

MINUTES OF THE
RAPID CITY ZONING BOARD OF ADJUSTMENT
May 4, 2023

MEMBERS PRESENT: Erik Braun, Karen Bulman, Mike Gollither, Haven Stuck, Mike Quasney and Vince Vidal.

MEMBERS ABSENT: Kelly Arguello, Eirik Heikes, John Herr, Brook Kaufman. Bill Evans, Council Liaison was also absent.

STAFF PRESENT: Vicki Fisher, Tanner Halonen, Alex Osborne, Jonathan Howard, Kip Harrington, Sarah Hanzel, Chip Premus, Todd Peckosh, Kinsley Groote and Andrea Wolff.

Braun called the meeting to order at 7:01 a.m.

Braun noted that a 2/3 majority of the Zoning Board of Adjustment body as a whole is required to take action on any item before the Zoning Board of Adjustment and as there are only 6 members present, which is 2/3 of the body, any item not receiving a unanimous vote would be automatically denied. As such, Braun stated that the Zoning Board of Adjustment would offer each applicant the option to continue their item to be heard at the May 25, 2023 Zoning Board of Adjustment meeting.

1. Approval of the April 20, 2023 Zoning Board of Adjustment Minutes

Gollither moved, Vidal seconded and the Zoning Board of Adjustment approved the April 20, 2023 Zoning Board of Adjustment Minutes. (6 to 0 with Braun, Bulman, Gollither, Quasney, Stuck and Vidal voting yes and none voting no)

2. No. 23VA001 - Skyline Pines Subdivision

A request by Terrasite Design Inc for Les and Faye Hinzman to consider an application for a **Variance to reduce the front yard setback to 8 feet in lieu of 35 feet for an accessory structure and to allow a 6 foot high wall in the front yard setback in lieu of a maximum 4 foot high wall** for Lot 6 of Block 1, Skyline Pines Subdivision, located in Section 11, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 3217 Skyline Drive.

Fisher offered the applicant the option to continue their Variance to reduce the front yard setback to 8 feet in lieu of 35 feet for an accessory structure and to allow a 6 foot high wall in the front yard setback in lieu of a maximum 4 foot high wall to the May 25, 2023 Zoning Board of Adjustment Meeting and the applicant chose to continue.

Bulman moved and Quasney seconded and the Zoning Board of Adjustment continued the Variance to reduce the front yard setback to 8 feet in lieu of 35 feet for an accessory structure and to allow a 6-foot high wall in the front yard setback in lieu of the 4-foot height maximum to the May 25, 2023 Zoning Board of Adjustment meeting. (6 to 0 with Braun, Bulman, Gollither, Quasney, Stuck and Vidal voting yes and none voting no)

3. No. 23VA004 - North Valley Park Subdivision

A request by KTM Design Solutions, Inc for Valley Six Property LLC to consider an

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application for a **Variance request to allow an unpaved circulation aisle** for Lot D of North Valley Park Subdivision, located in Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 1004 N. Valley Drive.

Fisher offered the applicant the option to continue their Variance request to allow an unpaved circulation aisle to the May 25, 2023 Zoning Board of Adjustment Meeting and the applicant chose to continue.

Vidal moved and Quasney seconded and the Zoning Board of Adjustment continued the Variance request to allow an unpaved circulation aisle to the May 25, 2023 Zoning Board of Adjustment meeting. (6 to 0 with Braun, Bulman, Gollhofer, Quasney, Stuck and Vidal voting yes and none voting no)

4. No. 23VA005 - Canyon Park Subdivision

A request by Interstate Engineering, Inc for Carey Kassube to consider an application for a **Variance to reduce the minimum required lot sizes and minimum required side yard setbacks** for Lots 1A and 2A of Lot J of Parcel No. 2 of Canyon Park Subdivision of Section 18, T1N, R7E, BHM, Pennington County, South Dakota, more generally described as being located at 5900 West Highway 44.

Braun offered the applicant the option to continue their Variance to reduce the minimum required lot sizes and minimum required side yard setbacks to the May 25, 2023 Zoning Board of Adjustment Meeting and the applicant chose to continue.

Vidal moved and Quasney seconded and the Zoning Board of Adjustment continued the Variance to reduce the minimum required lot sizes and minimum required side yard setbacks to the May 25, 2023 Zoning Board of Adjustment meeting. (6 to 0 with Braun, Bulman, Gollhofer, Quasney, Stuck and Vidal voting yes and none voting no)

5. Staff and Zoning Board of Adjustment Discussion Items

None

There being no further business Quasney moved, Bulman seconded and unanimously carried to adjourn the meeting at 7:12 a.m. (6 to 0 with Braun, Bulman, Gollhofer, Quasney, Stuck and Vidal voting yes and none voting no)

MINUTES OF THE
RAPID CITY PLANNING COMMISSION
May 4, 2023

MEMBERS PRESENT: Erik Braun, Karen Bulman, Mike Gollhofer, Mike Quasney, Haven Stuck and Vince Vidal.

MEMBERS ABSENT: Kelly Arguello, Eirik Heikes, John Herr, Brook Kaufman. Bill Evans, Council Liaison was also absent.

STAFF PRESENT: Vicki Fisher, Sarah Hanzel, Kip Harrington, Tanner Halonen, Alex Osborne, Jonathan Howard, Chip Premus, Todd Peckosh, Kinsley Groote and Andrea Wolff.

Braun called the meeting to order at 7:12 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.

Staff requested that Items 4 be removed from the Consent Agenda for separate consideration.

A member of the audience requested that Item 3 be removed from the Consent Agenda for separate consideration.

Motion by Bulman seconded by Vidal and unanimously carried to recommend approval of the Consent Agenda Items 1 thru 5 in accordance with the staff recommendations with the exception of Items 3 and 4. (6 to 0 with Braun, Bulman, Gollhofer, Quasney, Stuck and Vidal voting yes and none voting no)

---CONSENT CALENDAR---

1. Approval of the April 20, 2023 Planning Commission Meeting Minutes.
2. No. 23PL030 - Homestead Vista Subdivision
A request by Indigo Design, LLC for DTH, LLC to consider an application for a **Preliminary Subdivision Plan** for proposed Lots 1 thru 2, Lots 1 thru 7 of Block 2, Lots 1 thru 6 of Block 3, Lots 1 thru 4 of Block 4, Lots 1 thru 3 of Block 5 of Homestead Vista Subdivision, legally described as the W1/2 of the SW1/4 of the NW1/4 less Big Sky Business Park, less Lot H1, H2 and less right-of-way; Lot 2R less Lot H1 of Block 3 of Big Sky Business Park; Tract A less Tract BR of Neff's Subdivision #4, less Avenue A Subdivision, less Terrace View Subdivision and less right of way, all located in Section 3, T1N, R8E, BHM, Pennington County, South Dakota, more generally described as being located east of Timmons Boulevard and South of Homestead Street.

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

1. **Prior to the submittal of a Development Engineering Plan application, the**

- applicant shall schedule a pre-application conference as required by §16.08.040.D of the Rapid City Municipal Code;
2. Upon the submittal of a Development Engineering Plan application, the applicant shall submit the anticipated sanitary sewer flows to Engineering Services for analysis;
 3. Upon the submittal of a Development Engineering Plan application, all information pursuant to §16.12.040 of the Rapid City Municipal Code shall be submitted for review and approval, as applicable;
 4. Upon the submittal of a Development Engineering Plan application, engineering design reports (in part to include water, sewer, drainage, and pavement) shall be submitted for review and approval as per Chapter 1.15 of the Infrastructure Design Criteria Manual. All final engineering reports shall be signed and sealed by a Professional Engineer and contain a Certification Statement of Conformance with City Standards, as required by the Infrastructure Design Criteria Manual;
 5. Upon the submittal of a Development Engineering Plan application, construction plans pursuant to Figure 2-1 of the Infrastructure Design Criteria Manual for a Collector Street shall be submitted for review and approval for the extension of Neel Street or the criteria for obtaining an Exception shall be met. If an Exception is obtained a copy of the approved document shall be submitted with the Development Engineering Plan application;
 6. Upon the submittal of a Development Engineering Plan application, the plat document shall identify nine additional feet of right-of-way along Lot 3 of Block 5 for Timmons Boulevard pursuant to Figure 2-1 of the Infrastructure Design Criteria Manual for a Commercial Street or the criteria for obtaining an Exception shall be met. If an Exception is obtained a copy of the approved document shall be submitted with the Development Engineering Plan application;
 7. Upon the submittal of a Development Engineering Plan application, construction plans pursuant to Figure 2-1 of the Infrastructure Design Criteria Manual for a Local Street shall be submitted for review and approval for the extension of Patricia Street or the criteria for obtaining an Exception shall be met. If an Exception is obtained a copy of the approved document shall be submitted with the Development Engineering Plan application;
 8. Prior to the approval of a Development Engineering Plan application, a cost estimate for the required subdivision improvements shall be submitted for review and approval;
 9. Prior to the approval of a Development Engineering Plan application, any necessary off-site easements shall be recorded;
 10. Prior to the approval of a Development Engineering Plan application, a Development Agreement shall be entered into with the City for all public improvements;
 11. Prior to the approval of a Development Engineering Plan application, approval from the South Dakota Department of Agriculture and Natural Resources shall be obtained;
 12. Upon the submittal of a Final Plat application, a Covenant Agreement shall be entered into with the City for the maintenance and ownership of any proposed drainage elements and for fire sprinklers if required;
 13. Upon the submittal of a Final Plat application, a Major Drainage Easement shall be dedicated for all drainage improvements;
 14. Upon the submittal of a Final Plat application, the plat document shall

identify all necessary easements;

15. Upon the submittal of a Final Plat application, the legal description shall be revised to read 'Section 3' rather than 'Section 1' and described as such on the plat document;
16. Prior to the approval of a Final Plat application, Lot 2 thru Lot 7 of Block 2 and Lot 2 thru Lot 6 of Block 3 shall be rezoned from Office Commercial District to Medium Density Residential District;
17. Upon the submittal of a Development Engineering Plan application, utility plans shall be submitted showing Lot 2 thru Lot 7 of Block 2 and Lot 2 thru Lot 6 of Block 3 served by City water and sewer;
18. Prior to the City's acceptance of public improvements, a warranty surety shall be submitted for review and approval as required.

5. No. 14TI001D - Denmans Subdivision

A request by City of Rapid City to consider an application for a **Resolution to Dissolve Tax Increment District No.75** for Lots 1 – 16 and the adjacent rights-of-way to Lots 1 – 16 of Block 5 of Denman's Subdivision, located in Section 1, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located south of E. Saint Joseph Street between Myrtle Avenue and Maple Avenue.

Planning Commission recommended the Resolution to Dissolve TID #75 be approved.

---END OF CONSENT CALENDAR---

3. No. 23RZ004 - Homestead Vistas Subdivision

A request by Indigo Design, LLC for DTH, LLC to consider an application for a **Rezoning request from Office Commercial District to Medium Density Residential District** for being a portion of Lot 2R less Lot H1, Block 3, Big Sky Business Park; and a portion of Tract A of F & N Subdivision, less Tract BR of Neff's Subdivision #4, Less Avenue A Subdivision, less Terrace View Subdivision, and less ROW, all located in Section 3, T1N, R8E, BHM, Pennington County, South Dakota; more accurately described as: Commencing at the northwest corner of Lot 3, Block 30, Terrace View Subdivision, being monumented by an iron pin bearing a registration number of 3977, which is also the Point of Beginning; Thence First Course: Westerly along a curve with a radius of 426.93 through a central angle of 11°11'34" an arc distance of 83.40 feet to a point of tangency; Thence Second Course: North 71°46'15" West, 200.93 feet to the beginning of a curve concave southerly, said curve has a radius of 423.07 feet; Thence Third Course: Westerly along said curve through a central angle of 17°30'47" an arc distance of 129.32 feet to a point of non-tangency; Thence Fourth Course: South 0°07'39" West, 174.96 feet to a point of non-tangency; Thence Fifth Course: South 3°50'55" East, 78.49 feet to the beginning of a non-tangent curve concave southerly, said curve has a radius of 170.07 feet, to which a radial line bears North 3°25'39" East; Thence Sixth Course: Easterly along said curve through a central angle of 14°48'07" an arc distance of 43.94 feet to a point of tangency; Thence Seventh Course: South 71°46'15" East, 200.93 feet to the beginning of a curve concave northerly, said curve has a radius of 679.93 feet; Thence Eighth Course: Easterly along said curve through a central angle of 9°28'16" an arc distance of 112.40 feet to a point of non-tangency, which lies on the westerly property line of Lot 45, Block

12, Terrace View Subdivision; Thence Ninth Course: North 4°03'36" West, 23.02 feet along the westerly property line of Lot 45, Block 12, Terrace View Subdivision, to a point of non-tangency; Thence Tenth Course: North 0°00'13" West, 82.45 feet along the westerly property line of Lot 46, Block 12, Terrace View Subdivision, to the beginning of a non-tangent curve concave northerly, said curve has a radius of 571.00 feet, to which a radial line bears South 10°33'15" West; Thence Eleventh Course: Easterly along said curve through a central angle of 5°21'09" an arc distance of 53.34 feet along the northern property line of Lot 46, Block 12, Terrace View Subdivision, to a point of non-tangency; Thence Twelfth Course: North 0°01'01" East, 52.24 feet along the dedicated Patricia Street Right of Way; Thence Thirteenth Course: North 0°01'01" East, 97.94 feet along the west property line of Lot 3, Block 30, Terrace View Subdivision, to the Point of Beginning, more generally described as being located west of the terminus of Patricia Street.

Darrel Burgad, area resident, spoke to his concerns regarding changing Big Sky Drive to Patricia on mapping programs, road widths, need for parking and traffic control in the area with increased traffic and lack of greenspace in the area for the community.

Halonen reviewed the associated application 23PL030 proposes to create 11 residential, 10 commercial and drainage lot, extending Neel Street to Sweetbriar and Patricia Street from current terminus to Neel. Halonen stated that creating the residential lots along Patricia Street requires the rezoning from Office Commercial to residential and that the Master Plan shows phase development of the area. Fisher clarified that the rezoning ensures the development will create single family home development rather than multi-family. Fisher further stated that parks are created by the developer who stated they would be willing to have an open discussion with Parks Department to discuss options.

Discussion followed on street name and fire department concerns.

Bulman moved, Golliher seconded and the Planning Commission recommended that the request to Rezone the property from Office Commercial District to Medium Density Residential District be approved. (6 to 0 with Braun, Bulman, Golliher, Quasney Stuck and Vidal voting yes and none voting no)

4. No. 23RZ005 - Canyon Park Subdivision

A request by Interstate Engineering, Inc for Carey Kassube to consider an application for a **Rezoning request from No Use to Park Forest District** for Lots 1A and 2A of Lot J of Parcel No. 2 of Canyon Park Subdivision of Section 18, T1N, R7E, BHM, Pennington County, South Dakota, more generally described as being located at 5900 West Highway 44.

Fisher requested the Rezoning request be continued to the May 25, 2023 Planning Commission Meeting to allow the associated Variance to be acted on before the Rezone is heard.

Haven moved, Vidal seconded and the Planning Commission continued the Request to Rezone the property from No Use District to Park Forest District to the May 25, 2023 Planning Commission Meeting. (6 to 0 with Braun,

Bulman, Gollhofer, Quasney Stuck and Vidal voting yes and none voting no)

---BEGINNING OF REGULAR AGENDA ITEMS---

*6. No. 23UR005 - Pine Hills Subdivision

A request by Mike Swenson DAZ Construction to consider an application for a **Conditional Use Permit to allow an oversized garage** for Lots 53 and 54 of Pine Hills Subdivision, located in Section 28, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 1355 Pine Hills Drive.

Osborne presented the application noting that an associated Variance (23VA003) had been approved previously to allow the height of 19.5 feet. Osborne reviewed the existing development on the property including existing residential and storage structures, noting the applicant is requesting a 3,768.5 square feet garage with 2,418 square feet on 1st floor, 1,130 square feet for 2nd floor loft and 220.5 for covered 2nd floor deck. Osborne reviewed the layout of the surrounding property noting the separation and the forested nature of the area that provides buffing from other properties. Osborne stated that staff recommends approval the Conditional Use Permit to allow an oversized garage with stipulations.

Vidal moved and Gollhofer seconded and the Planning Commission approved the Conditional Use Permit to allow an oversized garage to with stipulations.

1. **Upon the submittal of a Building Permit, the site plan shall show the first 50 feet of the driveway as paved or a Variance shall be obtained; and,**
2. **The Conditional Use Permit shall allow for a total of 2,772-square-feet of garage and storage space. The garage shall not be used for commercial purposed or as a second residence. Any expansion or change in use that is permitted in the Low Density Residential District 1 shall require the review and approval of a Building Permit. Any expansion or change in use that is a Conditional Use in the Low Density Residential District 1 shall require a review and approval of a Major Amendment to the Conditional Use Permit. (6 to 0 with Braun, Bulman, Gollhofer, Quasney 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.

*7. No. 23PD012 - 5th Street Office Plaza Subdivision

A request by Upper Deck Architecture, Inc for Fifth Park LLC to consider an application for a **Final Planned Development to allow a mixed use development** for Lot 4 of Block 1 of 5th Street Plaza Subdivision, located in Section 23, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 4908 5th Street.

Halonen presented the application explaining that the applicant proposes to

subdivide the property into two lots with the western lot being developed with a mix-use building and the eastern lot being developed as a 3 story, 75-unit apartment building. The mixed-use building is proposed to be 4 stories, with commercial uses on the main floor and 45 multi-family units on the upper three floors. The applicant is requesting an Exception to allow a 50-foot building height in lieu of the 45-foot maximum for the proposed mixed-use building on proposed Lot 4A that does not appear to be out of character of the area and does not impede light to of adjoining properties and as such staff recommends approving. Halonen noted that the recent ordinance change that allows 40 foot height in Office Commercial District enables the height of the 3 story apartment building. Recommends approval.

Fisher explained that an Exception to not require a Traffic Impact Study was granted by Engineering and why the applicant chose to use a Planned Development Overlay for the development of the property.

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

- 1. An Exception is hereby granted to allow a 50-foot building height in lieu of the 45-foot maximum for the proposed mixed-use building on proposed Lot 4A;**
- 2. Prior to the approval of a Building Permit, all redline comments shall be addressed;**
- 3. Prior to the approval of a Building Permit, the applicant shall enter into a Developmental Lot Agreement to allow shared parking between proposed Lots 4A and 4B and to allow the setback encroachment along the common lot line; and,**
- 4. The Final Planned Development Overlay shall allow for a mixed-use development that includes a mixed-use building on proposed Lot 4A and an apartment building on proposed Lot 4B. Any change of use or expansion of use permitted in the respective zoning districts and in compliance with the Parking Regulations shall require the review and approval of a Building Permit. Any change of use or expansion of use that is a Conditional Use in the respective zoning districts shall the review and approval of a Major Amendment to the Planned Development Overlay. (6 to 0 with Braun, Bulman, Gollhofer, Quasney 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. 23UR011 - Rapid City Greenway Tract**

A request by City of Rapid City Parks and Recreation to consider an application for a **Conditional Use Permit to allow a temporary structures in the Flood Hazard District** for Tract 4 and the north 27 feet of vacated Flormann Street (also in Section 10, T1N, R7E) of Greenway Tract, located in Section 9, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being

located at 3625 Jackson Boulevard.

Osborne present the application stating the site is the Meadowbrook Golf Course who are requesting to be able to erect tents in the floodway for special events throughout the summer. Osborne noted that the tents will consist of three 10 by 10 and three 20 by 30 tents which will be erected for events anticipated to be June 2nd thru June 27, July 27th to August 1st and August 25th to August 28th. Osborne stated that the applicant has provide the required evacuation plan and staff is recommending approval of the Conditional Use Permit to allow a temporary structures in the Flood Hazard District with stipulations.

Fisher clarified that this request is for multiple years.

Quasney moved and Vidal seconded and the Planning Commission approved the Major Amendment to a Conditional Use Permit to allow temporary structures in the Flood Hazard District with the following stipulations:

- 1. Prior to the issuance of a Building Permit, a Floodplain Development Permit shall be obtained;**
- 2. Upon submittal of a Building Permit, a copy of the Evacuation Plan shall be submitted; and,**
- 3. The Conditional Use Permit shall allow for temporary tents to be erected on the property annually during the summer golfing events contingent on the approval of a Building Permit and a Floodplain Development Permit. Any expansion or change in use that is a Conditional Use in the Flood Hazard District shall require a Major Amendment to the Conditional Use Permit. Any expansion or change in use that is a permitted use in the Flood Hazard District and in compliance with the Parking Ordinance shall require a Building Permit. (6 to 0 with Braun, Bulman, Gollher, Quasney 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.

*9. No. 23UR012 - C. D. Rounds Subdivision

A request by Kevin Quinn to consider an application for a **Conditional Use Permit to allow a touring business as a Major Home Occupation** for Lot 9 of Block 1 of C. D. Rounds Subdivision, located in Section 33, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 3434 W. Main Street.

Osborne presented the application reviewing the associated slides stating the applicant is requesting to park six commercial vehicles on for the remainder of the 2023 tourism season. Osborne stated the hours of operation for Black Hills Touring Company are Monday through Sunday 8 am to 6 pm. Osborne reviewed the existing layout of the property showing 9 parking spaces noting staff's concern for potential issues with circulation on site and impact to traffic that may occur by

backing into traffic. Parking spaces located off-site to the north were identified as being in the right-of-way and not available for long term parking. Osborne noted that in reviewing the application the fence located in the front yard was found to be over the allotted height. Osborne summarized that staff believes the parking of 6 commercial vehicles on site will have a negative effect on noise, odor, smoke, dust, air, and water pollution, the proposed parking of six commercial vehicles within a residential zoned district exceeds the intent of a Major Home Occupation Permit and is detrimental to the neighborhood and as such, staff recommends denial of the Conditional Use Permit to allow a touring business as a Major Home Occupation.

Fisher explained that Code Enforcement has received numerous calls on this property noting that staff is working with this and other such businesses to relocate to appropriate locations.

Kevin Quinn, owner operator, stated has operated in this location noting the location enables his wife to operate their tour business in their home while caring for their family. He stated he has letters of support from neighboring businesses. Quinn reviewed how they maneuver the vehicles to avoid backing into the right-of-way, noting it is temporary as they are building the county and asks that they be allowed to operate until construction is completed.

Fisher explained difference between commercial businesses and Home Occupation.

Discussion followed regarding parking in residential area, Home Occupation regulations as opposed to residential or commercial use, short term use potential, parking options, issues with touring businesses in the city located on residential lots and the limit of commercial vehicles allowed to park at residential properties and options for using other sites for parking the touring vehicles not in use.

Bulman moved and Stuck seconded and the Planning Commission denied the Conditional Use Permit to allow a Touring Business as a Major Home Occupation. (6 to 0 with Braun, Bulman, Golliher, Quasney 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. 23TI003 - Sagebrush Affordable Housing

A request by Indigo Design, LLC to consider an application for a **Resolution to Create Tax Increment Financing District and Resolution to Adopt a Project Plan** for Lot 2 thru 5 of Rice Valley View Properties and the Cambell Street right-of-way adjacent to said lots; Lot 7 of Rice Valley View Properties and the East Omaha Street right-of-way adjacent to said lot; that portion of Lot 3 of Government Lot 2 lying south of East Omaha Street and the East Omaha Street right-of-way adjacent to that portion of Lot 3 and Lots 1 thru 6 of Starner Tract and the balance of Starner Tract, Less Lot H1 of Lot 1 of Starner Tract, all located in Section 6,

T1N, R8E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located south of East Omaha, west of Cambell Street.

Hanzel presented the application noting if approved the project will be TID #90 known as Sagebrush Flats Affordable Housing. She noted it is made up of 21 acres of mostly undeveloped property so this is considered an in-fill development for 180 affordable housing units. Hanzel reviewed the proposed development which includes housing and open space, 4 story structures with a manager unit onsite. Hanzel reviews the breakdown of the costs which includes infrastructure improvements, land acquisitions and financing for the project. Hanzel note that the applicant is proposing to use their sister company to construct the project and are requesting to not have to bid the project. Anticipated payoff for the project is 19 years which is close to the 20 year limit, but the projected numbers are conservative so staff does see this as a concern, noting the pro-forma shows numerous tools to leverage funding. Hanzel reviewed requirements for Affordable Housing qualification, State Statues and City TIF Policy. Hanzel stated that staff request for the Planning Commission to review and approve if they find appropriated with stipulations.

John Roberts, introduced Jason Bowel, of Blue Line Development who will be constructing the project if they are approved to bypass bidding requirements. Bowel reviewed their history and goals for developing with reducing costs.

Discussion followed on Pro-forma and criteria for affordable housing differing from market rate housing, Hanzel explained how detailed information that is considered as part of the review process that is not always included in the presentation.

Bulman moved and Vidal seconded and the Planning Commission recommended approval of creating the District and adopting the Project Plan with the stipulations at the end of the report be incorporated into the Developer's Agreement, removing Stipulation #2.

- 1. The City and the applicant shall enter into a Developer's Agreement and an Assignment Agreement following approval of the Resolutions to Create a District and Adopt a Project Plan;**
- ~~**2. The Developer's Agreement shall include a requirement that the project be publicly bid;**~~
- 3. If not required to be publicly bid; the Developer's Agreement shall include language requiring invoices and documentation for all project costs expended in order to certify the costs for reimbursement;**
- 4. The Developer's Agreement shall include a requirement that any plans used for bidding of Tax Increment Financing project components be approved by the Public Works Department prior to the bid opening;**
- 5. 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; and,**
- 6. The Developer's Agreement shall include the requirement for legal instruments and/or other requirements to verify that units are available on the market as proposed. This shall include covenant agreements and/or other instruments set up to coincide with documentation provided to the SD Housing Development Authority Low Income Housing Tax Credits, etc. as applicable. (6 to 0 with Braun, Bulman,**

Golliher, Quasney Stuck and Vidal voting yes and none voting no)

11. Staff and Planning Commission Discussion Items

There being no further business, Vidal moved, Bulman seconded and unanimously carried to adjourn the meeting at 8:43 a.m. (6 to 0 with Braun, Bulman, Golliher, Quasney Stuck and Vidal voting yes and none voting no)