the homeowners. Roberts moved to approve Appeal by Sperlich Constulting, Inc. on behalf of SODAK Development Company Sperlich Consulting, Inc. on behalf of SODAK Development Company of an Exception Request denial to waive the requirement to install public improvements in Reservoir Road. Second by Modrick. Motion carried.

Scott left the meeting at 1:15 p.m.

- 23) PW103018-21 – Daene Boomsma felt the previous discussion was a good one that ties into this particular item he is here to discuss. This is an ongoing issue that needs to be addressed. He has heard the Mayor is going to put a group together to have discussion on these types of issues where there are existing streets that do not meet city standards within the city. To shut down developments and not grant some of these variances is actually a disservice to citizens because it causes sporadic development throughout the city that will end up costing the taxpayers more money. This particular subdivision he is proposing is willing to grant the 17 feet to fix the arterial street width that needs to

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be there. Roberts stated this is one of those issues we continue to have and we really need to look further into these types of issues. Modrick agrees with Boomsma that he is doing some improvements but to do this road right it would have to go from one end to the other and it is not there. Modrick feels we do not need to add this expense. Salamun asked Boomsma if there are drainage plans in place in lieu of curb and gutter. Boomsma confirmed they meet all of the existing county road spec. Kyle from KTM added the section as it is, is a functioning county street and will have the roadway ditches that will still be in use but the entire subdivision Boomsma is proposing is being built to City standards. Salamun asked Ted Johnson for his thoughts on this issue. Johnson's only concern is that we are adding development to a minimal design county road and will fail at some point. Sewer and water were put in by the developer, those are in place to accommodate a future road section but the pavement is marginally inadequate to handle the heavy loads. Drew as we looked to the future on these development areas, natural drainage is an option. Drew asked Johnson if curb gutter and street light conduit always have to be rolled together. Johnson explained that curb and gutter is part of the drainage. Street light conduit is actually a minor expense and it can be done later but it is more expensive to do so. Modrick moved to approve Appeal by KTM Design Solutions of an Exception Request denial to allow a reduced pavement width for Dyess Avenue (a minor arterial) and waive the requirement to install curb, gutter and street light conduit. Second by Roberts. Motion carried.

- 24) PW103018-22 – Salamun is in support of protecting Rapid City's water supply. We are well within our rights to do so. We need to be good neighbors to one another, we have these regulations in place for a reason. Salamun is in favor of property rights but when it negatively effects your neighbors that's when we step in. Salamun moved to Acknowledge information regarding petition from the West Dakota Water Development District to the South Dakota Water Management Board requesting a Declaratory Ruling concerning the City of Rapid City's Septic System Ordinance and the City of Rapid City's Petition in Opposition. Second by Modrick. Motion carried.

Roberts left the meeting at 1:43 p.m.

Salamun left the meeting at 1:43 p.m.

COMMUNITY DEVELOPMENT DEPARTMENT

- 25) 18TI004 – Community Development Director Ken Young and Long Range Planning Manager Patsy Horton presented the 2018 TIF Policy Overview. We invited the City of Sioux Falls to give a presentation on how their TIF program works and found their information to be very helpful. Sioux Falls has a total of 21 TIF districts, 18 in the core areas, with 12 active. Their main focus is on improving their downtown and core neighborhoods. City staff feels the policy revisions are needed in order to focus on promoting new infill development and redevelopment within the core areas of the community; to improve and simplify the staff review and certification processes; and to ensure that the TIF public financing tool is used responsibly and only when determined necessary such as, the project could not be built without TIF. The proposed targeted areas would be the Community Core ([see map on page 4 of presentation](#)) plus one mile, one to two mile buffer from Community Core, revitalization nodes and revitalization corridors. There will be two main targeted TIF uses: 1) Priority Use – may contain both blight and economic development. The phrase "economic development" has an enhanced definition as stated by the 2017 Rapid City Economic Development Foundation Annual Report as "New or expanded wealth generating industries targeting healthcare and life sciences, research, financial and insurance, professional business services (including engineering and IT), metals manufacturing, energy and small-scale food and beverage manufacturing. The project will

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generate at least one new fulltime job from at least one of these industries for each \$75,000 in principal value of the Tax Increment Financing; or would create a significant number of new jobs that meet or exceed the targeted hourly rate by Rapid City Economic Development.” An additional targeted use would include the implementation of plans that are already in place such as Plan Rapid City, Rapid City’s Comprehensive Plan, Downtown Master Plan, Utility System Master Plan, and Community Development Block Grant Consolidated Plan; and 2) Blight and Affordable Housing. The term “blight” has a refined definition identified in this policy as residential areas with at least 20% eight year taxable valuation decrease; or non-residential areas with stagnant growth determined by less than 30% increase in eight year taxable valuations. The new policy would include project management with a TIF Review Team with members from Finance, Community Development, Public Works and the Economic Development Partnership President. The applicant would meet with staff and the TIF Review Team to discuss their proposal prior to submittal. The TIF Review Team then shares and presents TIF information to the School District and County. The project plan and agreements are prepared and the City manages public improvement projects including design, construction and construction management. Several guiding principles that will guide the review and application process: no guarantee of approval; necessity of TIF as an incentive; payoff within 10 years encouraged; affordable housing development tool; economic development tool; TIF use for blight and excessive development costs; private funding; financing costs based on increased value; compliance with regulations; taxation waiver; overlapping district boundaries; performance measures/clawbacks; economic development grants; TIF project costs. The eligible costs have been revised as follows: eligible costs tied to public infrastructure needs; administration fee is \$20,000 or .05% of the total TIF costs, whichever is greater; City will refine Developer’s project costs as necessary; overlap allowed of 2 districts (exceptions), may not have identical boundaries, maximum 3 year time frame for the City to accept the public improvements (addressed through performance measures). In performing an evaluation of the application staff determined a list of base requirements the application needs to meet: determination of necessity; financial feasibility and fiscal impact; cost projections; market analysis; and a legal review. In reviewing the merits of the application, we have created a list of 18 items ([see page 15 of presentation](#)) establishing criteria upon which points can be achieved. This is an effort to clean up the process to make sure we are working with worthy projects that are actually eligible under all of the areas identified. A project criteria score of at least ten points is required to qualify for TIF approval. A score of twelve is required in order to qualify for a TIF time frame exceeding ten years.

ADJOURN

There being no further business to come before the Committee at this time, the meeting ended at 2:21 p.m.