

# RAPID CITY PROGRESS REPORT



Mayor Steve Allender

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January - December 2018

## CIVIC CENTER ARENA

- On June 5, 2018, 64% of local voters voted in favor of building a new arena.
- Since the vote, City staff has been meeting on a regular basis with our owner's rep from TEGRA, Mortenson Construction, and Perkins+Will.
- The team is wrapping up the schematic design phase, and will be moving into the design development phase this winter.
- A groundbreaking ceremony will take place in the second half of 2019.
- The Civic Center has organized two citizen committees to assist with the process.
- These committees include 24 members of the public with an emphasis on interior design themes and operations.
- More information can be found in the Amped Up newsletters at [www.gotmine.com/about-us/expansion](http://www.gotmine.com/about-us/expansion)

## RUSH HOCKEY

- End of 2018, Rush Owner Scott Mueller departed with owners Barry and Luke Peterson, and began a mutual partnership with Spire Sports & Entertainment as new members of the Rapid City Rush Ownership Group. Spire is a sports and entertainment company focused on marketing, corporate sales among many other things. They have a strong foothold in Nascar and now are making a step into professional hockey.
- Rushmore Plaza Civic Center is in process of a new agreement (expected in February) with the Rapid City Rush Ownership Group. As this contract fall into place, the temporary financial agreement is then over.
- The new agreement is being designed to help the team if attendance is down and benefit the team and Civic Center when the attendance is high. Which is the opposite of the last contract.

## CDBG PROGRAM

- 13 new projects were funded addressing high priority needs in housing, public facilities, and public services.
- 246 people assisted with accessing free pharmaceutical medications.
- 34,142 persons benefited from public facility improvements.
- 48 disabled households received energy efficiency improvements.
- Two homeowners received home repair loans.
- A child care facility was funded to meet health and safety standard and to increase capacity in Head Start services to low-income children.
- A high-priority mixed-use, mixed-income development incorporating rental and ownership units was funded.

## CODE ENFORCEMENT

- 1,452 enforcement cases opened:
  - 1,268 came into compliance
  - 184 involved abatements
- 5 demolitions of derelict houses / structures\*
- New strategy established to focus enforcement in core community areas

# RAPID CITY (continued) PROGRESS REPORT



## CURRENT PLANNING

- 121 subdivision plats,
- 191 new residential lots
- 60 new commercial and/or industrial lots
- 3 large development master plan proposals for 858 total acres:
  1. Shepherd Hills, 700 acres
  2. Freeland Ranch, 128 acres
  3. Buffalo Crossing West, 30 acres
- Four quarterly “Coffee with Planners” events were held, with an average attendance of 40 people at each. Public invited to participate in 3 discussion tables reviewing current development and planning, as well as proposals for future planning in the community.

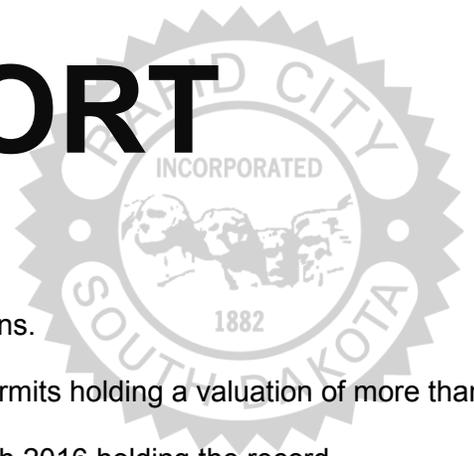
## LONG RANGE PLANNING

- Year-End 2017 Rapid City population estimate is 75,488
  - Up 2.32% from previous year
- Downtown Master Plan implementation:
  - Urban Commercial District created for area east of 5th Street
  - Downtown Parking Study completed:
    - Pilot project was held in Aug-Sept to test new smart meter technology.
    - Will result in a new program to offer on-street parking permits to employees and residents of downtown.
    - New parking management policies and technology are anticipated to be implemented by June of 2019.
- Promenade Corridor Improvements Master Plan underway:
  - Extending along 6th Street between the Performing Arts Center and through Memorial Park to the Rushmore Plaza Civic Center.
  - Includes a proposed land bridge over Omaha Street and other enhancements to 6th Street and Memorial Park.
  - Study on feasibility and options for the proposed bridge to begin soon.
  - Several community outreach events were held in 2018 to gain input.
- Design guidelines for signs in historic districts were developed
- 4 Annexations approved with a 72-acre net increase to the City boundaries\*
- 3 Tax Increment Financing applications reviewed and processed\*
- 22 Historic preservation applications processed
- 23 Historic Sign review applications processed
- 14 Transportation/Transit studies and plans were prepared or are underway

## RAILROAD QUIET ZONE TASK FORCE UPDATE

- The task force brought forward a feasibility study conducted by SRF Consulting.
- The final report of the Rapid City Quiet Zone Study was acknowledged by City Council on September 17th.
- The task force was disbanded after the final report was brought forward.
- This project is on hold until an appropriate funding source is identified.

# RAPID CITY (continued) PROGRESS REPORT



## **BUILDING PERMITS & VALUATION**

- For 3 consecutive years, the City has topped \$300 million in permit valuations.
- 2018 observed \$313,445,767 in valuation.
- Over the course of the year, 3,706 permits were issued, with 39 of these permits holding a valuation of more than \$1 million each.
- The 2018 valuation total is the second highest annual total experienced, with 2016 holding the record.
- The top 10 permits for 2018 consisted of:
  1. Rapid City Regional Hospital, Phase 2 Expansion, \$92.5 million
  2. Moon Meadows apartments, 8 buildings, 160 units, \$21.8 million
  3. Tru by Hilton Hotel, 825 Eglin St, \$14.8 million
  4. Youth & Family Services addition, 120 E Adams St, \$8.5 million
  5. YMCA & RCAS Building renovation, 625 9th St, \$7.6 million
  6. Skilled Nursing Phase 2, 4941 Saint Martins Dr, \$5.9 million
  7. Immutrix, 3620 Homestead St, \$5.3 million
  8. Med5 Federal Credit Union, 4956 5th St, \$3.8 million
  9. Abra addition, 350 N La Crosse St, \$3.4 million
  10. Best Western, 3723 Eglin St, \$2.5 million

## **SALES TAX & PROPERTY TAX**

- Sales Tax = 44% of City General Fund Revenue
- Property Tax = 27% of City General Fund Revenue
- In 2018, Rapid City observed growth in monthly sales tax reports for 9 out of the 11 recorded months.
- An average annual growth of 2.45% was observed through November for the 2018 year.
- The sales tax receipts for the month of December are projected to enter in at roughly \$2.68 million (general fund only).

## **CITIZEN VISION COMMITTEE**

- ELEVATE Rapid City
  - The goals and objectives of ELEVATE are tailor-made to solve some of Rapid City's major problems.
  - The significant supporters of ELEVATE are some of the most successful individuals and businesses in Rapid City.
  - We should trust these individuals and businesses in supporting ELEVATE.
  - ELEVATE's merger with the Chamber of Commerce will serve as a force-multiplier in accomplishing their goals.
  - This is a true public/private partnership.
- Rapid City Collective Impact (OneHeart Center)
  - This is a consolidated community effort to treat and support members of our community who are well below the poverty level and unable to change their situation without help.
  - Not helping this segment of our population (which is a humanitarian and civic mandate) is a threat to our local economy and taxpayer resources.
  - Funding the OneHeart Center upfront will be more effective and impactful than simply treating the systems of poverty repetitively without addressing the root cause.

# RAPID CITY (continued) PROGRESS REPORT



## CITY/SCHOOL ADMINISTRATION CENTER

- City staff met with consultants from TSP throughout the 2018 year to analyze current and future space needs.
- With the RCAS Administration's planned move for the Summer of 2019, renovations are necessary to accommodate the needs of City operations.
- Also a vision fund request.

## RAPID CITY REGIONAL AIRPORT

- The Airport experienced a second record breaking year in 2018.
- 2018 observed a 5% increase of passengers and a 5.3% increase of passengers boarding at RAP.
- Opened a new expanded Restaurant and Gift Shop after airport security.
- New York/Newark and Charlotte, NC were added as routes during this year.
- 2019 will see the addition of flights to Los Angeles and San Francisco.

## RAPID CITY PUBLIC LIBRARY

- Supported youth literacy and helped minimize the 'summer slide' with record numbers of Summer Reading participants totaling 589,890 minutes in 2018 (this equates to 410 full days).
- Collaborated with Ellsworth to provide library services to non-resident military personnel and their families. (in progress)
- Met community and small business production needs with the addition of a large-format printer and vinyl cutter.
- Presented a multi-part Lakota cultural series highlighting the community's diversity.
- Presented a job skills training series in collaboration with community professionals.

## RAPID CITY POLICE DEPARTMENT

- The PD successfully implemented the Body-Worn camera program, improving public trust and enhancing investigative and prosecution capacity.
- Members of the PD created the Police Athletic League (PAL), also serving to improve public trust and rapport through Summer Nights basketball and other sporting events.
- Received a \$750K grant for the collective healing initiative/Quality of Life Unit.
- Received a \$75K grant to collaborate with WDT for recruitment enhancement and retention of Native American law enforcement students (Akichita Program).

## IT DEPARTMENT

- The network infrastructure connecting most of the city buildings downtown was upgraded. This increased the bandwidth to a level that should provide adequate network connectivity for several decades to come. This project was funded through the CIP. Initially this was going to be a two phase plan budgeted \$200,000. The entire plan was reworked by IT staff. Using new techniques and technologies, the entire network was upgraded for less than \$200,000.
- The IT Department has installed new software to allow us to document all of the 1000+ pieces of equipment, servers and processes that are managed by the IT department. This new software improves efficiency and allows for better collaboration.
- In February of 2019, the City Council we be asked to approve the second reading of an ordinance allowing IT to become its own department.
- At the same Council meeting, the mayor will ask for authorization to appoint James Gilbert as the Director of IT.

# RAPID CITY (continued) PROGRESS REPORT



## SERVICE LINE WARRANTIES OF AMERICA (SLWA)

- In August, the City partnered with SLWA to offer optional warranty coverage for interior plumbing, drainage systems, exterior sewer/septic lines and exterior water service lines.
- The City does not administer this warranty program, it simply partners in the marketing effort.
- Rapid City homeowners were sent program mailers by the SLWA explaining the optional coverage program in the fall of 2018.
- A second round of mailers will be sent to homeowners in February of 2019.
- At the end of 2018, total enrollment figures were at 621, with 1,159 policies reported for Rapid City.

## YOUTH RIDE FREE PROGRAM

- The 2018 year observed a 17% increase in youth trips over the previous year.
- 135,703 youth passenger trips were recorded in 2018, compared to 116,494 youth passenger trips in 2017.
  - January: 13,075
  - February: 12,000
  - March: 11,338
  - April: 13,347
  - May: 13,745
  - June: 4,600
  - July: 4,561
  - August: 6,122
  - September: 14,045
  - October: 16,431
  - November: 14,199
  - December: 12,240
- Beginning February 4, 2019, youth will need a free bus pass in order to ride the Rapid Transit System.
- These free passes can be acquired at the bus depot (333 6th Street).

## FUTURE CHALLENGES

### HOUSING NEEDS

- # of homes on market is declining
- Cost of homes on market is rising
- Estimated rental vacancy rate is <5% (no competition = high \$\$)
- Availability of homes is essential for growth, but artificially high cost is a deterrent. (Market out of balance / demand exceeds supply)
- Affordable housing
- All housing

### ELLSWORTH AFB

- B-21 Bomber (500 personnel + contractors)
- B-21 Training mission (1000 personnel + contractors)
- This means a minimum of 750 homes off-base

# RAPID CITY (continued) PROGRESS REPORT



## ELEVATE RAPID CITY

- Seeks to create 2,245 primary jobs and 2,510 secondary jobs in five years.
- Increasing the annual earnings by \$228 million
- Innovation is coming to Rapid city
  - B9 Creations
  - VRC Metal Systems
  - Immutrix
  - Caterpillar
  - B.H. Information security
  - Innovation incubator starting construction in 2019
  - More
  - **The solution is more homes / The challenge is workforce**

## UPCOMING PRIORITIES

### CIVIC CENTER ARENA CONSTRUCTION TO BEGIN

- A massive project requiring budget oversight.
- The design and construction teams are now reconciling the budget and construction is set to begin mid-2019.

### EMBRACE THE BASE

- An off-shoot of ELEVATE Rapid City, Embrace the Base seeks to properly recognize and promote our appreciation for Ellsworth Air Force Base.
- A Vision Fund proposal for a military appreciation park will surface in late January/ early February 2019.
- Other important issues will be addressed such as the high unemployment rate of military spouses.
- Legislation during the 2019 session will help resolve this issue (HB 1111).

### HOMELESSNESS

- One of the most expensive conditions taxpayers fund and ignoring it will only make it worse.
- The One Heart campus will assemble local service agencies to provide a new and more effective community approach to the issues contributing to homelessness.
- Obviously, it is important to address this issue from a humanitarian perspective, but it is also important to address the financial implications related to it.
- Tax payer funds are limited and we should be looking to reduce homeless-related expenditures through effective programming.

### COMMUNITY ENGAGEMENT

- This is essential in order to staff volunteer citizen boards and committees.
- It is also vitally important to gain the public confidence through transparency, accountability and fiscal responsibility.

# RAPID CITY (continued) PROGRESS REPORT



## LEADERSHIP

- My goal has been to bring attention to the systems needing changed and getting support for that change.
- One example of this is the lack of a master infrastructure development plan.

## CITY LOT FORMERLY KNOWN AS PRESIDENTS PLAZA

- No single issue in City Hall has been discussed more over the last 10-12 years.
- With the recent dissolving of the partnership between the City and the Pres. Plaza developers, the City is now ready to make something happen in the 500 block of St. Joseph Street – currently a City parking lot.
- Careful review of the former project has provided a critical learning experience for the City and we are seeking new partnerships and a new development, minus the complications of the previous project.

## CITY BUILDING PLAN

- The City owns many buildings and other operational facilities, but does not have an overall building maintenance plan.
- Decades of neglect and being out-prioritized, some of the City buildings are in poor condition.
- This is a situation needing correction and through the use of existing funds we will adopt a building plan and add a building supervisor.
- Protection of taxpayer assets is a fundamental task and we can do better.

## EARLY CHILDHOOD EDUCATION

- We should help build a coalition of early childhood educators and support a city-wide effort to provide for essential educational needs for pre-school age children.
- Today's working parents and especially those living in poverty lack the resources or time to provide what children need.
- We cannot state we are concerned with improving our local workforce while ignoring a future workforce issue we know exists.
- Our children are our future and research shows early childhood education may be the only hope of breaking the poverty cycle.
- Look for news on this issue early in 2019!

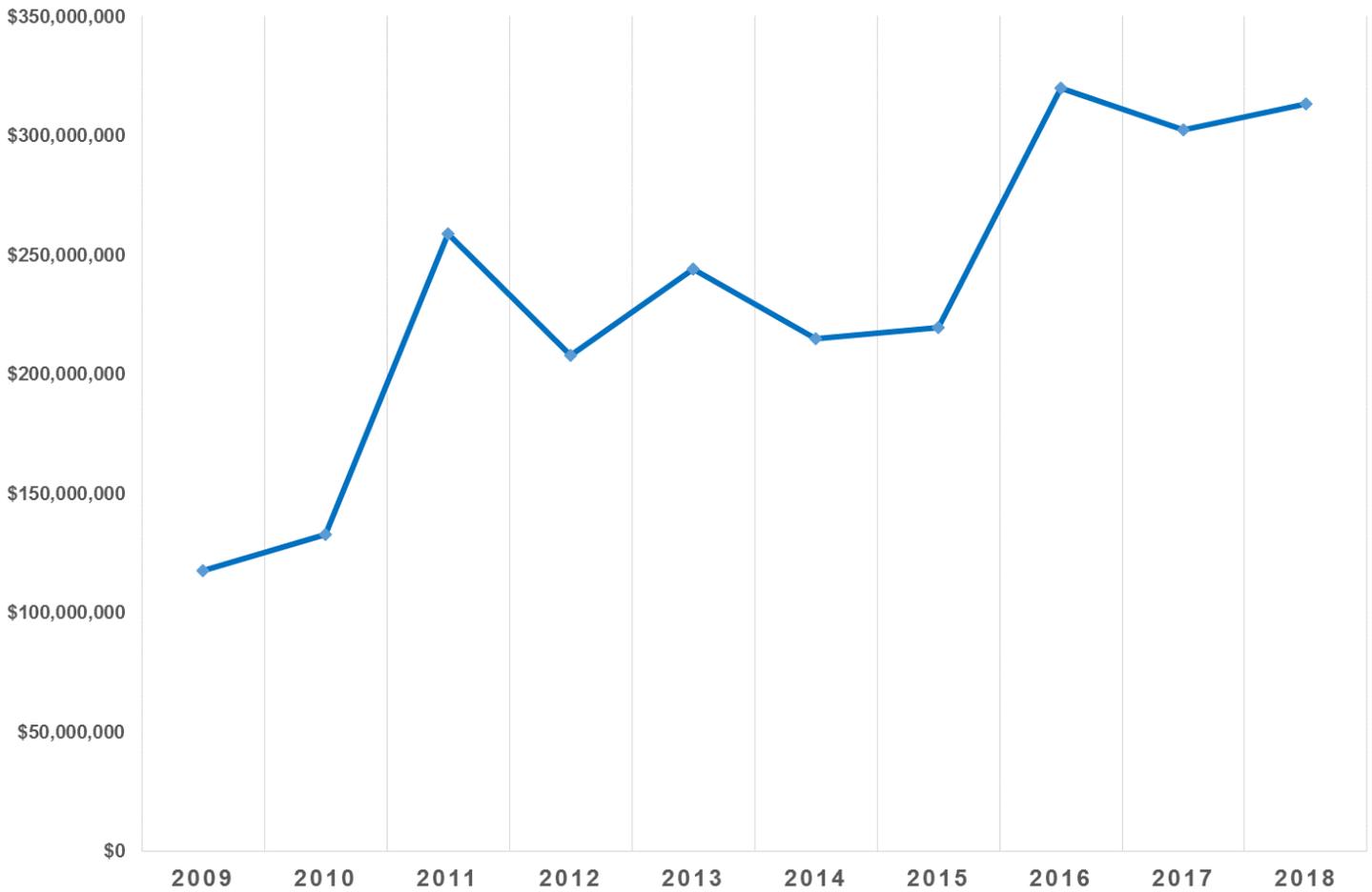
## CITY GOVERNMENT

- Is Rapid City utilizing the best governmental option for its citizens?
- Some research and exploration should be given to other forms of government.
- The options include home rule, city manager, city administrator and our current form – strong mayor / aldermanic
- It is a question needing answered but the quest cannot be taken lightly.
- The taxpayers deserve to know their options, and be able to choose the best one for the future.

*It is important to note that the items listed in this report are the result of a joint effort between City Council, Department Directors, our employees, citizens, and myself.*

# RAPID CITY (continued) PROGRESS REPORT

## Annual Building Valuations



# RAPID CITY (continued) PROGRESS REPORT

## 10 Year Summary Building Permit & Valuation Totals

Year	Total # of Permits	Total Valuation
2009	3,043	\$117,549,865
2010	2,915	\$132,773,559
2011	5,253	\$258,990,182
2012	4,861	\$207,811,337
2013	5,906	\$244,253,223
2014	5,457	\$214,924,664
2015	3,277	\$219,494,524
2016	3,242	\$320,054,359
2017	3,936	\$302,570,950
2018	3,706	\$313,445,767

# RAPID CITY (continued) PROGRESS REPORT

Sales Tax Receipts  
2014-2018

