

2012 funds to cover parking ramp costs

City council approves \$700,000 to pay for construction of a third level

By Scott Aust
Journal staff

After reviewing a financial spreadsheet and talking to representatives of a couple of projects budgeted this year, the Rapid City Council decided Monday to use about \$700,000 in 2012 funds to cover the cost of the downtown parking ramp expansion.

Two weeks ago the council postponed awarding a contract to J. Scull Construction Services to build the ramp expansion for \$2,614,100 until it nailed down the funding sources for the project. The council approved the bid later Monday.

Building a third level will add about 164 spaces to the current 323-space, two-level

ramp south of the railroad tracks between Fifth and Sixth streets. To cover the project's cost, the council needed an extra \$640,000.

The 2012 fund uses certain city sales tax revenue. The fund's current five-year spending plan indicated a balance of \$2 million at the end of 2010, the lowest balance over the course of the plan. Taking

\$640,000 for parking would reduce the projected 2010 balance to about \$1.3 million. The fund balance picks up in the following two years and is estimated to have roughly \$13.2 million by the end of the year 2012.

Finance officer Jim Preston said he prefers to have at least a \$1 million ending balance in a given year, though 2010's

balance will likely be higher because some projects budgeted this year are not ready to go.

For example, the city budgeted \$3.8 million in 2008 for a soccer complex, but officials don't expect to spend the money this year. Money not used in a given year increases the fund's balance, and interest earned, in future years.

The council discussed mov-

ing the money for the soccer project to 2009, but decided projects did not need to be shifted to accomplish the goal: finding addition funds for the parking ramp bid.

The council also did not use any of the \$2.8 million previously dedicated for parking. The city has talked for months

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about using the money for the Rushmont project, a multi-use building that will include 600 parking spaces, though progress on the building has been slow.

Alderman Ron Weifenbach expressed frustration during Monday's 2012 committee meet-

ing when he was not allowed to continue asking questions about 2012 projects. The rest of the council was ready to take action.

"I don't see anybody representing the \$2.8 million that's already allocated for downtown parking. Maybe we should take it from that," Weifenbach said.

"I find myself a little frustrated this evening."

Weifenbach also has been frustrated that the city did not issue enough in bonds to cover the entire cost of the parking expansion project.

According to the finance office, the city could not issue enough in bonds to cover the ramp's entire cost because of the existing debt service for the ramp's original construction.

The city still owes about \$1.25 million in principal on the bonds used to build the ramp in 1998. Bond payments are scheduled through 2018.

The city's parking lot area fund is used for monthly bond payments, to operate the parking enforcement system and to maintain the city's parking lots downtown.

The city had enough money in the parking fund — about \$1.34 million at the end of 2007 — to pay off the original debt but can't call those bonds until at least 2012.

As a result, the city put money from the parking fund into an escrow account dedicated to paying the original bonds, which allowed the city to also bond for the proposed new level.

The city's goal is to build the additional level by the end of this year.

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