Case No. 20VA003

Legal Description:

Lot 39, less H-1, Lot A of Lot 40 and Lot 40, less Lot A of Lot 40 all of Shaver Tract, in located Section 2, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota
DEPARTMENT OF COMMUNITY DEVELOPMENT  
City of Rapid City  
300 Sixth Street, Rapid City, SD 57701-2724  
Phone: (605) 394-4120  
Fax: (605) 394-6636  
Web: www.rcgov.org

APPLICATION FOR A VARIANCE

Written statement describing the proposed and/or intended use and detailing the Variances(s) being requested:

See attached letter of intent.

Applicant's Justification:

Pursuant to Chapter 17.54.020.D of the Rapid City Municipal Code, before the Board shall have the authority to grant a Variance, the applicant must adequately address the following criteria:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Applicant Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The granting of the Variance will not be contrary to the public interest;</td>
<td>This area is adjacent to agricultural property to the west and north and an active mining operation to the east and south. This site was selected due to its relative remote location.</td>
</tr>
<tr>
<td>2. There are special conditions attached to the property that do not generally apply to other properties in the same district;</td>
<td>The site is remote and not immediately adjacent to a street right-of-way. The access is through an active mining operation allowed by private easement.</td>
</tr>
<tr>
<td>3. Owing to special conditions, the literal enforcement of this title will result in unreasonable hardship;</td>
<td>Literal enforcement would require paving of nearly one mile of access road\aisle that is temporary in nature due to the active mining operation.</td>
</tr>
<tr>
<td>4. By granting the Variance contrary to the provisions of this title, the spirit of this title and the city's Comprehensive Plan will be observed; and</td>
<td>BHE intends to meet all requirement of local ordinances but is requesting different surface cover be allowed for access roads and storage areas. The use is appropriate for light industrial zoning.</td>
</tr>
<tr>
<td>5. By granting the Variance, substantial justice will be done.</td>
<td>Permanent paving of the access road(s) and aisles is not a sustainable solution. Surface cover that can be salvaged and reused, utilizing BMP's to control air quality fugitive emissions is more environmentally responsible.</td>
</tr>
</tbody>
</table>

5/31/2019
April 8, 2020

City of Rapid City
Department of Community Development
300 Sixth Street
Rapid City, SD 57701

RE: Lange Substation Laydown Yard Intended Use and Variance Request

To whom it may concern,

Black Hills Energy (BHE) is investing significant financial resources locally to improve our existing transmission and distribution operations and system reliability. Furthermore, as Rapid City and the Black Hills Area continue to grow, BHE needs to deploy additional resources to enhance the existing power availability to new residential developments as well as commercial and industrial customers. Given this need, BHE selected the Lange Substation Site for a laydown yard that will support various distribution, transmission and substation projects. The yard will support projects locally, such as infrastructure improvements associated with Monument Arena, the Ellsworth Air Force Base B-21 Beddown, operations at the Sanford Underground Research Facility and could potentially support projects anywhere in BHE’s territory.

The site fits BHE’s needs as it is strategically located on a secure remote, company-owned property near the existing warehouse at 409 Deadwood Avenue, centrally located for the entire BHE electric operations and its use is consistent with existing commercial and industrial uses in the area. The yard will primarily be used for staging materials for planned transmission and larger distribution projects. The yard will also be used for storing critical transmission safety stock as Rapid City serves as the warehouse hub for the entire Black Hills Energy electric territory. The site will be unmanned but supervised and monitored by BHE supply chain / warehouse staff currently housed at the Deadwood Avenue location. One or two days a week, supply chain staff would be on site in light duty vehicles performing inspections, taking inventory or procuring materials. For specific projects, warehouse staff would be on site as necessary to receive in material. Project managers and contract crews would be onsite as needed to obtain materials for offsite project work during the construction season.