September 6, 2016

Rapid City Common Council
300 6th Street
Rapid City, SD 57701

Re: Three Bies Sisters LLLP

Dear Council Member:

Attached is a letter from City Engineer Dale Tech concerning the proposed extension and development of South Elm Street. Mr. Tech's letter speaks for itself, but I feel the need to highlight what appears to be a significant and very expensive City practice.

In 2005, a local developer received a variance for street improvements related to the Kensington Heights subdivision in the area of South Elm Street. The variance included a waiver of right to protest (WROP) agreement for future improvements. The WROP has now transferred to the 22 homeowners in that area. If the City wants to exercise the option of an assessed project, the cost to each homeowner will be approximately $11,000. This, for a road they don’t need to access their neighborhood. The idea of an assessed project seems unfair and unreasonable. It seems the most likely resolution to this issue is for the City to fund the developer’s portion of the road improvements.

Other funding options have been identified in Mr. Tech's letter, but that's not really the point of this letter. The point is, the City Council is in a position to grant variances whether it be for street improvements, sidewalks or a host of other things required of developers. Some of these variances have long term consequences, especially concerning street improvements. In the above example, the funds will likely come from Rapid City taxpayers in one form or another. This, in my opinion is bad policy.

The situation involving the above subdivision needs to be resolved as soon as possible, but that will do nothing to fix the larger issue. Solving the larger issue will require commitment, discipline and courage. Simply stated, when variances are considered, the Council must have in place a policy that guarantees funding for future road improvements and protects the taxpayers at large. There may very well be a logical and reasonable example of an assessed project related to one of the variances, but if not, perhaps the developer should either pay for the road improvements
when they are required or post surety to cover their portion of the funding in the future. Whatever mechanism we choose, it must not transfer the cost onto taxpayers.

Even though I view this issue to be largely controlled by the City Council, I would be happy to investigate alternative practices used by other jurisdictions.

If you have any questions, or require further information on this topic, please do not hesitate to contact me.

Sincerely,

Steve Allender, Mayor
Rapid City, South Dakota

cc: Rapid City Common Council
Dale Tech, City Engineer