MEMBERS PRESENT: Kelly Arguello, Erik Braun, Karen Bulman, Eirik Heikes, Haven Stuck and Vince Vidal.

MEMBERS ABSENT: Rachael Caesar, John Herr, Mike Golliher, Eric Ottenbacher, Mike Quasney. Ron Weifenbach, Council Liaison was also absent.


Braun called the meeting to order at 7:00 a.m.

Braun reviewed the Consent Agenda and asked if any member of the Planning Commission, staff or audience would like any item removed from the Consent Agenda for individual consideration.

Motion by Vidal seconded by Heikes and unanimously carried to recommend approval of the Consent Agenda Items 1 thru 6 in accordance with the staff recommendations. (6 to 0 with Arguello, Braun, Bulman, Heikes, Stuck and Vidal voting yes and none voting no)

---CONSENT CALENDAR---

1. Approval of the April 7, 2022 Planning Commission Meeting Minutes.

2. No. 22PL028 - Garden Lane Subdivision
   A request by Renner Associates, LLC for Wind River, LLC to consider an application for a Preliminary Subdivision Plan for proposed Lot 1R and Lot 2A and Lot B of Garden Lane Subdivision, legally described as Lot 1 and Lot 2 of Garden Lane Subdivision, located in the SW1/4 of the NW1/4 of Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 2905 Garden Lane.

   Planning Commission recommended that the Preliminary Subdivision Plan be approved with the following stipulation:
   1. Prior to submittal of a Final Plat application, a Covenant Agreement shall be entered into with the City to ensure that fire suppression systems are installed in any new residential structure or expansions to the existing residence that results in the expansion of the fire flow calculation area as defined by the International Fire Code on Lots 1R, 2A and 2B. The system design and installation shall meet the system requirements of NFPA 13, 13R and 13D, as applicable. In addition, the Covenant Agreement shall ensure that a fire apparatus turnaround shall be provided on Lot 2A and Lot 2B since the driveway lengths appear to be in excess of 150 feet.

3. No. 22PL029 - Forest Hills Subdivision No. 2
   A request by KTM Design Solutions, Inc for Evan and Rozalyn Hays to consider an
application for a Preliminary Subdivision Plan for proposed Lots A and B of Forest Hills Subdivision No. 2, legally described as Lot 2 of Lot G of Forest Hills Subdivision, located in the N1/2 of the SW1/4 of Section 2, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 1539 Forest Hills Drive.

Planning Commission recommended that the Preliminary Subdivision Plan be approved with the following stipulations:

1. Upon submittal of a Development Engineering Plan application, construction plans for the “Easement for Common Access and Utilities to Lots A and B” shall be submitted for review and approval showing the construction of a minimum 20-foot wide paved surface for the area of the easement serving as a shared driveway or shall meet criteria for obtaining an Exception. If an Exception is obtained, a copy of the approved document shall be submitted with the Development Engineering Plan application;

2. Upon submittal of a Development Engineering Plan application, the plat document shall be revised to show the dedication of 2 additional feet of right-of-way along the cul-de-sac bulb for Forest Hills Drive as it abuts the subject property or shall meet criteria for obtaining an Exception. If an Exception is obtained, a copy of the approved document shall be submitted with the Development Engineering Plan application.

3. Upon submittal of a Development Engineering Plan application, a design report demonstrating adequate water capacity shall be submitted for review and approval;

4. Upon submittal of a Development Engineering Plan application, a drainage plan shall be submitted for review and approval demonstrating that drainage from the subject property meets the Downtown Basin Design Plan and the Infrastructure Design Criteria Manual requirements;

5. Upon submittal of a Development Engineering Plan application, a cost estimate for the required subdivision improvements shall be submitted for review and approval;

6. Prior to approval of the Development Engineering Plan application, a Development Agreement shall be entered into with the City for all public improvements;

7. Prior to approval of the Development Engineering Plan application, any necessary off-site easements shall be recorded. In addition, a copy of the recorded easements shall be submitted with the Development Engineering Plan application;

8. 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,

9. Prior to the City's acceptance of the public improvements, a warranty surety shall be submitted for review and approval as required.

4. No. 22RZ003 - Big Sky Business Park
A request by Indigo Design, LLC for Dakota Heartland, Inc. to consider an application for a Rezoning request from General Commercial District to Office Commercial District for Lot 3CR of Block 1 of Big Sky Business Park, located in Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota, more
generally described as being located at 4112 Berniece Street.

Planning Commission recommended approval of the Rezoning request from General Commercial District to Office Commercial District.

*5. No. 22PD018 - Fountain Spring Business Park
A request by TerraSite Design for Jaro Turek to consider an application for a Initial and Final Planned Development to allow industrial uses Tract G of Fountain Springs Business Park, located in the NE1/4 of the SE1/4 of Section 27, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located southwest of the intersection of S Plaza Boulevard and Harmony Heights Lane.

Planning Commission approved the Initial and Final Planned Development Overlay with the following stipulations:
1. Upon submittal of a building permit for Phase 1 of the proposed project, a profile of the water service and sewer service shall be provided to ensure adequate cover through the low area of the site;
2. Upon submittal of a building permit for Phase 1 of the proposed project, the site plan showing approaches and pedestrian access shall be designed to meet Rapid City Standard Specifications and Infrastructure Design Criteria Manual requirements including concrete extending to the Right-of-Way, a maximum cross-slope of 2% for crosswalks, and a thickened sidewalk;
3. Upon submittal of a building permit for Phase 1, the site plan shall show the sidewalk built entirely within the Right-of-Way;
4. Upon submittal of a building permit for Phase 1, the water service for the building shall be designed in accordance with RCMC 13.08, including the installation of a master meter at the closest building to the connection; and,
5. This Final Planned Development shall allow the proposed office, manufacturing, storage, and distribution uses on the subject property. Any change in use for Phase 1 that is a permitted use in the General Commercial District and complies with the Parking Ordinance shall require the review and approval of a building permit. Any change in Phase 1 that is a conditional use within the General Commercial District shall require the review and approval of a Major Amendment to the Planned Development. The review and approval of a Major Amendment to the Planned Development shall be required prior to issuance of a building permit for Phase 2 of the Final Planned Development Overlay.

The Rapid City Planning Commission’s action on this item is final unless any party appeals that decision to the Rapid City Council. All appeals must be submitted in writing to the Department of Community Development by close of business on the seventh full calendar day following action by the Planning Commission.

*6. No. 22PD020 - Black Hills Center
A request by FMG Engineering for Scull Construction Service, Inc. to consider an application for a Final Planned Development Overlay to allow a liquor store for
Planning Commission approved the Final Planned Development Overlay with the following stipulations:

1. A minimum of 60,711 points of landscaping shall be provided. Upon submittal of a building permit a revised landscape plan shall be submitted for review and approval with a minimum of three large trees being provided along the southern portion of the property as it abuts Catron Boulevard. The type and location shall be in compliance with the City’s Landscape Regulations and shall be maintained in a live vegetative fashion;

2. A minimum of 68 parking spaces shall be provided. In addition, 3 spaces shall be ADA accessible with at least one of the three being “Van” accessible;

3. Upon submittal of a building permit application, revised plans shall be submitted for review and approval showing a loading space which meets the requirements of Chapter 17.50.290 of the Rapid City Municipal Code;

4. Upon submittal of a building permit, a temporary grading/construction easement for the work being done on the property to the north of the project site shall be submitted for review and approval; and,

5. This Final Planned Development shall allow a 16,745 square foot liquor store. Any change in use that is a permitted use in the General Commercial District and complies with the Parking Ordinance shall require the review and approval of a building permit. Any change in use that is a conditional use within the General Commercial District shall require the review and approval of a Major Amendment to the Planned Development.

The Rapid City Planning Commission’s action on this item is final unless any party appeals that decision to the Rapid City Council. All appeals must be submitted in writing to the Department of Community Development by close of business on the seventh full calendar day following action by the Planning Commission.

---END OF CONSENT CALENDAR---

---BEGINNING OF REGULAR AGENDA ITEMS---
*7. No. 22PD017 - Sale Barn Subdivision
A request by Bob Fuchs Fat Boy, Inc. to consider an application for a **Major Amendment to a Planned Development Overlay to allow wine manufacturing** for Lot 6R and Lot 7 of Sale Barn Subdivision, located in Section 5, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 940 Kennel Drive.

Halonen presented the application reviewing the associated slides noting that the applicant is requesting an Exception for landscaping. Halonen stated that the building is 13,568 square feet of which 60% will be used for manufacturing with the remainder being used for storage. Halonen stated that staff recommends denial of the Exception to landscaping stating that there no hardship that would impede providing the required landscaping and allowing the Exception would initiate a basis for others in this area to follow suit and would lessen the visual appearance of the site. Halonen stated that staff recommends approval of the Major Amendment to a Planned Development Overlay to allow wine manufacturing.

In response to a question from Braun on the required number of landscape points, Fisher explained the area will benefit from meeting required landscaping which will encourage future improvements in the area to also be held to the requirements which will improve the aesthetics of the neighborhood.

Heikes stated that he supports staff's recommendation noting that this is an opportunity to set a standard. Heikes mentioned the option of lateral zone landscaping allowed in industrial zoning. Fisher explained why this location does not qualify for lateral zone landscaping.

In response to a question from Stuck on the cost of the additional landscaping, Halonen reviewed the options including trees or grass. Fisher clarified that staff does not look at this from a cost perspective.

Bulman moved and Vidal seconded and the Planning Commission approved the Major Amendment to a Planned Development to allow wine manufacturing with the following stipulations:
1. A minimum of 18 parking spaces shall be provided with one of the spaces being ADA “van” accessible. In addition, parking shall be designed in compliance with the City’s Parking Regulations;
2. A minimum of 83,571 landscaping points shall be provided. All landscaping shall be designed in compliance with the City’s Landscaping Regulations;
3. All signage shall continually conform to the Sign Code. Lighting for the signs shall be designed to preclude shining on the adjacent properties and/or street(s). A Sign Permit shall be obtained for each sign; and,
4. The Major Amendment to the Planned Development Overlay shall allow for wine manufacturing. Any change in use or expansion of use that is permitted in the Light Industrial District shall require the review and approval of a Building Permit contingent that sufficient parking is provided. Any change in use or expansion of use that is a Conditional Use in the Light Industrial District shall require the review and approval of
a Major Amendment to the Final Planned Development Overlay. (6 to 0 with Arguello, Braun, Bulman, Heikes, Stuck and Vidal voting yes and none voting no)

The Rapid City Planning Commission’s action on this item is final unless any party appeals that decision to the Rapid City Council. All appeals must be submitted in writing to the Department of Community Development by close of business on the seventh full calendar day following action by the Planning Commission.

*8. No. 22UR005 - Original Town of Rapid City
A request by Justin Henrichsen to consider an application for a Major Amendment to a Conditional Use Permit to allow on-sale in conjunction with a restaurant for Lot 13 thru 16 of Block 94 of Original Town of Rapid City, located in Section 1, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 627 St. Joseph Street.

Halonen presented the application reviewing the associated slides noting that the use is located in the downtown area where this use is encouraged. Halonen further noted that the applicant plans to improve the façade, windows and signage. Halonen stated that staff recommends approval of the Major Amendment to a Conditional Use Permit to allow on-sale in conjunction with a restaurant with stipulations.

In response to a question from Stuck as to which property is included, Justin Henrichsen, applicant for the request, identified the location of the suite to be used.

Bulman moved and Vidal seconded and the Planning Commission approved the Major Amendment to the Conditional Use Permit to allow on-sale allow liquor in conjunction with a restaurant with the following stipulations;
1. Prior to the issuance of a building permit, a 11.1 Historic Review shall be obtained;
2. Prior to approval of a Sign Permit, a Historic Sign Review application shall be submitted for review and approval. A Sign Permit shall be obtained for each sign. Lighting for the signs shall be designed to preclude shining on the adjacent properties and/or street(s); and,
3. The requested Major Amendment to the Conditional Use Permit shall allow an on-sale liquor establishment to sell and service hard liquor as an accessory use to the restaurant. Any change in use or expansion of use permitted in the Central Business District shall require the review and approval of a Building Permit. Any change in use or expansion of use that is a Conditional Use in the Central Business District shall require review and approval of a Major Amendment to the Conditional Use Permit. (6 to 0 with Arguello, Braun, Bulman, Heikes, Stuck and Vidal voting yes and none voting no)

The Rapid City Planning Commission’s action on this item is final unless any party appeals that decision to the Rapid City Council. All appeals must be submitted in writing to the Department of Community Development by close of business on the seventh full calendar day following action by the Planning Commission.
Commission.

*9. No. 22PD013 - Section 24, T2N, R7E
A request by Joshua Hemberger for NDN Holdings, LLC to consider an application for an Initial Planned Development Overlay to allow a school and a residential development for the NW1/4 of the NE1/4 less McMahon Industrial Park Subdivision #2 and less right-of-way; and the SW1/4 of the NE1/4 less Dollar General Subdivision, less Lot H3 and Less right-of-way of Section 24, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located southeast of Haines Avenue and Country Road.

Halonen presented the application reviewing the associated slides stating that this is the Initial Planned Development Overlay to introduce the project and provide an overview of the proposed plan and that a Final Planned Development Overlay will be required to address the specifics. Halonen noted that the development is being proposed for the North Rapid Indigenous School and Community which will include schools, daycare and housing. Halonen explained that the schools will be located in the center section along with an outdoor community area, the housing to the south which will include townhomes and apartment buildings and a child care center, the housing to the north will include townhomes and single family houses and that a looped trail will provide pedestrian connectivity. Halonen stated the development is proposed to be completed in three phases with Phase I focused in the southern portion of the property including the construction of a collector street shown on the Major Street Plan connecting Haines Avenue through the property aligning with Neva Way to the east, construction of a K thru 6 school and housing. Phase II addresses the northern section of the property which includes housing and the construction of the 7 to 12 grade school, and Phase III which addresses the southwest corner of the property, will require a rezoning from Medium Density Residential to General Commercial to allow the proposed commercial uses. Halonen stated that staff recommends approval of the Initial Planned Development Overlay to allow a school and a residential development with stipulations.

Fisher reviewed the phases identifying were each item was located in Phase I through III. Fisher noted that the applicant is aware that a rezoning will have to be obtained for the area that is proposed for commercial use, but that will be a separate application as would the dedication of the right-of-way for Neva Way. Fisher stated that the applicant has worked with staff on this development to meet requirements and noted that the opportunity to provide this type of a development will fill a need in the community. Fisher further stated that staff has worked to ensure that the drop-off areas for both the schools and child care are safe and that the parking is sufficient and also that the outdoor areas will ensure a quality of life while supporting the cultural opportunities that the schools will be providing in a village based community that is being proposed. Fisher noted that staff had received a letter of opposition.

In response to a question from Stuck on how restrictive the design is from the Initial Planned Development Overlay to Final Planned Development Overlay, Fisher reviewed that this is more of a concept which allows them to move forward with more definitive design including drainage and layout, but they generally stay close to initial plans.
In response to questions from Arguello whether this is a private or public school, Fisher stated it will be private school and will be managed by a board as will the daycare. Fisher noted that there are a number of private schools in the city and that overview of their funding is outside of the authority of staff.

In response to a question from Braun regarding access to the southern buildings, Halonen clarified it would take access off of Country Road. Braun stated that he thinks this is an exciting project.

Vidal moved and Heikes seconded and the Planning Commission approved the Initial Planned Development Overlay to allow a school and residential development with the following stipulations;

1. All provisions of the Medium Density Residential District shall be met unless otherwise specifically authorized as a stipulation of this Initial Planned Development Overlay;

2. Upon submittal of a Final Planned Development Overlay application, the site plan shall be revised to show 400 square feet of usable open space per apartment unit;

3. Upon submittal of a Final Planned Development Overlay application, the site plan shall be revised to show an unloading area for the school and child care center, respectively;

4. Upon submittal of a Final Planned Development Overlay, a Traffic Impact Study as per section 2.17 of the Infrastructure Design Criteria Manual shall be submitted for review and approval. In addition, street improvements shall be provided if recommended by the approved Traffic Impact Study;

5. Upon submittal of a Final Planned Development Overlay, construction plans for Northridge Drive / Oceti Sakowin Way shall be submitted for review and approval and shall be constructed in compliance for a Collector Street pursuant to the Infrastructure Design Criteria Manual. In addition, prior to issuance of a Certificate of Occupancy, the street shall be constructed and right-of-way dedicated for the street;

6. Upon submittal of a Final Planned Development Overlay, a sewer and water analysis shall be submitted for review and approval;

7. Upon submittal of a Final Planned Development Overlay, the water services plans shall be revised per the Infrastructure Design Criteria Manual and Rapid City Municipal Code requirements;

8. Upon submittal of a Final Planned Development Overlay, the applicant shall provide a profile of the proposed sewer mains associated with the project;

9. Upon submittal of a Final Planned Development Overlay, easements necessary for the development as needed; on the property, including drainage easements for the elements noted in the Drainage Basin Design Plan shall be identified on the site plan and recorded as needed;

10. Upon submittal of a Final Planned Development Overlay, the applicant shall determine if there are jurisdictional wetlands present on the property. In addition, a 404 Permit shall be obtained if needed;

11. Prior to submittal of a Building Permit for the proposed Commercial development along Haines Avenue, this area of the property shall be...
rezoned from Medium Density Residential District to General Commercial District and a Final Planned Development Overlay application shall be submitted for review and approval. In addition, the property shall be platted separating the commercial use from the residential and school uses;

12. Upon submittal of a Building Permit, stormwater quality treatment as required by Chapter 8.48 of the Rapid City Municipal Code shall be provided;

13. Upon submittal of a Building Permit, a 5-foot wide sidewalk along Haines Avenue and Country Road shall be provided or a Variance from City Council shall be obtained;

14. Prior to issuance of a Building Permit, a Final Planned Development Overlay application shall be obtained; and,

15. The Initial Planned Development Overlay shall allow for a K-12 school with 520 children and 52 staff, a child care center with 80 children and 15 staff, 79 multi-family dwellings, 12 single-family dwellings, and 36 townhouse units. Any change or expansion of use that is permitted in the Medium Density Residential District shall require a Building Permit. Any change in use that is a Conditional Use in the Medium Density Residential District shall require the review and approval of a Major Amendment to the Planned Development. (6 to 0 with Arguello, Braun, Bulman, Heikes, Stuck and Vidal voting yes and none voting no)

The Rapid City Planning Commission’s action on this item is final unless any party appeals that decision to the Rapid City Council. All appeals must be submitted in writing to the Department of Community Development by close of business on the seventh full calendar day following action by the Planning Commission.

*10. No. 22PD007 – Original Town of Rapid City
A request by FMG Engineering for Lloyd Associates, Inc. to consider an application for a Final Planned Development Overlay to allow a mixed use development for Tract A and the vacated east 13 feet of Sixth Street and the vacated south 3.5 feet of Saint Joseph Street, and the vacated west 1 foot of Fifth Street adjacent to said Tract A, Block 95, Original Town of Rapid City, located in Section 1, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 525 St. Joseph Street.

Hanzel presented the application reviewing the associated slides noting this is the Final Planned Development following up on the Initial Planned Development (File #21PD038) that was approved by the Planning Commission November 24, 2021. Hanzel noted that staff will be amending the Comprehensive Plan to show this property as Downtown Future Land Use rather than its current Public designation. Hanzel reviewed some of the changes that were made from that Initial Planned Development including the shifting of the building 9 inches to the west to avoid sub-grade encroachment. Hanzel reviewed some of the uses of the development noting that delivery has been identified in the alley to avoid street congestion, the drop off area located on St. Joseph Street and parking garage access from off of 5th Street. Hanzel noted that the applicant anticipates a sidewalk café on the 6th Street side in the future and is aware that use will require a separate sidewalk café permit. Hanzel
discussed the Historic Review noting that the use of multiple design aspects helps integrate the structure into the downtown design. Hanzel noted no Exceptions are being requested, but due to the parking structure it is required to have a Conditional Use Permit, which is being addressed through this Planned Development Overlay. Hanzel stated that staff recommends approval of the Final Planned Development Overlay to allow a mixed use development with stipulations.

In response to a question from Braun regarding removal of parking along St Joseph Street, Hanzel identified approximately 7 to 8 parking spaces will be removed along St. Joseph Street to accommodate the turning lane and the loading-unloading zone located on St Joseph Street and a few on 6th Street to allow for the sidewalk café.

In response to a question from Bulman on the parking structure, Hanzel confirmed that it is above-ground parking. Fisher noted there are ongoing discussions on parking compensation.

Vidal moved and Arguello seconded and the Planning Commission approved the Final Planned Development Overlay to allow a mixed use development with the following stipulations:

1. Prior to submittal of a building permit, a public access easement shall be dedicated for the sidewalk on 6th Street outside of the right-of-way;
2. Upon submittal of a building permit, the plans shall be revised to show a median in 5th Street to prevent northbound left turning movements into the parking structure and alley; prior to issuance of a Certificate of Occupancy, the median, or an alternative acceptable to the City Traffic Engineer, shall be constructed.
3. Upon submittal of a building permit, plans shall be submitted showing at least 8 ADA parking spaces and 1 van accessible space within the parking structure pursuant to RCMC 17.50.270(H);
4. Prior to submittal of a building permit application, the applicant shall coordinate with the City Traffic Engineer for the removal of parking spaces on St. Joseph Street for the proposed loading/unloading zone;
5. An Air Quality Permit shall be obtained prior to disturbance of 1 acre or more of soil;
6. Upon submittal of a building permit, the building plans will be reviewed to ensure consistency with the approved Historic Review application;
7. The development shall conform to all parking policies and regulations at all times. The area identified as a loading zone shall not permit double parking.
8. A sidewalk café permit shall be obtained prior to creating and/or using any outdoor café seating area as shown on the site plan.
9. Prior to submittal of a sign permit, a Historic Sign Review application shall be submitted for review and approval. In addition, all signage shall meet the requirements of the Rapid City Sign Code. Any proposed electronic or Light Emitting Diode (LED) signage shall require a Major Amendment to the Planned Development. A sign permit shall be obtained for any new signs; and
10. The Final Planned Development Overlay shall allow a mixed use development which includes a 330-stall parking structure (approximately) to serve the needs of the residents and patrons of the
development. Any change in use that is a permitted use in the Central Business District shall require the review and approval of a building permit. Any change in use that is a conditional use in the Central Business District shall require the review and approval of a Major Amendment to the Planned Development Overlay. (6 to 0 with Arguello, Braun, Bulman, Heikes, Stuck and Vidal voting yes and none voting no)

The Rapid City Planning Commission’s action on this item is final unless any party appeals that decision to the Rapid City Council. All appeals must be submitted in writing to the Department of Community Development by close of business on the seventh full calendar day following action by the Planning Commission.

11. No. 22TI002 - Black Hills Industrial Center, LLC
A request by Dream Design International, Inc for Black Hills Industrial Center, LLC to consider an application for a Resolution to Create a Tax Increment Finance District and a Resolution to adopt a Project Plan for the Black Hills Industrial Center for the N ½ of Section 29, T1N, R8E lying east of Highway 79; Highway 79 right-of-way located in the N ½ of Section 29, T1N, R8E; the SW ¼ SE ¼ of Section 20, T1N, R8E; that part of the E ½ SE ¼ lying southwest of Railroad right-of-way in Section 20, T1N, R8E; Old Folsom Road right-of-way and railroad right-of-way located in the E ½ SE ¼ of Section 20, T1N, R8E; the SE ¼ NW ¼ less Lots 1A, 2A, Lot H1, Lot H2 and ROW in Section 20, T1N, R8E; The E ½ SW ¼ of Section 20, T1N, R8E; that portion of the NW ¼ SE ¼ lying southwest of Old Folsom Road right-of-way and Railroad right-of-way in Section 20, T1N, R8E; that portion of the SW ¼ NE ¼ lying southwest of Old Folsom Road right-of-way and Railroad right-of-way in Section 20, T1N, R8E; Old Folsom Road and Railroad right-of-way located in the SE ¼ NW ¼; the SW ¼ NE ¼ and NW ¼ SE ¼ of Section 20, T1N, R8E; The W ½ SW ¼ less Lot B, less Lots H2, H3, H4, H5, H6, less Gruenig Addition and less Lot 1 of Lot A in Section 20, T1N, R8E; The East ½ of Lot P (aka Old Highway 79) located in Section 20, T1N, R8E; Old Folsom Road right-of-way located in the W ½ SW ¼ of Section 20, T1N, R8E; Highway 79 right-of-way located in the SW ¼ NW ¼ and W ½ SW ¼ of Section 20, T1N, R8E; Highway 79 right-of-way located in the SE ¼ NE ¼ and E ½ SE ¼ of Section 19, T1N, R8E; Tract A of Wasteland Subdivision, located in Section 19, T1N, R8E, Rapid City; Highway 79 right-of-way and Lots H1, H2 and H3 of the NE ¼ NE ¼ of Section 30, T1N, R8E, Rapid City; Highway 79 right-of-way located in the NE ¼ NE ¼ of Section 19, T1N, R8E, Rapid City; Highway 79 right-of-way located in the NW ¼ NW ¼ of Section 20, T1N, R8E, Rapid City; The 1000’ of Elk Vale Road right-of-way lying east of the Cambell Street and Highway 79 intersection located in Sections 17 and 20, T1N, R8E, Rapid City; the 700’ of Cambell Street right-of-way lying north of the intersection of Elk Vale Road and Catron Boulevard located in Sections 17 and 18, T1N, R8E, Rapid City; Catron Boulevard (Highway 16B) right-of-way located in Section 19, T1N, R8E, Rapid City; The 350’ of Catron Boulevard right-of-way lying west of the 5th Street intersection and within the City of Rapid City located in Section 24, T1N, R7E; the 300’ of 5th Street right-of-way lying north of the Catron Boulevard intersection located in Section 24, T1N, R7E and in Section 19, T1N, R8E, Rapid City; All in the Black Hills Meridian, Pennington County, South Dakota, more generally described as being located SD Highway 79 and Old Folsom Road.
Hanzel presented the application and reviewed the associated slides noting this is a request to create a Tax Increment District boundary and approve the Project Plan for the Black Hills Industrial Center. Hanzel reviewed the Tax Increment District is to extend and develop a regional economic center for the community and provide expanded city infrastructure to 600 acres of rail served property to be developed with high tech and value added agricultural products including the Aesir Battery Plant. Hanzel stated that the Tax Increment Finance Committee reviewed this request March 1, 2022 and recommended that the Tax Increment Finance application proceed to Planning Commission. Hanzel noted that the initial application that was presented to the Tax Increment Finance Committee was for $46 million. However, between the approval by the Tax Increment Financing Committee and the presentation to the Planning Commission, staff identified recommendations including infrastructure pricing and the potential need for water looping to ensure the stability of the City's water system with the major development expansion. Hanzel noted that the applicant reviewed these potential increases and also added additional developers costs, increase in materials and fees. Hanzel informed the Planning Commission that the applicants have presented a revised Tax Increment Financing proposal for $78 million, which is what is before the Planning Commission today, although the overall scope of the project has not changed or increased. Hanzel reviewed a break out of those the costs showing approximately $5 million resulting from staff comments, $5 million resulting from grading price revisions, $2 million from roadway work price revision, and $20 million resulting from professional fees, financing and contingency price revisions for the total $32 million increase from the initial Tax Increment Financing approved by the Tax Increment Financing Committee in March. Hanzel reviewed the proposals noting that the revised application identifies $90 million in increase in revenue not shown on the original projections. Hanzel reviewed a comparison between the initial and revised proposals. Hanzel explained that the boundary which includes right-of-way for 5th Street, Catron Boulevard South and Highway 79 and adjacent property that includes property owned by the City and the State to allow for improvements in the right-of-ways that may extend into the adjacent properties. Hanzel reviewed the Master Plan noting there are three phases. Hanzel noted that the grading identified in Phase I includes street and over grading, which is only allowed by approval by Council. Hanzel noted Phase III cost include construction of the water main which is crucial to providing water for this development and as such is addressed in Stipulation # 3 of the Staff Report. Contingency costs. Hanzel noted that the value of the district was originally estimated at $190 million with payoff by 2039 but with additional development identified creating additional valuation, it is now estimated to be approximately $280 million in valuation with payoff anticipated within 20 years. Hanzel reviewed the projections on amortization and reviewed SDCL Tax Increment Finance Statutes as they relate to this application. Hanzel noted that the proposed rail infrastructure is to be privately owned and used exclusively by this development. Hanzel identified the anticipated impact to the taxing agencies as summarized in the Project Plan and Staff Report. Hanzel noted that the Tax Increment Financing Policy allows discretionary uses or costs which include in this case the rail lines. Hanzel stated that if the Planning Commission recommends approval of the Tax Increment District and the Project Plan to the City Council, staff recommends it be approved with the stipulations outlined in the Staff Report.
In response to a question from Stuck annexation, Hanzel confirmed that a portion of the proposed boundary was recently annexed. Hanzel further clarified that the areas adjacent right-of-ways, including the landfill, are included to allow for the potential of the improvements encroaching into these properties and allows the costs to be included in the financing of the Tax Increment District.

In response to questions from Bulman on undefined improvements noted in the Staff Report, Hanzel explained the improvements are defined in the Project Plan. Bulman discussed the costs that are generally not included in a Tax Increment Financing that are allowed to be included by City Council approval. Hanzel confirmed that the applicant has identified a number of these and it will be up to City Council to make that decision.

In response to a question from Bulman regarding the language associated to the booster station, Hanzel clarified the booster station and the water main are critical to both occur and as such a stipulation was attached to address that this improvement is completed in the 5 year timeline. Bulman stated that this is an aggressive Tax Increment Financing and commends staff for their work on reviewing the proposed project.

In response to a question from Vidal regarding drainage funding, Hanzel identified funding by the project in phases I and III.

Heikes spoke to his thoughts stating this is a great project and he is glad to see the inclusion of value added agricultural and development. In response to his question regarding a Traffic Impact Study, Hanzel stated that would be addressed in the subdivision of the property.

Kyle Trealor, Dream Design International, Inc, spoke to the exciting project with potential to allow the city to create the opportunity for production and exportation of product rather than being dependent on importation, including the value added agricultural, Aesir battery plant and presented a presentation on the project.

Braun noted this is a very large project and that as the risk lays with the developer identifies the confidence the applicant must have in the project.

In response to a question from Arguello on the inclusion of the landfill and how proposed improvements benefit it, Hanzel reviewed that the improvements proposed in the right-of-way such as the proposed signaling at the intersection of Highway 79 and the landfill may extend outside of the right-of-way and thus the adjoining parcels have been included to enable these improvements within the Tax Increment funding. Fisher stated that the signalizing of the access to the landfill and the additional signalizing of the proposed new connection further south on Highway 79 will be a bonus to both the City and State.

In response to a question from Braun on the legal description of the Tax Increment Financing boundary, Hanzel explained it was preferable for record keeping to include the entire parcel rather than break out section or sections of a parcel.

In response to a question from Arguello regarding environmental monitoring and
responsibility, Todd Peckosh stated that environmental aspects are managed by the State, further noting if associated to wet lands that is permitted by the State. Peckosh also explained that waste water would be managed through an Industrial Waste Water Permit that is processed through a division of Public Works based on individual cases.

In response from a question from Stuck regarding what the next steps in the Tax Increment Finance review, Hanzel explained that it will be Set for Hearing at the April 18, 2022 City Council meeting to be heard at the May 2, 2022 City Council meeting for final approval.

Vidal moved and Bulman seconded and the Planning Commission approved of creating the district and adopting the project plan, and that the following stipulations be incorporated into the Developer’s Agreement:
1. The City shall review and approve the proposed booster station lot. The booster station lot shall meet the requirements of the booster station design guidelines;
2. A Feasibility Study shall be required as part of Phase I to verify the location of the booster station, analyze impacts to the existing system, identify additional infrastructure needs necessary, etc. The estimate for the feasibility study is $50,000 to be paid by the developer;
3. The off-site water shown as Item 3 in Phase 3 of the application is needed to supply water from the regional booster station to the Palo Verde water main near Catron/5th Street. Due to this need, installation of the entire water main from 5th Street shall be constructed prior to any reimbursement for the booster station;
4. The Developer’s Agreement shall include language identifying that any funding deficiency in the Project Plan shall be the responsibility of the developer to fully fund and construct. (6 to 0 with Arguello, Braun, Bulman, Heikes, Stuck and Vidal voting yes and none voting no)

12. Discussion Items
   None

13. Staff Items
   A. Eglin Street Update from Public Works Department

       Todd Peckosh identified that Public Works CIP shows there are funds to initiate a study to review from the signal at E. North and Eglin west to Luna in 2025 with projected improvements in 2028.

14. Planning Commission Items
   None

There being no further business, Vidal moved, Bulman seconded and unanimously carried to adjourn the meeting at 8:18 a.m. (6 to 0 with Arguello, Braun, Bulman, Heikes, Stuck and Vidal voting yes and none voting no)