

PROCEEDINGS OF THE CITY COUNCIL
Rapid City, South Dakota

April 4, 2016

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Rapid City was held at the City/School Administration Center in Rapid City, South Dakota on Monday, April 4, 2016 at 6:30 P.M.

The following members were present: Mayor Steve Allender and the following Alderpersons: Steve Laurenti, Jerry Wright, Ron Weifenbach, Brad Estes, Chad Lewis, Darla Drew, John B. Roberts, Ritchie Nordstrom and Amanda Scott and the following Alderpersons arrived during the course of the meeting: None; and the following were absent: Charity Doyle.

Staff members present included: Finance Officer Pauline Sumption, City Attorney Joel Landeen, Acting Public Works Director Dale Tech, Police Chief Karl Jegeris, Fire Chief Mike Maltaverne, Parks and Recreation Director Jeffrey Biegler and Administrative Coordinator Heidi Weaver-Norris.

ADOPTION OF AGENDA

Motion was made by Nordstrom, second by Estes to adopt the agenda.

AWARDS AND RECOGNITIONS

Mayor Allender and Chief Jegeris presented the Executive Proclamation to the Telecommunicators / Emergency Dispatchers and proclaimed April 10-16, 2016 as National Public Safety Telecommunicators Week.

Mayor Allender presented the Executive Proclamation to all Citizens of Rapid City and proclaimed April 10-16, 2016 as National Volunteer Week.

STAFF PRESENTATION

Sarah Hanzel, long range planner, introduced (CC040416-04.1) an update and presentation on Draft Concepts from the Downtown Area Master Plan. She explained there have been many open forums to discuss recommendations and key concepts. Brad Seigel, Progressive Urban Management Associates, addressed the Council. He explained there would be two open houses this week for the public to attend and give input. He said the community outreach has been outstanding. He stated they had 1400 responses to their online survey. He said the citizens discussed the downtown area being safe, clean, vibrant, friendly, fun and having easy parking. He said there is a demand for more downtown housing and parking. He stated connecting with the students of SDSM&T is very important to keep a young, skilled group of people in Rapid City. He listed the core values as being prosperous, connected, active, welcoming and livable. He said the economy, experience and environment are vital elements to the Downtown Area Master Plan. Motion by Estes, second by Laurenti and carried to acknowledge the draft plan.

CONSENT ITEMS

The following items were removed from the Consent Items:

21. PW032916-06 – Authorize Mayor and Finance Officer to Sign Agreement between the City of Rapid City and RESPEC, Inc. for Professional Services for Water Rights Acquisition Assistance, Project No. 16-2314 / CIP No. 50303, in the amount of \$150,000.00.
32. No. LF033016-13 – Authorize Staff to Draft an Ordinance Regulating Short Term Rentals.

Motion was made by Nordstrom, second by Scott and carried to approve Items 4-42 as they appear on the Consent Items with the exception of Items 21 and 32.

Approve Minutes

4. Approve Minutes for the March 21, 2016 Regular Council meeting.

Vacations of Right-Of-Way Set for Hearing (May 2, 2016)

5. No. 16VR001 - A request by Sperlich Consulting, Inc. for a Vacation of Right-of-Way for property generally described as being located on Wilma Street north of Sydney Drive.

Alcoholic Beverage License Applications Set for Hearing (April 18, 2016)

6. Wyngard Pot O Gold Casino Inc. dba Pot-O-Gold Casino, 530 Cambell St, Suite 1, for Retail (on-off sale) Malt Beverage License TRANSFER from Wyngard Pot O Gold Casino Inc., 1300 Centre Street
7. Deanos Casion Inc. dba Dean Os Casino II, 903 E. North Street Suite A, for Retail (on-sale) Liquor License TRANSFER from Deanos Casino Inc. dba Deanos Casino Inc., 903 E North St
8. Moyle Petroleum Company dba Inferno Food by Fire – Hwy 44, 3503 E Hwy 44 for a Retail (on-sale) Liquor License (Inactive) TRANSFER from Shooters Inc. dba Shooters Wood Fire Grill, 2424 W. Main
9. Moyle Petroleum Company dba Orchard Meadows Common Cents, 3501 E. Hwy 44 for a Retail (on-off sale) Wine License and Package (off sale) Malt Beverage License
10. Black Hills Symphony Orchestra for a SPECIAL EVENT Wine License for an Even Scheduled for September 17, 2016 at Performing Arts Center, 601 Columbus Street
11. Rui Feng Inc. dba Great Wall Restaurant, 315 E North Street for a Retail (on-off sale) Wine License TRANSFER from Luo Inc. dba Great Wall Restaurant, 315 E North Street
12. Rui Feng Inc. dba Great Wall Restaurant, 315 E. North Street for a Retail (on-off sale) Malt Beverage License TRANSFER from Luo Inc. dba Great Wall Restaurant, 315 E North Street
13. Rui Feng Inc. dba Imperial Chinese Restaurant, 702 E North Street for a Retail (on-off sale) Wine License TRANSFER from Luo Incorporated, dba Imperial Chinese Restaurant, 702 E North St
14. Rui Feng Inc. dba Imperial Chinese Restaurant, 702 E North Street for a Retail (on-off sale) Malt Beverage License TRANSFER from Luo Incorporated, dba Imperial Chinese Restaurant, 702 E North Street
15. CCKT Inc. dba King of Hearts Casino Too, 2820 West Main, Suite B for a Retail (on-off sale) Malt Beverage License TRANSFER from CCKT Inc. dba King of Hearts Casino, 3030 West Main Street, Suite A

Public Works Committee Consent Items

16. PW032916-01 – Approve Change Order No. 1 to Mainline Contracting for 9th Street Reconstruction – Fulton to Columbus, Project No. 14-2208 / CIP No. 50435, for an increase of \$7,587.96.
17. PW032916-02 – Authorize Staff to Advertise for Bids 2016 Lane Line Painting, Project No. 16-2334 / CIP No. 50594. Estimated Cost: \$100,000.00.
18. PW032916-03 – Authorize Staff to Advertise for Bids Southside Drive Sanitary Sewer Extension, Project No. 14-2095 / CIP No. 50328. Estimated Cost: \$2,500,000.00.
19. PW032916-04 – Authorize Staff to Advertise for Bids North Rapid Reservoir & Northridge Reservoir Access Road Repairs, Project No. 15-2298 / CIP No. 51103. Estimated Cost: \$120,000.00.
20. PW032916-05 – Authorize Mayor and Finance Officer to Sign Agreement between the City of Rapid City and Midco Business for the WRF Fiber Optic Service in the amount of \$38,500.00.

22. No. PW032916-07 – Approve a request by Park Hill Development, Inc. for authorization to prepare an H-Lot located in the NE1/4 of the SE1/4 and the SE1/4 of the NE1/4, Section 7, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota and to authorize acceptance of the deed.
23. PW032916-08 – Authorize Staff to Purchase a Front End Loader in the amount of \$243,500.00 matching City of Rapid City bid award on September 8, 2015.
24. PW032916-09 – Approve a Request from Dana Rapid City LLC (Haines Shopping Center) for Water Flooding Cleanup Reimbursement in the amount of \$10,437.62 in compliance with Resolution No. 2011-017.

Legal & Finance Committee Consent Items

25. No. LF033016-06 – Authorize Mayor and Finance Officer to Sign Agreement by and between the Fraternal Order of Police South Dakota Lodge #2A and the City of Rapid City for the Period January 1, 2017 to December 31, 2020
26. No. LF033016-07 - Authorize Mayor and Finance Officer to Sign Agreement with TSP, Inc. for Fire Station 1 Site Study in an Amount Not to Exceed \$28,000
27. No. LF033016-08 – Request Permission to Purchase Bauer SCBA Containment Fill Station through HGAC for \$61,580
28. No. LF033016-09 - Approve Request for Property Tax Abatement as Follows: Black Hills Power, C/O Kathy Colasardo, 2015, \$3004.56
29. Acknowledge the Following Volunteers for Worker's Compensation Purposes: Josh Ellis, Becky Huber
30. No. LF033016-10 – Approve Community Development Block Grant (CDBG) FY2016 Annual Action Plan with Investment Committee Recommended Changes
31. No. LF033016-11 - Authorize Mayor and Finance Officer to Sign Federal Assistance SF-424 and CDBG Certifications
33. No. LF033016-15 – Authorize Mayor and Finance Officer to Sign Option and Land Lease between the City of Rapid City and SBA Towers IX, LLC

CIP Committee Consent Items

34. No. LF033016-01 – Acknowledge Capital Improvement Program Committee Monthly Update for March 2016
35. No. LF033016-02 – Approve Capital Plan for Government Facilities
36. No. LF033016-03 – Approve Capital Plan for Parks & Recreation
37. No. LF033016-04 – Approve Capital Plan for Information Technology
38. No. LF033016-05 – Approve Capital Plan for Streets, Drainage, MIP Projects

Community Planning & Development Services Department Consent Items

39. No. LF033016-12 – Ratification of Emergency Demolition – 1108 Mt. Rushmore Road

Bid Award Consent Items

40. CC040416-02.1 - Approve award of Total Bid for Maple Avenue and East Nevada Drive Street and Utility Reconstruction Project, Project No. 13-2103 / CIP No. 50421.3-2 opened on March 29, 2016 to the lowest responsible bidder, R.C.S. Construction, Inc. in the amount of \$1,011,206.80
41. CC040416-02.2 - Approve award of Total Bid for Pavement Rehabilitation Project – Brentwood Street and Surfwood Drive, Project No. 15-2264 / CIP No. 50549 opened on March 29, 2016 to the lowest responsible bidder, R.C.S. Construction, Inc. in the amount of \$370,661.13.
42. CC040416-02.3 - Approve award of Total Bid for four (4) Four (4) ADA Raised Floor Accessible Paratransit Vehicles, opened on March 29, 2016 to Telin Transportation Group in the amount of \$309,848.00

END OF CONSENT ITEMS

Motion was made by Weifenbach, second by Estes to (No. PW032916-06) authorize Mayor and Finance Officer to Sign Agreement between the City of Rapid City and RESPEC, Inc. for Professional Services for Water Rights Acquisition Assistance, Project No. 16-2314 / CIP No. 50303, in the amount of \$150,000.00. Weifenbach asked for an update on the Wally Byum water rights. In response to a question from Weifenbach, Tech, deferred to Landeen who stated there was no update right now. Landeen said he needed to follow up with discussion regarding water rights. Motion carried 9-0.

Weifenbach read in item (No. LF033016-13). In response to a question from Weifenbach, Scott explained a presentation was given at Legal and Finance regarding properties that are being rented out less than 14 days per year. She said they discussed staff drafting a different ordinance for properties being rented for less than 14 days. She suggested staff have 90-120 days to draft new ordinance. Weifenbach said he doesn't want too many regulations as shown in the handout from the South Dakota Hotel and Lodging Association. Drew stated there have been some problems with parking and blocking fire hydrants. She said the Black Hills Motorcycle Rally businesses are a huge part of the financial equation and they have a different type of scope they should go by. Motion was made by Scott, second by Nordstrom to direct staff to come back with a draft ordinance within 90-120 days. Lewis stated it was important to stay ahead of the curve and the City needs to have regulations in place. Motion carried 9-0.

NON-CONSENT ITEMS***Ordinances***

Ordinance No. 6100 (No. 16OA001) An Ordinance to Add Microbreweries as a Conditional Use in the Central Business District by Amending Section 17.16.030 of the Rapid City Municipal Code having passed its first reading on March 21, 2016 motion was made by Scott, second by Roberts, that the title be read the second time. Upon vote being taken, the following vote AYE: Laurenti, Wright, Weifenbach, Estes, Lewis, Drew, Roberts, Nordstrom and Scott; NO: None; whereupon the Mayor declared the motion passed and Ordinance No. 6100 was declared duly passed upon its second reading.

Ordinance No. 6101 (No. LF031616-13) An Ordinance to Codify the Process for Commercial Parking Permits by Adding Section 10.44 to the Rapid City Municipal Code having passed its first reading on March 21, 2016 motion was made by Scott, second by Nordstrom, that the title be read the second time. Upon vote being taken, the following vote AYE: Laurenti, Wright, Weifenbach, Estes, Lewis, Drew, Roberts, Nordstrom and Scott; NO: None; whereupon the Mayor declared the motion passed and Ordinance No. 6101 was declared duly passed upon its second reading.

Ordinance No. 6111 (No. LF033016-14) An Ordinance to Change the Terms and Powers of the Rapid City Regional Airport Board by Amending Sections 2.72.030 and 2.72.070 of the Rapid City Municipal Code. Motion was made by Scott, second by Drew and carried that Ordinance No. 6111 be placed on its first reading and the title was fully and distinctly read.

Community Planning & Development Services Department Items

Motion was made by Nordstrom, second by Scott and carried to approve (No. 16PL013) A request by KTM Design Solutions for Hagg Brothers LLC for a Preliminary Subdivision Plan for Lots 1 thru 3 of Block 1, Lots 1 thru 3 of Block 2 of Moon Meadows, generally described as being located along Moon Meadows Drive east of Highway 16 with the following stipulations: 1. Prior to submittal of a Development Engineering Plan application, redlined comments shall be addressed. In addition, the redlined comments shall be returned with the Development Engineering Plan application; 2. Upon submittal of a Development Engineering Plan application, construction plans for U.S. Highway 16 shall be submitted for review and approval showing the construction of curb, gutter, sidewalk, a second water main north of Moon Meadows Drive, dual water mains south of Moon Meadows Drive and sewer south of Moon Meadows Drive or an Exception shall be obtained. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application; 3. Upon submittal of a Development Engineering Plan application, construction plans for Moon Meadows Drive shall be submitted for review and approval showing a second water main or an Exception shall be obtained. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application. In addition, access along Moon Meadows Drive, a principal arterial street, shall be limited based on the Infrastructure Design Criteria Manual. Shared approaches shall be considered and provided where possible; 4. Upon submittal of a Development Engineering Plan application, construction plans for Sammis Trail shall be submitted for review and approval showing the street located in a minimum 70 foot wide right-of-way and constructed with a minimum 26 foot wide paved surface, curb, gutter, sidewalk, street light conduit, water and sewer or an Exception shall be obtained. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application; 5. Upon submittal of a Development Engineering Plan application, construction plans for the access and utility easement located along the east lot line shall be submitted for review and approval showing the easements with a minimum width of 70 feet with 10 additional feet of right-of-way the first 200 feet as it extends south from Moon Meadows Drive and constructed with a minimum 26 foot wide paved surface, curb, gutter, sidewalk, street light conduit, water and sewer or an Exception shall be obtained or the easement shall be vacated. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application. If the utility easement is vacated, written concurrence from all of the affected utility companies shall be submitted with the Development Engineering Plan application; 6. Upon submittal of a Development Engineering Plan application, construction plans for the 100 foot wide access and utility easement shall be submitted for review and approval showing the easements with a minimum width of 70 feet with 10 additional feet of right-of-way the first 200 feet as it extends south from Moon Meadows Drive and constructed with a minimum 26 foot wide paved surface, curb, gutter, sidewalk, street light conduit, water and sewer or an Exception shall be obtained or the easement shall be vacated. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application. If the utility easement is vacated, written concurrence from all of the affected utility companies shall be submitted with the Development Engineering Plan application; 7. Upon submittal of a Development Engineering Plan application, construction plans for Healing Way shall be submitted for review and approval showing the street located in a minimum 68 foot wide right-of-way with 10 additional feet of right-of-way the first 200 feet as it extends north from Moon Meadows Drive and constructed with a minimum 34 foot wide paved surface to allow parking on both sides of the street or 30 foot wide paved surface to allow parking on one side of the street or 24 foot wide paved surface and posted with no parking signs on both sides of the street and with curb, gutter, sidewalk, street light conduit, water and sewer or an Exception shall be obtained. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application; 8. Upon submittal of a Development Engineering Plan application, construction plans for the section line highway shall be submitted for review and approval. In particular, the construction plans shall show the dedication of a minimum 70 foot wide right-of-way and the construction of a 26 foot wide paved surface, curb, gutter, sidewalk, street light conduit, water and sewer or an Exception shall be obtained or the section line highway shall be vacated. If an Exception is obtained, a copy of the approved Exception

shall be submitted with the Development Engineering Plan application. If the section line highway is vacated, written concurrence from all of the affected utility companies shall be submitted with the Development Engineering Plan application; 9. Upon submittal of a Development Engineering Plan application, water plans and analysis prepared by a Registered Professional Engineer shall be submitted for review and approval in accordance with the Infrastructure Design Criteria Manual. The design report shall demonstrate that the water service is adequate to meet estimated domestic flows and required fire flows to support the proposed development; 10. Upon submittal of a Development Engineering Plan application, a sewer design report prepared by a Registered Professional Engineer as per the Infrastructure Design Criteria Manual shall be submitted for review and approval. The design report shall demonstrate that the sanitary sewer capacity is adequate to meet estimated flows and provide sufficient system capacity in conformance with the Infrastructure Design Criteria Manual; 11. Upon submittal of a Development Engineering Plan application, a drainage plan and report prepared by a Registered Professional Engineer shall be submitted for review and approval. The drainage plan and report shall address storm water quantity control and storm water quality treatment in conformance with the Infrastructure Design Criteria Manual and the Rapid City Municipal Code. In addition, easements shall be provided as needed; 12. Prior to Development Engineering Plan approval, engineering reports required for construction approval shall be accepted and agreements required for construction approval shall be executed, permits required shall be approved and issued and construction plans shall be accepted in accordance with the Infrastructure Design Criteria Manual. All final engineering reports shall be signed and sealed by a Professional Engineer and contain a Certification Statement of Conformance with City Standards, as required by the infrastructure Design Criteria Manual; 13. Prior to approval of the Development Engineering Plan application, a Development Agreement shall be entered into with the City for all public improvements, if applicable; 14. Upon submittal of a Development Engineering Plan application, a cost estimate of the required subdivision improvements shall be submitted for review and approval; 15. Prior to submittal of a Final Plat application, the subdivision name shall be changed from "Moon Meadows" to "Moon Meadows Subdivision" or "Moon Meadow Estates"; 16. Upon submittal of a Final Plat application, all necessary easements shall be dedicated including drainage easements, shared access easements and utility easements; 17. The proposed plat shall be allowed as a phased development with all subdivision improvements needed to support a particular phase included in the construction plans for that phase; 18. Upon submittal of a Final Plat application, surety for any required subdivision improvements that have not been completed shall be posted and the subdivision inspection fees shall be paid; and, 19. Prior to the City's acceptance of the public improvements, a warranty surety shall be submitted for review and approval as required. In addition, any utilities and drainage proposed outside of the dedicated right-of-way shall be secured within easement(s).

Motion was made by Nordstrom, second by Laurenti and carried to approve (No. 16PL014) A request by Britton Engineering for Troy and Lisa Eisenbraun for a Preliminary Subdivision Plan for proposed Tract A and Tract B of Eisenbraun Subdivision, generally described as being located east of Reservoir Road and south of Southside Drive with the following stipulations: Planning Commission recommended that the Preliminary Subdivision Plan be approved with the following stipulations: 1. Prior to submittal of a Development Engineering Plan application, redlined comments shall be addressed. In addition, the redlined comments shall be returned with the Development Engineering Plan application; 2. Prior to approval of the Development Engineering Plan application, engineering reports required for construction approval shall be accepted and agreements required for construction approval shall be executed. In addition, permits required for construction shall be approved and issued and construction plans shall be accepted in accordance with the Infrastructure Design Criteria Manual. All final engineering reports shall be signed and sealed by a Professional Engineer and contain a Certification Statement of Conformance with City Standards as required by the Infrastructure Design Criteria Manual; 3. Upon submittal of a Development Engineering Plan application, construction plans for Mono Street shall be submitted for review and approval. In particular, the construction plans shall show the street constructed with a minimum 26 foot wide paved surface, water and sewer and with a fire apparatus turnaround at the end of the street or an Exception shall be obtained. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application; 4. Upon submittal of a

Development Engineering Plan application, a drainage plan shall be submitted for review and approval if subdivision improvements are required. The drainage plan shall address storm water quantity control and storm water quality treatment, in conformance with the Infrastructure Design Criteria Manual and Rapid City Municipal Code. The drainage plan shall also address how drainage from the proposed development will be mitigated as to not impact the Hawthorne Ditch. In addition, the plat document shall be revised to provide drainage easements as necessary; 5. Upon submittal of a Development Engineering Plan application, geotechnical analysis and pavement design shall be submitted for review and approval if applicable; 6. Upon submittal of a Development Engineering Plan application, an Erosion and Sediment Control Plan in compliance with the adopted Stormwater Quality Manual and the Infrastructure Design Criteria Manual and a grading plan shall be submitted for review and approval if subdivision improvements are required; 7. Upon submittal of a Development Engineering Plan application, water and sewer plans prepared by a Registered Professional Engineer showing the extension of mains and service lines shall be submitted for review and approval as per the Infrastructure Design Criteria Manual or Exception(s) shall be obtained. In addition, the applicant shall submit documentation that Prairiefire Subdivision Utilities will serve the property and that Green Valley Sanitary District is in concurrence with Prairiefire Subdivision Utilities serving that portion of the property within their service boundary; 8. Prior to approval of the Development Engineering Plan application, a Development Agreement shall be entered into with the City for all public improvements, if applicable; 9. Upon submittal of a Development Engineering Plan application, a cost estimate of the required subdivision improvements shall be submitted for review and approval; 10. Prior to submittal of a Final Plat application, "Lana Eisenbraun" shall be added to the Certificate of Ownership on the plat; 11. Upon submittal of a Final Plat application, a Road Maintenance Agreement shall be submitted for recording for that portion of Mondo Lane located on the property; 12. Prior to submittal of a Final Plat application, the plat document shall be revised to show the "Tracts" as "Lots"; 13. Prior to submittal of a Final Plat application, proposed Tract B shall be rezoned with Pennington County to allow a 3.2 acre lot or a lot size Variance shall be obtained to allow a 3.2 acre lot in the General Agriculture District; 14. Upon submittal of a Final Plat application, surety for any required subdivision improvements that have not been completed shall be posted and the subdivision inspection fees shall be paid; and, 15. Prior to the City's acceptance of the public improvements, a warranty surety shall be submitted for review and approval as required. In addition, any utilities and drainage proposed outside of the dedicated right-of-way shall be secured within easement(s).

Mayor's Items

Mayor read in item (No. LF033016-17) Authorization for Funding for ADA Repairs at the Rushmore Plaza Civic Center from the Vision Account in the Amount of \$1,335,399.23. Motion was made by Lewis, second by Wright to approve. Scott thanked Sumption for the update on the vision fund. In response to a question from Scott, Sumption confirmed they are still dealing with 5-year plan and there is more than \$1.3 million in the balance. Weifenbach said the estimated repairs were \$30-70 million the first time around. He applauds this approach. Wright clarified that the ADA repairs are for outside the arena, and \$70 million included the Barnett Arena. Nordstrom said this money would fix everything but the Barnett Arena. He said some repairs are being done in house and he appreciates those making that effort. Laurenti voiced his support for the repairs. Roberts stated the repairs are a long time coming. He's happy the funds are on hand, and they are not burdening the tax payers. Drew said she is supporting these repairs as well. She is on the ADA committee, and many people appreciate these changes. Mayor said there was a minor mistake he made. He wrote a letter to Council that wasn't communicated very well. He clarified the amount needed is \$1,320,000.00. Substitute motion was made by Lewis, second by Wright to approve the funding for ADA Repairs at the Rushmore Plaza Civic Center from the Vision Account up to the amount of \$1,320,000.00. Motion carried 9-0.

Mayor read in item (No. LF033016-18) Acknowledgement of the Pending Repair or Remodel Expenses at the Rushmore Plaza Civic Center and Designate the Vision Account the Primary Funding Source for these Expenses (RCMC 3.16.090). Mayor explained there is an ordinance that runs parallel with this item. The ordinance states the City is at the end of the current 5-year plan and they are in need of

making a new 5-year plan. There is a paragraph in that ordinance that explains if there are pending expenses for repairs or remodel of the Rushmore Plaza Civic Center that they cannot appoint a new 9-person committee to vet new proposals for Vision Funds. He stated there are pending expenses for the Barnett Arena estimated in the millions. He said the City is 90-180 days away from getting concrete numbers on specific repairs. Mayor is asking Council to declare that expenses are pending for the Civic Center and forego the 9-person committee at this time and reestablish the committee in 6-12 months. He said this is not a ploy to exclude everyone else from the Vision process. In response to a question from Scott, Landeen stated the Mayor would like to delay the formation of the committee until concrete numbers come forward to fix the Civic Center. No other projects will come forward until the dollar amount is known to fix the Civic Center. In response to a question from Laurenti, the Mayor said the task force could be brought back within 90 days. Laurenti asked that the committee run parallel to the Civic Center committee so when the numbers come in, the vision fund task force has projects in mind to recommend. Mayor clarified that the ADA numbers should be to them within 90 days, not the vision fund task force be up and running in 90 days. Mayor stated that the vision fund process is a very public process. He said there is no hidden agenda and he's looking at a minimum of 6 months and a maximum of 12 months to have concrete numbers in place and then reestablish the committee. Weifenbach stated the civic center task force is headed in the right direction. He said the Civic Center wants to accommodate everyone so anyone having any problems with accessibility, they should contact them directly and they will help. Wright thinks the step tonight is appropriate. It is the right step to lock down funds, the cost, terms and interest before they look at other places to spend the Vision Funds. Motion was made by Estes, second by Scott, to acknowledge the pending repair or remodel expenses at the Rushmore Plaza Civic Center and to approve the delay of appointing a vision fund committee. Estes said the City is not trying to stop any vision fund projects. He would like to start having cash on hand and start building equity. Roberts said he would like to see a timeframe. He can live with postponing the vision fund committee for a year but not more. Substitute motion by Laurenti, second by Roberts to allow a maximum of 18 months to hold off on new vision fund committee. In response to a question from Scott, Laurenti said his intention for the 18 month hold is to give the Civic Center task force time to get all the numbers correct and then form the Vision Fund Committee. Laurenti clarified that the 18 month date would be October 1, 2017. Lewis said there was a time crunch with the Department of Justice agreement regarding the ADA improvements that are required for the Civic Center. He is in favor of holding off on the new committee until the numbers are finalized for the Civic Center. Drew stated other projects are waiting for funds but knows the Civic Center project is the most important at this time. Mayor said he will not exclude citizens from the Vision process and he won't intentionally tie up funds. As soon as the numbers come in, he will move forward. He will not take the entire 18 months if the numbers are presented before that time. Motion carried 9-0.

PUBLIC HEARING ITEMS

Gina Parkhurst (No. 16TI001) addressed the Council regarding the proposed TIF for Black Hills Corp. She said the company is not hurting financially; their stock price is currently at a 52 week high. She stated they have a monopoly, undue influence to eliminate competition. Also, they strongly influence the laws that govern energy producers. She is against the TIF and would like Council to deny the request. Ed McLaughlin spoke to the Council regarding the TIF. He said it's a valuable tool in Rapid City. Some TIF's have done an excellent job of improving the economic conditions of Rapid City. However, a blighted area is a major requirement, and this area doesn't meet the criteria required of a TIF. He is opposed to TIF. Don Frankenfeld opposes this TIF. When he was in legislature, he helped write the TIF law. He said some Tax Increment Finance Districts are good. He said Black Hills Power is a rich corporation and a TIF is not a costless provision. He stated their market value is over \$3 billion. They have grown about 11% per year and have over \$4.6 billion dollars in assets. He said they have good citizens at BH Corp, but doesn't believe they should be approved for the TIF. He stated there was no reason to subsidize this project. Kent Hagg, one of the owners of the development company of the original TIF 70. They will consent to the decision of the Council. Jafar Karim, Director of Corporate Affairs for BH Corporation, addressed the Council. Their proposal is to bring more jobs to Rapid City. He said they have been through four levels of reviews so far. He said state statute allows TIF's to be used for economic development purposes. They are requesting to build out for an additional 150 spaces. They would add a

minimum of 50 more jobs to start with. He said BH Corp has chosen to make Rapid City their headquarters, between the eight states that they service. They will stimulate the economy in Rapid City with additional jobs and more development. He said they have 500 employees who contribute \$81 million dollars annually to the local economy. Jay Davis asked the Council not to approve the TIF. He said if the Council is opposed to corporate welfare, then they need to turn down the TIF. The purpose of the TIF partnership is to promote economic development in a blighted area. The citizens should not be subsidizing this project. Todd Meirerhenry addressed the Council. He was retained by BH Corp to consult on TIF districts. Tax increment law was created in 1978. There was a major amendment in 1983. He was asked to write a modification in 2011 to the tax increment law. He said the new law states that the company can be blighted to apply for TIF but also have more than 50% of the area, experience economic development. In 2011 a grant section was added. It gave governing bodies the discretion to use incentives to assist governments to promote economic development.

Nathan Denholm (16RZ005) spoke to the Council. He opposes the rezone. He is there is no park-like setting. He said parks don't have big buildings on them. He stated his home is small compared to this building. He pointed out that only one corner of the building will be on ground level. The other levels will have a drive under garage. He estimates the main level of their building will be 10 feet above his floor level. He is against the rezone. Daryl Reinkie, Director of Westhills Village, said they will keep up the landscaping. There is ample space between houses and their building. He said they are willing to take everyone's opinion into consideration.

Kathy Peterson (16RZ006) is against the rezone. She thinks 3 plus story apartment building will take away from the scenic views. She said there was once a PUD overlay attached to this rezone and it used to say there would not be more than one story of structure. She is asking that the Council limit the height to two stories in order to preserve the natural beauty of the area.

CONSENT PUBLIC HEARING ITEMS

Motion was made by Lewis, second by Laurenti and carried unanimously to approve Items 50-53 as they appear on the Consent Public Hearing Items.

Alcohol Licenses

50. Rapid City Area Chamber of Commerce for a SPECIAL EVENT Wine and Malt Beverage License for an Event Scheduled for April 12, 2016 at Great Western Bank, 14 St. Joseph Street
51. Rapid City Area Chamber of Commerce for a SPECIAL EVENT Wine and Malt Beverage License for an Event Scheduled for April 21, 2016 at Life Scape, 7110 Jordan Drive
52. Black Hills Playhouse for a SPECIAL EVENT Wine and Malt Beverage Licenses for Events Scheduled for April 5, 2016, April 23, 2016, May 6, 2016, May 13, 2016 and May 20, 2016 at Barefoot Dance Studio, 412 5th Street

Assessment Rolls

53. No. LF033016-16 – Resolution No. 2016-020B Levying Assessment for Sidewalk of Miscellaneous Property

RESOLUTION NO. 2016-020B
RESOLUTION LEVYING ASSESSMENT FOR
SIDEWALK OF MISCELLANEOUS PROPERTY

BE IT RESOLVED by the City Council of the City of Rapid City, South Dakota, as follows:

1. The City Council has made all investigations which it deems necessary and has found and determined that the amount which each lot or tract shall be benefited by the property cleanup is the amount stated in the proposed assessment roll.

2. The Assessment Roll for Cleanup of Miscellaneous Property is hereby approved and assessments thereby specified are levied against each and every lot, piece, or parcel of land thereby described.

3. Such assessments, unless paid within thirty (30) days after the filing of the assessment roll in the Office of the Finance Officer shall be collected by the City Finance Office in accordance with SDCL ch. 9-43, as amended, and shall be payable in five annual installment bearing interest at the rate not to exceed six and one-half percent (6.5%).

Dated this 4th day of April, 2016.

CITY OF RAPID CITY
s/ Steve Allender
 Mayor

ATTEST:
s/ Pauline Sumption
 Finance Officer

(SEAL)

END OF CONSENT PUBLIC HEARING CALENDAR

NON-CONSENT PUBLIC HEARING ITEMS – Items 54-59

Scott read in item (No. 16TI001) Approve a Request by Black Hills Corporation to Consider an Application for a Resolution to a Create Tax Increment District and a Resolution to Approve a Tax Increment District Project Plan for Property Generally Described as being Located Southwest Corner of the Intersection of S. US Highway 16 and Catron Boulevard. Motion was made by Lewis, second by Wright to approve. Scott stated she will not vote in favor of the motion. She is in favor of more jobs and economic development, but does not agree with paying extremely high finance charges. She supports the \$3.2 million dollar project but does not support \$2.8 million in finance charges. Scott wasn't sure TIF district was the best option, but since this TIF is an overlay on TIF 70, it would pay off TIF 70 more quickly. Wright supports this TIF. He said BH Corp could have easily moved elsewhere, the TIF is the only existing tool available to them for economic development. He said if they had moved, it would have been catastrophic to lose those jobs. Laurenti voiced opposition to the TIF. He doesn't believe it falls under TIF criteria. They will complete the building with or without the TIF. He doesn't believe this financial burden should be placed on the tax payers for \$6 million dollars. Weifenbach stated this is not a blighted area. He is not normally in favor of TIF's. He is looking at economic development. He noted that the TIF committee and Planning Commission were both in favor of it. He said Rapid City doesn't have enough good paying jobs and BH Corp's plan has credibility. Lewis stated BH Corp is a great partner for the community. They have higher paying jobs and the Council needs to back the company's that are bringing development here. He believes that overall, they are good for the community. Nordstrom voiced that a TIF is the only tool that can be used. The two issues he's comfortable with are the major street plan and public improvements. He also said a controlled intersection is good. In response to a question from Roberts, Mr. Karim said that Black Hills Corp has been in the Black Hills region for over 130 years. He wants to support a company that supports Rapid City. In response to a question from Scott, Landeen said BH Corp won't see any money for at least five years because they are second in line after TIF 70. He said the City takes on the interest, while BH Corp takes on the risk. They are paying out money now, but won't see return for at least five years. Scott asked Landeen if BH Corp is centrally taxed, and the money goes to the state, does a lesser amount come back. Mayor stopped conversation for time limit. Drew clarified that BH Energy is part of BH Corp, they are two separate entities. She wants to thank BH Corp for staying in Rapid City and bringing in more jobs. This is one of the best opportunities for job growth. In response to a question from Lewis, Karim stated they are using third party financing. Estes will support BH Corp because of economic development. He stated a way to avoid finance charges is to

come up with cash. In response to a question from Nordstrom regarding Scott's earlier question about BH Corp being centrally taxed, Landeen said if the City doesn't create the TIF there isn't going to be a special district we won't see any of the money from the new headquarters anyway or any of the benefit. He said there may be a bigger problem because Pennington County feels we are getting less of the assessment than we deserve and are in the midst of a project to look at a better accounting of what facilities are within the county so we make sure in the future we get more of our revenue from the central assessment. In response to a question from Weifenbach, Karim said their payment would be approximately \$450,000 a year but would not take the full 20 years to do. Motion passed 7 to 2 with Scott and Laurenti voting no.

**RESOLUTION NO. 2016-008
RESOLUTION CREATING TAX INCREMENT DISTRICT NO. SEVENTY-SEVEN
AS SUBMITTED BY THE RAPID CITY PLANNING COMMISSION**

WHEREAS, the property within the following described District meets the qualifications and criteria set forth in SDCL 11-9; and

WHEREAS, the Council of the City of Rapid City finds that the aggregated assessed value of taxable property in this District, plus the assessed values of all other districts currently in effect, does not exceed ten percent (10%) of the total assessed value of taxable property in the City of Rapid City; and

WHEREAS, the Council finds that:

(1) Not less than twenty-five percent, by area, of the real property within the district is a blighted area or not less than fifty percent (50%), by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources as defined in SDCL 11-9-8; and

(2) The improvement of the area is likely to significantly enhance the value on all of the other real property in the district.

NOW, THEREFORE, BE IT RESOLVED, by the City of Rapid City that the real property legally described as:

Lot 1 of C2B Addition and that portion of vacated Catron Boulevard right-of-way adjacent to Lot 1 of C2B Addition as shown on Plat filed as Document A201307411 in the Office of the Pennington County Register of Deeds; Lot 2 of TLC Subdivision, as shown on Plat filed in Book 35 of Plats on Page 43 in the Office of the Pennington County Register of Deeds; and Catron Boulevard right-of-way adjacent to Lot 1 of C2B Addition and Lot 2 of TLC Subdivision, all located in portions of Sections 26 and 27, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally located at the southwest corner of Catron Boulevard and US Highway 16

is hereby designated as Rushmore Gateway Corridor Tax Increment District No. Seventy-Seven.

Dated this 4th day of April, 2016.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

**RESOLUTION NO. 2016-009
RESOLUTION APPROVING THE PROJECT PLAN FOR
RUSHMORE GATEWAY CORRIDOR
TAX INCREMENT DISTRICT NUMBER SEVENTY-SEVEN
AS SUBMITTED BY THE RAPID CITY PLANNING COMMISSION**

WHEREAS, the Council of the City of Rapid City has determined that it is in the best interest of the City to implement plans which promote economic development and growth in the City; and

WHEREAS, the Council embraces the concept of Tax Increment Financing as a tool to encourage desirable growth and redevelopment; and

WHEREAS, there has been established the Rushmore Gateway Corridor Tax Increment District Number Seventy-Seven; and

WHEREAS, the Council deems it desirable to promote economic development and create jobs in the corporate limits of the City of Rapid City; and

WHEREAS, this Tax Increment District includes commercial property, thereby forming an economic development Tax Increment District; and

WHEREAS, the Project Plan submitted helps to stimulate economic development in the community by stimulating job creation and assist in the completion of 150 additional interior office spaces within the development along the south Mount Rushmore Road / US 16 Highway Corridor at the Black Hills Corporation Headquarters; and

WHEREAS, the use of Tax Increment Funding to promote this development is in keeping with the statutes adopted by the South Dakota State Legislature; and

WHEREAS, the Project Plan submitted for this Tax Increment District proposes these improvements; and

WHEREAS, the Council has considered the Project Plan submitted by the Planning Commission and determined that the Project Plan for the Rushmore Gateway Corridor Tax Increment District Number Seventy-Seven is economically feasible; and

WHEREAS, the Council has further determined that this Project Plan is in conformity with the adopted Comprehensive Plan.

NOW, THEREFORE, BE IT RESOLVED, by the City of Rapid City that the Tax Increment District Project Plan for the Rushmore Gateway Corridor Tax Increment District Number Seventy-seven is approved as submitted by the Rapid City Planning Commission.

Dated this 4th day of April, 2016.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption

Finance Officer

(SEAL)

Ordinance 6095 (No. 16RZ002) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Sperlich Consulting, Inc for Scott and Janice Zandstra **for a Rezoning from General Agricultural District to Low Density Residential District II** for property generally described as being located north of the intersection of Gemstone Drive and Parkview Drive having passed the first reading on March 21, 2016 motion was made by Scott, second by Roberts, that the title be read the second time. Upon vote being taken, the following voted AYE: Laurenti, Wright, Weifenbach, Estes, Lewis, Drew, Roberts, Nordstrom and Scott: NO: None; whereupon the Mayor declared the motion passed and Ordinance 6095 was declared duly passed upon its second reading.

Ordinance 6096 (No. 16RZ003) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Sperlich Consulting, Inc for Villaggio LLC **for a Rezoning from General Agricultural District to Low Density Residential District** for property generally described as being located northeast of the intersection of Catron Boulevard and Vineyard Lane having passed the first reading on March 21, 2016 motion was made by Scott, second by Roberts, that the title be read the second time. Nordstrom asked if they should be responsible for a turning lane off of Catron. Tech said that would not be appropriate to ask that for these few people. He explained Public Works is in the process of improving Catron Boulevard. Upon vote being taken, the following voted AYE: Laurenti, Wright, Weifenbach, Estes, Lewis, Drew, Roberts, Nordstrom and Scott: NO: None; whereupon the Mayor declared the motion passed and Ordinance 6096 was declared duly passed upon its second reading.

Ordinance 6097 (No. 16RZ004) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Renner Associates, LLC for a Rezoning **from Low Density Residential District to Medium Density Residential District** for property generally described as being located northeast corner of the intersection of 5th Street and Nebraska Street having passed the first reading on March 21, 2016 motion was made by Scott, second by Roberts, that the title be read the second time. Weifenbach thanked Mr. Reinkie for reaching out to the neighbors. He appreciates Westhills Village working with the City on the drainage issue. Drew complimented Reinkie on his time and effort. She said Westhills Village is a great asset to the City. Upon vote being taken, the following voted AYE: Laurenti, Wright, Weifenbach, Estes, Lewis, Drew, Roberts, Nordstrom and Scott: NO: None; whereupon the Mayor declared the motion passed and Ordinance 6097 was declared duly passed upon its second reading.

Ordinance 6098 (No. 16RZ005) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Renner Associates, LLC **for a Rezoning from Low Density Residential District to Medium Density Residential District** for property generally described as being located south of Texas Street and north of Freedom Court having passed the first reading on March 21, 2016 motion was made by Scott, second by Roberts, that the title be read the second time. Upon vote being taken, the following voted AYE: Laurenti, Wright, Weifenbach, Estes, Lewis, Drew, Roberts, Nordstrom and Scott: NO: None; whereupon the Mayor declared the motion passed and Ordinance 6098 was declared duly passed upon its second reading.

Ordinance 6099 (No. 16RZ006) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by KTM Design Solutions for Hagg Brothers LLC **for a Rezoning from General Commercial District to Office Commercial District** for property generally described as being located south of Moon Meadows Drive and east of Highway 16 having passed the first reading on March 21, 2016 motion was made by Scott, second by Roberts, that the title be read the second time. Upon vote being taken, the following voted AYE: Laurenti, Wright, Weifenbach, Estes, Lewis, Drew, Roberts,

Nordstrom and Scott: NO: None; whereupon the Mayor declared the motion passed and Ordinance 6099 was declared duly passed upon its second reading.

BILLS

The following bills have been audited.

BILLIST – APRIL 4, 2016

P/ROLL PERIOD END 03/19/16, PD 03/24/16	1,062,459.58
CDEV P/ROLL PERIOD END 03/19/16, PD 03/24/16	3,195.23
P/ROLL PERIOD END 03/31/16, PD 03/31/16	1,502,850.08
PIONEER BANK & TRUST, 03/19/16 P/ROLL TAXES & BENEFITS, PD 03/24/16	260,675.67
CDEV PIONEER BANK & TRUST, 03/19/16 P/ROLL TAXES & BENEFITS, PD 03/24/16	862.29
PIONEER BANK & TRUST, 03/31/16 P/ROLL TAXES & BENEFITS, PD 03/31/16	392,522.63
SOUTH DAKOTA DEPT OF REVENUE SALES TAX PAYABLE, PD 03/18/16	31,307.27
SOUTH DAKOTA DEPT OF REVENUE CCTR SALES TAX PAYABLE, PD 03/18/16	58,007.15
SOUTH DAKOTA DEPT OF REVENUE EXCISE TAX PAYABLE, PD 03/18/16	40.50
WELLMARK INC HEALTH CLAIMS THROUGH 03/18/16, PD 03/24/16	97,028.17
WELLMARK INC HEALTH CLAIMS THROUGH 03/25/16, PD 03/31/16	99,651.20
WAGE WORKS SECTION 125 CLAIMS THROUGH 03/21/16, PD 03/22/16	4,612.39
WAGE WORKS SECTION 125 CLAIMS THROUGH 03/28/16, PD 03/29/16	13,744.67
METROPOLITAN LIFE INSURANCE COMPANY MAR16 LIFE, PD 03/24/16	5,787.38
US BANK CREDIT CARD CHARGES, PD 03/30/16	41,830.81
US BANK CDEV CREDIT CARD CHARGES, PD 03/30/16	127.00
MONTANA DAKOTA UTILITIES NATURAL GAS, PD 03/30/16	20,821.01
BLACK HILLS ENERGY ELECTRICITY, PD 03/30/16	111,511.63
COMPUTER BILL LIST	2,206,248.20
CDEV COMPUTER BILL LIST	5,584.21
SUBTOTAL	5,918,867.07
RSVP, P/ROLL PERIOD END 03/19/16, PD 03/24/16	3,273.59
RSVP, 03/19/16 P/ROLL TAXES & BENEFITS, PD 03/24/16	1,080.61
RSVP, COMPUTER BILL LIST	168.27
TOTAL	5,923,389.54
IMPREST ACCOUNT, STEVE FROOMAN, MOVING EXPENSES	4,880.20
GRAND TOTAL	5,928,269.74

Sumption presented the bill list total of \$5,928,269.74. Motion was made by Laurenti, second by Nordstrom and carried to authorize (No. CC040416-01) the Finance Officer to issue warrants or treasurers checks, drawn on proper funds, in payment thereof.

ADJOURN

There being no further business to come before the Council at this time, motion was made by Lewis, second by Drew and carried to adjourn the meeting at 9:11 p.m.

Dated this 4th day of April, 2016.

ATTEST:

CITY OF RAPID CITY

Finance Officer

Mayor

(SEAL)