LEGAL AND FINANCE COMMITTEE MINUTES
Rapid City, South Dakota
August 31, 2022

A Legal and Finance Committee meeting was held at the City Administration Center in Rapid City, South Dakota, on Wednesday, August 31, 2022, at 12:30 p.m.

A quorum was determined with the following members answering the roll call: Ritchie Nordstrom (via phone), Pat Jones, Pat Roseland, Jason Salamun and Laura Armstrong 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 Salamun second by Jones and carried to adopt the agenda.

GENERAL PUBLIC COMMENT
None

CONSENT ITEMS
Motion was made by Jones second by Roseland and carried to approve Items 1 - 24 as they appear on the Consent Items with the exception of Item Nos 3, 4, 5, 10, 13, 14, 21 and 24.

CONSENT ITEMS -- Items 1 – 24

Public Comment opened – Items 1 – 24
Public Comment closed

Remove Items from the “Consent Items” and Vote on Remaining Consent Items

1) Approve Minutes for August 10, 2022

FIRE DEPARTMENT

2) LF083122-13 – Authorize Staff to Purchase One (1) 2022 Demers Type I MXP 150 4X4 Chevy 3500 Ambulance for $203,578.10 Using SAVIKK Purchasing Contract

3) LF083122-16 – Chief Culberson is requesting this item be pulled indefinitely because there are some unresolved issues with the Department of Transportation (DOT) as they are redoing the south sixteen interchange that will affect this lot and its potential sale. Jones asked Culberson how the selection for the real estate agency was done. Culberson explained the selection process. Salamun moved to table Authorize Mayor and Finance Director to Sign Exclusive Listing and Agency Agreement and Real Estate Relationships Disclosure with Re/Max Advantage for the Sale of Lot 3 of Owen Hibbard Subdivision (also known as 1925 Promise Road). Second by Jones. Motion carried unanimously.

4) LF083122-17 – Salamun asked Chief Culberson to explain why these properties are being sold. Culberson said the purpose of selling the properties is to be able to fund some other building projects that are more appropriately needed. The funds made from the sale of the properties will be used for further development of the property at the training site and station one needs to have the maintenance facility moved off site to the Creek Drive property and expanded. Depending on how much the properties sell for, the excess of that will be used to continue to develop some of the indoor training facility and for some storage. The storage is extremely needed with some equipment currently being stored at one of the division chief’s personal shop building. Salamun moved to Authorize Mayor and Finance Director to Sign Exclusive Listing and Agency Agreement and Real
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5) LF083122-18 – Salamun moved to Authorize Mayor and Finance Director to Sign Exclusive Listing and Agency Agreement and Real Estate Relationships Disclosure with Re/Max Advantage for the Sale of Lot 5 of Owen Hibbard Subdivision (also known as 6163 Mount Rushmore Road). Second by Roseland. Motion carried unanimously.

FINANCE DEPARTMENT
6) Acknowledge the Following Volunteers for Worker's Compensation Purposes: Karen Collings (Library), JoAnne Schleif (Library)

7) LF083122-01 – Acknowledge June 2022 Sales Tax Report

8) LF083122-02 – Acknowledge July 2022 General Fund Cash Balance Report

9) LF083122-12 – Approve Resolution No. 2022-075 A Resolution Declaring Miscellaneous Personal Property Surplus

10) LF083122-19 – Nordstrom shared his safety concerns regarding the rust in the parking structure and is excited to see this project move forward. Salamun asked Finance Director Pauline Sumption if this loan is built into the 2023 budget and what the level of risk is of the City borrowing money from the City. Sumption relayed that it is not built into the budget but there should be cash available in undesignated cash and the risk is extremely low. She pointed out that there have been lots of InterFund loans and all of the ones she has been aware of, there has not been one default. She went on to say that by doing it in house, it saves the Parking Lot Area Fund money because of the lower interest rate of 3% and it gives more interest revenue to the General Fund as well. Community Development Director Vicki Fisher said there is a detailed parking plan that was presented at the Public Works meeting the day prior and highlighted a couple of items in the plan that include but not limited to a sealant that will be added to the concrete, and the stairwells will be enclosed; both of which will help preserve the integrity of the parking structure and reduce maintenance costs. Jones moved to Approve Request for Interfund Loan of $4,000,000.00 between General Fund and Parking Lot & Area Fund. Second by Salamun. Motion carried unanimously.

11) LF083122-20 – Set a Special Council Meeting for Tuesday, December 27, 2022 at 12:00 PM to Handle Final End of Year Business

12) LF083122-22 – Approve Resolution No. 2022-076 A Resolution Declaring Miscellaneous Personal Property Surplus

COMMUNITY DEVELOPMENT
13) No. 04TI013 – Nordstrom asked Planning Projects Manager Sarah Hanzel to provide the initial amounts that this district started with for this project. Hanzel said the district was created in 2004 with the assessed base valuation of the property being approximately 9.2 million dollars and the current valuation is over 50 million dollars. Salamun moved to Approve Resolution No. 2022-065 - A Resolution to Dissolve Tax Increment District No. 50 for property generally described as being located in the northwest quadrant of Omaha Street and I-190. (Coming forward from 8/4 PC). Second by Roseland. Motion carried unanimously.

14) No. 13TI002D – Jones asked why this project was not completed. Hanzel said there is an overlapping TIF- TIF 65 that was created to extend East Minnesota Street and it is still active. TIF 74 was specifically to extend phase 2 of East Minnesota Street and for whatever reasons the developer decided not to do this phase of the development so there is no longer a need to keep
that tax increment account open. Hanzel pointed out that it is not uncommon to have some project elements not completed. Fisher added that this is the eastern portion of East Minnesota Street on the east side of Elk Vale Road and the developer that came forward with this project owns the property on both sides of this future right of way. In this particular case, there have been utility capacity issues in this area so it did not warrant that the City increase that density for residential units until the City addresses those off-site improvements. She anticipates that once those off-site improvements have been completed the developer will probably be in a position where they will include them as a part of their development. Jones moved to Approve Resolution No. 2022-066 - A Resolution to Dissolve Tax Increment District No. 74 for property generally described as being located south and west of Elks Country Estate north and south of Elk Vale Road and east of S.D. Highway 79. (Coming forward from 8/25 PC). Second by Roseland. Motion carried unanimously.

15) LF083122-03 – Authorize the Mayor and Finance Director to sign the CDBG-CV Reallocation Youth and Family Services’ Contract

16) LF083122-04 – Authorize the Mayor and Finance Director to sign the CDBG-CV3 Wellspring Contract Amendment

17) LF083122-05 – Authorize the Mayor and Finance Director to sign the CDBG-CV Reallocation Wellspring Contract

18) LF083122-06 – Authorize the Mayor and Finance Director to sign the FY21 Mid-Year CB Rapid City Housing Limited Partnership Assignee Contract and Covenants

19) LF083122-07 – Authorize the Mayor and Finance Director to sign the Adult Day Center of the Black Hills Assignee Contract and Covenants

20) LF083122-08 – Authorize the Mayor and Finance Director to sign the CDBG-CV Reallocation Volunteers of America Northern Rockies Contract

21) LF083122-09 – Nordstrom asked for a history on this property. Community Development Director Vicki Fisher explained that this property has been gifted to the CDBG program division and in doing so, the City has found that it has been costly to maintain with hiring to mow the grass in the summer and the snow removal in the winter. The City identified the limitations associated with this residential lot with it not meeting minimum lot size requirements but falls under the category of a small lot. The City cannot deny a single-family home but it will be very small home with limited setbacks. Salamun moved to authorize the Community Development Director to Sign Documents Related to the Sale of 627 Saint Cloud Street. Second by Jones. Motion carried unanimously.

22) LF083122-10 – Authorize the Mayor and Finance Director to sign the FY22 CDBG Working Against Violence, Inc. (WAVI) Contract

23) LF083122-11 – Authorize Mayor to Sign Funding Approval/Agreement for FY 2022 Community Development Block Grant Funding

CITY ATTORNEY’S OFFICE

24) LF083122-15 – Nordstrom voiced his concerns regarding the process for these requests and would like the council to have further discussion. Roseland moved to authorize Youth City Council Requests Authorization for Expenditure of $200.00 of Approved Budget for Promotional Materials in support of a 988-Crisis Line Campaign. Second by Jones. Motion carried unanimously.

END OF CONSENT CALENDAR
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NON-CONSENT ITEMS – Items 25 – 26

Public Comment opened – Items 25 – 26
Public Comment closed

FINANCE DEPARTMENT

VISIT RAPID CITY
26) LF083122-14 – Monument Director Craig Baltzer and President and CEO of Visit Rapid City Brooke Kaufman spoke on this item. Kaufman provided a summary and the reasons for the request with the goal being to determine the economic impact of The Monument to the community both from a quality of life perspective, sales tax, jobs, and earnings, and also to the visitor economy. The last time the facility had anything similar done was in 2012. She said it is important to understand the value of that facility and the importance of having the data to share as future potential capital investments come down the line or other things that come up that may really drive the visitor economy. Baltzer voiced his support in this effort. He also shared that the 2012 study came under some scrutiny because The Monument paid for it and it looked like it was self-serving; so when Kaufman brought this possibility to them because Visit Rapid City would like this data for their own information, Baltzer thought it was a great opportunity to be a part of. This data will help the City on where it is going in the future. He said it is easy to quantify the numbers for events held, but there is no real way to account for the economic impact. Salamun asked what they are expecting to see from the data. Kaufman said they would be able to tie directly jobs, earnings, sales tax collections, what the impact is on our businesses and communities, the bottom line growth that it drives along with direct and indirect benefits of how that money cycles through and should also show the economic impact of some of the events that are held at The Monument. She gave examples such as the Stock Show or a state tournament. Having this information will help in being strategic going forward when making decisions and provide a great road map to where we are going to get the greatest impact and maximize the return on The Monument. Salamun asked Kaufman to provide a summary of the sports commission. Kaufman said during her interview process, one of the things the community kept saying is they have tried to have an organized effort to drive youth sports in the community but have not been able to get it off the ground. Visit Rapid City decided to provide a structure, and some seed money to get it started. They hired a consultant from Arizona “Huddle Up Group”. The consultant came and did a facility analysis and Rapid City ranked 41% out of 100% that you can be ranked. The consultant will be back in September to say, if you are going to start closing the gap on facilities, this is where your top priority should be for investments, this is where your opportunity is to win on the type of youth sports tournaments. The other thing that is very important is that the City owns many of the venues that are going to impact the success with the sports commission, so the City needs to be very strategic about leases and language and how to work together to make sure the effort is successful. Roseland asked Kaufman where the $12,000 is coming from and if there is anyone else contributing to the study. Kaufman said the total study is $35,000.00. Visit Rapid City is proposing that they themselves pay one third of it ($11,600.00), The Monument to pay $11,600.00 and the City to pay the other $11,600.00. Baltzer shared that this item was passed by The Monument Board of Directors this past week and although it was not in their budget, the money will likely come from some of their capital. Kaufman shared that Oxford Economics is a best in class research firm who the state currently uses each year and Visit Rapid City currently has a contract with them to take the state information and distill it down to Rapid City specifically. This firm has touched destinations all of the world and has set the standard for research in communities like Rapid City, which is why they were selected to conduct the study. Jones shared that he would like to see a fine arts authority developed in Rapid City. Salamun moved to Authorize Staff to Collaborate with The Monument and Visit Rapid City to
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Hire Oxford Economics/Tourism Economics for up to $12,000.00 for the City’s Share to Conduct an Economic Impact Study to Determine the Economic Impact of The Monument on the Regional Economy. Second by Jones. Finance Director Sumption asked that the motion include a funding source. Salamun amended his motion to include a funding source to come from undesignated cash for up to $12,000.00. Second by Jones. Motion carried unanimously.

ALDERMAN ITEMS
Council members to discuss items regarding their committee assignmentsUpdates

ADJOURN
There being no further business to come before the Committee at this time, motion was made by Jones second by Salamun and carried to adjourn the meeting at 1:26 p.m.