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.

PARKING: City's goal is to build the additional level by year's end.

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

Alderman Ron Wufenbach expressed frustration during Monday's 2012 committee meeting 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," Wufenbach said.

"I find myself a little frustrated this evening." Wufenbach 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 open 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 debt, which allowed the city to issue a 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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