

LEGAL AND FINANCE COMMITTEE MINUTES
Rapid City, South Dakota

September 29, 2021

A Legal and Finance Committee meeting was held at the City Administration Center in Rapid City, South Dakota, on Wednesday, September 29, 2021, at 12:32 p.m.

A quorum was determined with the following members answering the roll call: Lance Lehmann, Darla Drew, Ron Weifenbach, Ritchie Nordstrom, and Jason Salamun Absent: None.

(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 Nordstrom second by Lehmann and carried to adopt the agenda.

GENERAL PUBLIC COMMENT

Veterans Honor Banner Project Chairman Bill Casper shared a short history of how the project began and how it has evolved. The project started with 18 banners five years ago. There were 224 banners this year. They have received 42 applications for next year and another 21 that are out at the present time. They are in need of additional light poles. The committee has three requests:

1) Additional light poles located on Canyon Lake Drive from Jackson Blvd. to Freemont Street and also Sheridan Lake Drive from Canyon Lake Drive to Catron Blvd.

2) A written agreement from the City to show that the committee has the right to use the light poles they have and ones they will be using in the future. (A list of the current light poles being used was provided)

3) Additional month to the dates of use. The current period is August 1 - November 12 and the request is to add July to that time frame in the agreement.

Nordstrom said he understands the need for an agreement and asked Casper to give the Attorney's Office a little time to come up with an agreement and he will follow up on the other requests.

Weifenbach asked City Attorney Landeen for direction on these requests. Landeen said the committee can direct staff to explore and agreement to bring back to the committee for consideration.

CONSENT ITEMS

Motion was made by Weifenbach second by Lehmann and carried to approve Items 1-9 as they appear on the Consent Items with the exception of Item No. 7.

CONSENT ITEMS -- Items 1 – 9

Public Comment opened – Items 1 – 9

Public Comment closed

Remove Items from the "Consent Items" and Vote on Remaining Consent Items

MAYOR'S ITEMS

1) LF092921-01 – Confirm the Reappointments of Eric Ottenbacher, Rachel Caesar and Erik Braun to the Planning Commission

2) LF092921-07 – Confirm the Appointment of Jessica Rogers to the HRC/MOA Commission

FINANCE DEPARTMENT

3) Acknowledge the Following Volunteers for Worker's Compensation Purposes: Chuck Berdan (RSVP+), Marilyn Berdan (RSVP+), Rita Bollurtt (RSVP+), Floy Brindley (RSVP+), Colleen Butler (RSVP+), Rose Donovan (RSVP+), Sheila Ann Frost (RSVP+), Debra Geiger (RSVP+), Jim Geiger

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(RSVP+), Jeanette Hoff (RSVP+), Lori Kimball (RSVP+), Michele Post (RSVP+), Mary Riley (RSVP+), Julie Schreibeis (RSVP+), Frances Trainer (RSVP+), Steve Waterman (RSVP+), Kathy Wood (RSVP+)

- 4) LF092921-03 – Acknowledge July 2021 Sales Tax Report
- 5) LF092921-08 – Authorize Mayor and Finance Director to Sign Second Amended Contract for Private Development Tax Increment District Number Sixty-Five Between Dennis Zandstra Real Estate Holdings, LLC and the City of Rapid City
- 6) LF092921-09 – Authorize Mayor and Finance Director to Sign Third Amended Contract for Private Development Tax Increment District Number Sixty-Five Between SSST, LLC and the City of Rapid City

COMMUNITY DEVELOPMENT

- 7) LF092921-04 – Nordstrom asked CDBG Program Manager Michelle Schuelke if they have had a chance to formally get acquainted with the group “Common Bond” that is coming into Rapid City. Schuelke informed the committee that Community Development has had many conversations with this organization not only on a planning side but also on CDBG funding and with that information the committee has recommended funding not only because it appears that it would meet the needs of the City, but they also have the capacity to carry out a project like this with the funding regulations that are tied to the funding. Community Development Interim Director Vicki Fisher told the committee that Public Works and Planning have met with this new group and found they bring a lot of history and credibility. Preliminary plans for the site on Lacrosse Street have been looked at and it will require a plan development to be submitted for review and approval. Fisher finds them to be a highly reputable group and the information they have submitted thus far on a preliminary basis has been of high quality. Schuelke said there were no other entities that applied for these particular funds. Drew asked Schuelke when the new round of applications will begin. Schuelke said for round 2022, the letters of interest deadline was September 22nd, 2021. The committee will be reviewing those letters of interest tomorrow and will then invite potential applicants to apply for 2022 funds within the next couple of weeks. Weifenbach moved to Approve Preliminary Community Development Block Grant (CDBG) FY21 Mid-Year Funding Recommendations. Second by Lehmann. Motion carried.
- 8) LF092921-05 – Authorize Mayor and Finance Director to Sign the Updated CDBG Certifications

HISTORIC PRESERVATION COMMISSION

- 9) LF092921-06 - Request by Brian Bach for a Determination by the City Council that there are no feasible and prudent alternatives to the proposed project in a historic district located at 920 Fairview Street, and that the proposal contains planning to minimize harm to the historic property pursuant to SDCL1-19A-11.1 and RCMC 17.54.080

END OF CONSENT CALENDAR

NON-CONSENT ITEMS – Items 10 – 13

Public Comment opened – Items 10 – 13
Public Comment closed

FINANCE DEPARTMENT

- 10) LF092921-02 – Salamun asked Finance Director Pauline Sumption to summarize the changes to this ordinance. Sumption said the changes have been brought forward to update the ordinance and to also incorporate the process into the ordinance instead of in the resolution that we have now.

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The number of video lottery permits have been set to 75 once this is approved (with the additional 6 that were approved). From there, with every 2000 population change there will be another one available, which that process then becomes automatic per say, it's not that we have to open up any licenses every July, but we would look at what the population estimate is from Community Planning in about July time frame and then open up for bids again at that time. The process itself pretty much remains the same but the fee will be increased to \$1,000. The though behind the fee increase is that it will make sure that the people that are interested are truly interested and committed to the process as well as still leave the door open for someone who wants to try out the business and still be able to afford that application fee. The hard dates went away also, so if there is for some reason an inactive license and a license becomes available sometime throughout the year, they can open up that process then and do not have to wait until July to issue a license without having to wait until the following year. Fisher explained that in these instances all of these uses will also trigger an on sale liquor license which also requires a conditional use permit and that will be reviewed by the Planning Commission. With the additional licenses that were recently awarded through the lottery, Planning is already receiving conditional use permit applications for those and public hearings will be held in the next month to review those locations. Police Captain James Johns does not see any issues with the locations. Nordstrom asked Sumption if this is the only time there will be a lottery. Sumption said it will still be a lottery system if we have more applications than permits available. Nordstrom asked Fisher about population changes and determination of additional licenses. Fisher explained that the estimated population growth is not necessarily census growth. Planning does provide that population number to Finance based on this ordinance for every increase in population of two thousand or more. One additional license could be added for every two thousand which would not come back to council, it would be automatic. Fisher said the population estimates are received annually and she will find out what that date is annually for the Monday night meeting. Sumption added that the new ordinance allows the business 9 months to get up and running. Long Range Planning Interim Manager Kip Harrington explained that every year a population estimate is done that is based on a census approved methodology by looking at the total building permits for the previous year staggering them a little bit due to construction time on new houses so it is generally from July to June time frame. This year was a little different since the official 2020 census numbers were received in the last few weeks so the population will be reset to the census population as of April 1st and continue on with those building permit numbers from then and come up with a new estimate for year-end 2021. That process will then start all over again in 2022. The City's estimates were a little higher than the census numbers that came in but are anticipating that is because of some census under counting. They will use that as the baseline and will reset the population and continue forward with the same method that has been used for the last many number of years. Harrington shared population growth with the 2010 census showing just over 67,000 and the 2020 census number being just under 75,000. Our estimates put us more around 78,000 or 79,000 which Harrington feels is a bit more accurate but they are obligated to go with the official census numbers to start and work from there. Harrington added that the City generally grows around 1 ½ % to 2% a year but are anticipating to see the growth rate increase a little due to new construction and development at Ellsworth and having also seen a lot of people coming into this area. Drew asked Landeen about the malt beverage licenses verses liquor licenses at these establishments. Landeen said he thinks that most video lottery establishments are based on a malt beverage license but malt beverage is a type of liquor, so there are different definitions. He understands there is some difference with liquor. He said at this point what we need to know is do you support the committee's recommendation for the proposal licenses and said it could certainly be tweaked to more accurately refer to the license. Nordstrom move to approve the First Reading and Recommendation of Ordinance No. 6508, An Ordinance to Update the Process for Video Lottery Machine Placement by Amending Chapter 5.64 of the Rapid City Municipal Code. Second by Weifenbach. Motion carried.

COMMUNITY DEVELOPMENT

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- 11) 21TI001 - Salamun moved to approve the Minnesota Street TID No. 65 – Resolution 2021-083 - A request by KTM Design Solutions, Inc. for SSST, LLC and Zandstra Real Estate Holdings, LLC to consider an application for a Reallocation of Project Plan Costs for Minnesota Street TID No. 65 for property generally described as being located south and west of Elks Country Estates and east of Elk Vale Road. Second by Lehmann. Motion carried.
- 12) 21TI002 - Nordstrom moved to approve the Walpole Heights Subdivision and Arches Addition - Resolution 2021-084 - A request by Brian E. Bangs Skyline Pines East, LLLP for Bruce E. Schreiner Skyline Pines East, LLLP to consider an application for a Reallocation of Projects Plan Costs for Tower Road TID No. 47 for property generally described as being located Tower Road west of U.S. Highway 16. Second by Salamun. Motion carried.
- 13) 21OA003 – Lehmann moved to approve the Second Reading and Recommendation of Ordinance No. 6500 an Ordinance to Adopt Comprehensive Zoning Regulations for Medical Cannabis Establishments by Amending Title 17 of the Rapid City Municipal Code. Second by Nordstrom. Motion carried.

Drew asked for point of privilege and asked IT Director, Jim Gilbert why online public comment was removed. Gilbert said it was removed at the direction of council leadership. Drew voiced that she may bring this back and ask for a reversal.

ADJOURN

There being no further business to come before the Committee at this time, motion was made by Nordstrom second by Weifenbach and carried to adjourn the meeting at 1:06 p.m.