

PROCEEDINGS OF THE CITY COUNCIL
Rapid City, South Dakota

July 17, 2017

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Rapid City was held at the City/School Administration Center in Rapid City, South Dakota on Monday, July 17, 2017 at 6:30 P.M.

The following members were present: Mayor Steve Allender and the following Alderpersons: Amanda Scott, Darla Drew, Ritchie Nordstrom, Lisa Modrick, Jason Salamun, Chad Lewis, Laura Armstrong, Steve Laurenti, Becky Drury, and John Roberts and the following Alderpersons arrived during the course of the meeting: NONE; and the following were absent: NONE

Staff members present included: Finance Officer Pauline Sumption, City Attorney Joel Landeen, Public Works Director Dale Tech, Medical Operations Div. Fire Chief Jason Culberson, Police Chief Karl Jegeris, Parks and Recreation Director Jeffrey Biegler and Administrative Coordinator Heidi Weaver-Norris.

ADOPTION OF THE AGENDA

Motion was made by Salamun, second by Drew and carried to adopt the agenda.

AWARDS AND RECOGNITIONS

Mayor introduced Eirik Heikes to present the Sustainability Award. Heikes presented the award to Wild Idea, Jill and Dan O'Brien. They process buffalo and do a great job. Their products are highly sought after. They make great smoked products and specialty meats. The O'Brien's thanked the City for their support and are very proud to contribute to the sustainability in Rapid City.

RAPID CITY ECONOMIC DEVELOPMENT UPDATE

Mayor read in item (No. CC071717-04.1) Update on Workforce Development, Innovation District, Economic Gardening and EDP Visibility and Local Marketing – Ben Snow. Snow stated they asked the City for an increase in funding this year and he wanted to update everyone on what they are working on so far this year. He stated the Vice Chairman of the Board, Jay Hammerquist, was also available for questions. Snow stated their focus is to grow the Rapid City economy as intelligently as they can. The primary focus of economic development is to grow quality jobs. Their group was involved in promoting Amendment R, which passed legislation. There is now a South Dakota Board of Technical Education. Snow stated that last year they desired to be more involved in workforce development. They hired a work force coordinator, Ryan Harris. Snow indicated there is an innovation district within the master plan. He said they operate their business out of the business development center. They currently have 25 tenants in the business development center and have a waiting list for people wanting to get in there. They are excited about a program called economic gardening. There are two methods in economic development and those are economic hunting or economic gardening. He spoke of their efforts to become more visible. They would like to be more aggressive through tourism. They will be placing advertisements at the airport and civic center. He said they wanted to hire an investor/relations person. But what they have done instead is partnered with the Rapid City Chamber of Commerce and paid a fundraising entity to conduct a feasibility study. They want to do a capital campaign, which is a 5-year program, to focus on key initiatives that they don't have the current funding for. They may be coming to the City in the future to ask for help with that campaign. Motion was made by Lewis, second by Salamun to acknowledge the update. Lewis thanked Snow for his continued efforts. Drew suggested they market that there is no state income tax here and that would be a draw to Rapid City. Motion carried 10-0.

GENERAL PUBLIC COMMENT

Tim Hughes, addressed the Council, on behalf of his father Steve Hughes. He is there concerning sewer charges for a water leak from April-July. He spoke with Jeff Crocket about fixing the sewer charges. He was being charged \$259 per month for single occupancy that's normally charged \$25 per month. He said Crocket keeps going back to ordinance 1308-490. Which states you can only do one month of charges if there's a water leak, but he kept explaining that there wasn't a water leak, it was a sewer charge issue. He stated the address was 1636 Fremont Street. He said the City needs to put a program in place to watch for high charges like that because there was obviously an issue to have it go up so much.

NON-PUBLIC HEARING ITEMS – Items 3 - 45**CONSENT ITEMS** – Items 3 - 37

The following items were removed from the Consent Items:

13. No. PW071117-06 – Authorize Staff to Advertise for Bids for Well No. 9 Electrical Improvements, Project No. 16-2365 / CIP No. 51145. Estimated Cost \$136,800.00.
18. No. PW071117-12 – Authorize Mayor and Finance Officer to Sign Resolution 2017-058 – A Resolution Repealing Resolution #2010-165 Construction Fee Resolution for Homestead Subdivision, Phase I 16" Water Main Oversizing Project No. Dev08-901 and Repealing Resolution #2011-161 A Resolution to Correct Resolution 2010-165 and Set a New Construction Fee for Homestead Subdivision, Phase I 16" Water Main Oversizing Project No. DEV08-901
22. No. PW071117-09 – Authorize Mayor and Finance Officer to Sign an Agreement Between the City and Dr. Andrew J. Severson Concerning Tract Two and Tract Four of Pine View Terrace and Clarifying 1993 Agreement Concerning Assessments for Park Drive.
23. No. LF071217-03 – Approve Resolution No. 2017-059 a Resolution in Support of the Rapid City Good Samaritan Low-Income Housing Project
26. No. LF071217-02 – Acknowledge Report on Retail (on-off sale) Malt Beverage Licenses Eligible for Video Lottery
29. No. LF071217-05 – Approve 2017 Contract with Humane Society of the Black Hills, Inc.

Motion was made by Lewis, second by Drury and carried to approve Items 3-37 as they appear on the Consent Items with the exception of Items 13, 18, 22, 23, 26 and 29.

Approve Minutes

3. Approve Minutes for the July 3, 2017 Regular Council meeting.
4. Approve Minutes for the June 28, 2017 Special City Council meeting.

Alcoholic Beverage License Applications Set for Hearing (August 7, 2017)

5. Maverik, Inc. DBA Maverik, Inc. #552, 1624 Haines Avenue for a Package (off sale) Malt Beverage license and Retail (on-off sale) Wine license
6. Storybook Island for a SPECIAL EVENT Malt Beverage and On-Sale Wine license for an event scheduled for September 8, 2017 at Storybook Island, 1301 Sheridan Lake Road
7. Rapid City Chamber of Commerce for a SPECIAL EVENT Malt Beverage and On-Sale Wine license for an event scheduled for November 14, 2017 at Servall Uniform and Linen Supply, 410 4th Street

Public Works Committee Consent Items

8. No. PW071117-01 – Approve Change Order #1F to J.V. Bailey, Inc. for Creek Drive Bridge Repairs, Project No. 16-2366 / CIP No. 51154 for an increase of \$1,205.74.
9. No. PW071117-02 – Approve Change Order #1F to Rapid Construction, LLC. for Cobalt Drive Sanitary Sewer Bypass, Project No. 14-2127 / CIP No. 51154 for a decrease of \$9,739.56.
10. No. PW071117-03 – Approve Change Order #1 to Lind-Exco, Inc. for West Omaha Drainage and Utility Improvements, Project No. 15-2316 / CIP No. 50904.1 for an increase of \$27,724.41.
11. No. PW071117-04 – Approve Change Order #1F to Lind-Exco, Inc. for Maple Green Apartment Demolition, Project No.16-2345 / CIP No. 50559 for a decrease of \$8,971.56.
12. No. PW071117-05 – Approve Change Order #2F Highmark, Inc. for Southside Drive Sanitary Sewer Extension, Project No. 14-2095 / CIP No. 50328 for a decrease of \$190,487.86.
14. No. PW071117-07 – Authorize Mayor and Finance Officer to Sign a Construction Professional Services Agreement between City of Rapid City and Sperlich Consulting, Inc. for E. Idaho Street, E. Nevada Street, Ivy Avenue Street and Utility Reconstruction and Meade/Hawthorne Drainage Element 221 Improvements; Project No. 15-2253 / CIP No. 50421.3-1B in the amount of \$278,239.00.
15. No. PW071117-08 – Authorize Mayor and Finance Officer to Sign a Professional Services Agreement Between City of Rapid City and FMG Engineering for Windslow Drive Drainage And Nebraska Street Sanitary Improvements, Project No. 16-2337 / CIP No. 50975 in the amount of \$7,000.00.
16. No. PW071117-10 – Authorize Mayor and Finance Officer to Sign an Agreement between the City of Rapid City and DOECK, LLC for Oversize Water Main Cost Reimbursement, not to exceed \$26,150.00.
17. No. PW071117-11 – Authorize Mayor and Finance Officer to Sign an Agreement between the City of Rapid City and Rapid Valley Water Company, Inc. for Irrigation Ditch Easement and Right-of-way Agreement.
19. No. PW071117-13 – Approve Acceptance of Infrastructure for Arrowhead View Apartments Water Main - DEV15-1249.
20. No. PW071117-14 – Authorize Payment in the amount of \$8,250.00 to the National Flood Insurance Program for South Truck Route Drainage Basin Design Plan – Element 203, Project No. 14-2207 / CIP No. 51031 for review and processing fee.
21. No. PW071117-15 – Authorize Mayor and City Finance Officer to Sign an Agreement with JCI to provide Video Management System for the MBTC at a cost of \$34,547.00.

Legal & Finance Committee Consent Items

24. Acknowledge the Following Volunteers for Worker's Compensation Purposes: Matthew Dart, Kristi Smith
25. No. LF071217-01 – Acknowledge Annual Reports to Council per Rapid City Municipal Code 2.40.080
27. No. LF071217-04 – Acknowledge May 2017 Sales Tax Report

- 28. No. LF071217-10 – Authorize Community Development to Accept and Administer a 2017 Continuum of Care (CoC) Shelter Plus Care (S+C) Grant in Partnership with Pennington County Health & Human Services, and Authorize Mayor and Finance Officer to Sign Documents if Awarded
- 30. No. LF071217-11 – Approve Resolution No. 2017-060 a Resolution to Add the Holiday Inn Express – Rushmore South to Business Improvement District No. 1 (Hotel BID)

Resolution 2017-060

A Resolution to Add the Holiday Inn Express – Rushmore South to Business Improvement District No. 1 (Hotel BID)

WHEREAS, pursuant to the provisions of SDCL Chapter 9-55, the City of Rapid City created Business Improvement District No. 1 (hereinafter the “Hotel BID”); and

WHEREAS, the purpose of the Hotel BID is to market and promote the City of Rapid City and the hotels and motels located within the district through Visit Rapid City; and

WHEREAS, the boundaries of the Hotel BID include all hotels with 50 or more sleeping rooms available on a nightly basis; and

WHEREAS, SDCL § 9-55-4 allows any business improvement district that includes noncontiguous property to add, by resolution of the governing body, qualifying property to the business improvement district; and

WHEREAS, the Holiday Inn Express – Rushmore South is a qualifying property; and

WHEREAS, the Rapid City Common Council deems it in the best interests of the City of Rapid City to add the Holiday Inn Express – Rushmore South to the Hotel BID.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City that the following property is hereby included within the boundaries of Business Improvement District No. 1:

Property	Rooms	Address	City	State	Zip
Holiday Inn Express – Rushmore South	99	1611 Caregiver Circle	Rapid City	SD	57702

Dated this 17th day of July, 2017.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

- 31. No. LF071217-06 – Acknowledge Status Update on Vision Funds – Funds and Projects.
- 32. No. LF071217-07 – Acknowledge Review of Interdepartmental Charges and PILTs Past 10 Years.

33. No. LF071217-08 – Acknowledge Review of Revenues of General Fund Past 10 Years.
34. No. LF071217-09 – Acknowledge Review of Revenues for Enterprise Funds Past 10 Years.

Bid Award Consent Items

35. No. CC071717-02.1 – Approve award of total bid for Knollwood Low Level Water Main Abandonment, Project No. 16-2339 / CIP No. 51073 opened on July 11, 2017 to the lowest responsible bidder Highmark, Inc.in the amount of \$124,727.30.
36. No. CC071717-02.2 – Approve award of total bid for Terricita Drive Area – Pavement Rehabilitation Project, Project No. 17-2362 / CIP No. 50844 opened on July 11, 2017 to the lowest responsible bidder Western Construction, Inc.in the amount of \$275,975.40.
37. No. CC071717-02.3 – Approve award of total bid for WRF Process Reliability Improvements, Project No. 16-2342 / CIP No. 51141 opened on July 11, 2017 to the lowest responsible bidder AB Contracting, LLC, in the amount of \$913,256.00.

END OF CONSENT ITEMS

Mayor read in item (No. PW071117-06) Authorize Staff to Advertise for Bids for Well No. 9 Electrical Improvements, Project No. 16-2365 / CIP No. 51145. Estimated Cost \$136,800.00. Drew asked if anything was wrong with the well or if it was for preventative work. Tech said the well is old and it's important to keep the well viable. They need to get it replaced before it breaks. If they waited and it broke, it would take months to get it fixed. Motion was made by Nordstrom, second by Salamun to approve.

Mayor read in item (No. PW071117-12) Authorize Mayor and Finance Officer to Sign Resolution 2017-058 – A Resolution Repealing Resolution #2010-165 Construction Fee Resolution for Homestead Subdivision, Phase I 16" Water Main Oversizing Project No. Dev08-901 and Repealing Resolution #2011-161 A Resolution to Correct Resolution 2010-165 and Set a New Construction Fee for Homestead Subdivision, Phase I 16" Water Main Oversizing Project No. DEV08-901. In response to a question from Scott, Tech said these would be repealed because a TIF is going to cover the costs that would normally be collected. Tech said if the TIF doesn't perform, the construction fees can be reassessed. Sumption said the City is set to receive \$929,000 annually from this TID. She said it is a healthy TID. Motion was made by Lewis, second by Scott and carried to approve.

Resolution #2017-058

A RESOLUTION REPEALING RESOLUTION #2010-165 CONSTRUCTION FEE RESOLUTION FOR HOMESTEAD SUBDIVISION, PHASE I 16" WATER MAIN OVERSIZING PROJECT NO. DEV08-901 AND REPEALING RESOLUTION #2011-161 RESOLUTION TO CORRECT RESOLUTION 2010-165 AND SET A NEW CONSTRUCTION FEE FOR HOMESTEAD SUBDIVISION, PHASE I 16" WATER MAIN OVERSIZING PROJECT NO. DEV08-901

WHEREAS, Tax Increment District Number Sixty-Eight Homestead was created on April 21, 2008 to provide financial support for drainage, street, and utility improvements; and

WHEREAS, the Tax Increment District Sixty-Eight Homestead Project Plan included City Project Costs of \$200,000 for a 16 inch water main within Homestead Street to be reimbursed to the City from the tax increment fund; and

WHEREAS, on April 21, 2008, the City entered into an oversize agreement with the developer of the Homestead Street development, where developer agreed to install approximately 840 feet of a 16 inch

water main and associated appurtenances in Homestead Street and the City agreed to reimburse developer up to \$200,000 for the oversize costs for this water main; and

WHEREAS, the Homestead Street developer installed the 16 inch water main required in the oversize agreement and the City reimbursed developer \$102,776.65 in 2009 and 2010 pursuant to the oversize agreement; and

WHEREAS, pursuant to the terms of the Tax Increment District Sixty-Eight Homestead Project Plan, the City will be reimbursed from the tax increment funds for the amounts paid for the oversize water main; and

WHEREAS, on December 6, 2010, the Common Council adopted Resolution #2010-165 Construction Fee Resolution for Homestead Subdivision, Phase I 16" Water Main Oversizing Project No. DEV08-901 ("Resolution #2010-165"); and

WHEREAS, Resolution #2010-165 imposed construction fees upon property located in Homestead Subdivision in order to capture the City's cost for the oversize portion of a 16" water main; and

WHEREAS, on December 19, 2011, Council adopted Resolution #2011-161 Resolution to Correct Resolution 2010-165 and Set a New Construction Fee for Homestead Subdivision, Phase I 16" Water Main Oversizing Project No. DEV08-901 ("Resolution #2011-161"); and

WHEREAS Resolution #2011-161 was adopted to correct errors in the previous resolution related to the total cost and per-acre fee to connect to the water main;

WHEREAS, the reimbursement sought through construction fees in Resolution #2010-165 and Resolution #2011-161 overlaps with the reimbursement the City will receive from the proceeds of Tax Increment District Sixty-Eight Homestead Fund; and

WHEREAS, to date no construction fees have been imposed or collected from the properties affected by Resolution #2010-165 or Resolution #2011-161; and

WHEREAS, because Resolution #2010-165 and Resolution #2011-161 seek reimbursement from property owners for oversize costs which will be reimbursed by Tax Increment District Sixty-Eight Homestead, the Common Council wishes to repeal Resolution #2010-165 and Resolution #2011-161 and the construction fees within those documents.

NOW, THEREFORE, BE IT RESOLVED, that Resolution #2010-165 Construction Fee Resolution for Homestead Subdivision, Phase I 16" Water Main Oversizing Project No. DEV08-901 adopted on December 6, 2010 is hereby REPEALED in its entirety.

BE IT FURTHER RESOLVED, that Resolution #2011-161 Resolution to Correct Resolution 2010-165 and Set a New Construction Fee for Homestead Subdivision, Phase I 16" Water Main Oversizing Project No. DEV08-901 adopted on December 19, 2011 is hereby REPEALED in its entirety.

Dated this 17th day of July, 2017.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

Mayor read in item (No. PW071117-09) Authorize Mayor and Finance Officer to Sign an Agreement Between the City and Dr. Andrew J. Severson Concerning Tract Two and Tract Four of Pine View Terrace and Clarifying 1993 Agreement Concerning Assessments for Park Drive. In response to a question from Scott, Tech directed the question to Carla Cushman. Cushman said the agreement doesn't redistribute the assessment, it just clarifies what the 1993 agreement says. The City read it one way, the property owners read it another, so they came to an agreement for clarification. She said it's the same amount per linear footage along Park Drive. Motion was made by Nordstrom, second by Drew and carried to approve.

Mayor read in item (No. LF071217-03) Approve Resolution No. 2017-059 a Resolution in Support of the Rapid City Good Samaritan Low-Income Housing Project. Motion was made by Scott, second by Modrick to approve. Scott thanked the developers for putting in low income housing. She said this housing is for people over the age of 62 and she appreciates that. She also applauded staff for linking other useful reports to the item. Nordstrom agrees it's a good program. Motion passed.

Resolution No. 2017-059
A RESOLUTION OF SUPPORT FOR THE RAPID CITY GOOD SAMARITAN
LOW-INCOME HOUSING PROJECT

WHEREAS, The Evangelical Lutheran Good Samaritan Society (the "Society") is planning to construct Phase II of the Rapid City Good Samaritan Housing Project (the "Project"), which will consist of low-income housing units for senior citizens; and

WHEREAS, the Society has applied to the South Dakota Housing Development Authority (SDHDA) for low-income housing tax credits related to the Project; and

WHEREAS, the Project will consist of another 50 low-income housing units, including 42 one-bedroom and 8 two-bedroom units in a three-story building located at 177 East Minnesota Street; and

WHEREAS, in addition to providing housing units, the Project will also include services tailored toward its senior residents, including referral services and once daily meal service; and

WHEREAS, the rents for housing units will be based on 30%, 40%, 50% and 60% of the area median household income; and

WHEREAS, the Common Council has received the market study and believes there is a need for this type of project to providing housing and related services to the senior citizens of Rapid City; and

WHEREAS, the Common Council desires to express its support for the Rapid City Good Samaritan Project.

NOW THEREFORE, BE IT RESOLVED by the Rapid City Common Council that the City of Rapid City fully supports the proposed Rapid City Good Samaritan Project, Phase II, and the awarding of low-income housing tax credits to help the Project become a reality.

Dated this 17th day of July, 2017.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption

Finance Officer

(SEAL)

Mayor read in item (No. LF071217-02) Acknowledge Report on Retail (on-off sale) Malt Beverage Licenses Eligible for Video Lottery. In response to a question from Drew, Sumption said based on the current population, we could issue up to 88 malt beverage with video lottery licenses. Drew asked if the eligible licenses needed to be increased based on this information and Sumption stated it has not been increased in the past ten years. Sumption stated that it's up to Council if they want to increase them. She said there would be a lottery to be part of the process. Drew asked if there was interest from the citizens on issuing more licenses and Sumption said she has received a few but not many. Motion was made by Nordstrom, second by Scott to acknowledge the report. Nordstrom said more video lottery establishments seem to be infringing on residential areas and that is his major concern if they ever decide to increase the number of licenses. Motion passed.

Mayor read in item (No. LF071217-05) Approve 2017 Contract with Humane Society of the Black Hills, Inc. In response to a question from Scott, Landeen said the City has been having various discussions with the Humane Society for over a year. Since there was no agreement at the beginning of the year, a portion is retroactive. The agreement is January 1, 2017 to December 31, 2017, Landeen said they may look at doing multi-year contracts in the future. Scott would like updates throughout the year on what the funds are being used toward. Motion was made by Laurenti, second by Armstrong to approve.

NON-CONSENT ITEMS – Items 38 - 45

Denise Ross addressed the Council regarding item 38. She said her family went through the appeals process two years ago. She wanted to bring the homeowner's perspective to this discussion. It appears to her that Ordinance 6186 is for the contractors instead of the homeowners. She asked the City to add other tools when vetting contractors through the licensing process. Currently, when violations occur, the City can only suspend or revoke a license. She believes warnings should be in place or having fines or jail time considered as well. She doesn't think the ordinance works for the homeowner as it's written now.

Kale McNaboe, owner of Sperlich Consulting, spoke to the Council regarding Item 43. He wanted to talk about the proposed improvements at the intersection of Creek Drive and St Patrick Street. He said the existing problems lie in the intersection, which is off set. The right-of-way is currently 80 feet wide. They hate to do improvements where right-of-ways are off set.

Erik Braun spoke on item 43. He is part of the affordable housing partnership that will be building affordable housing on the parcel in question. They don't want to invest dollars when intersection will likely be torn out. Regarding Creek Drive, between the owners on East St Pat and East St Charles, one will have to pay for it while the others don't. He stated they would like to find a compromise. He said they are trying to do affordable housing without federal tax credits. If they invest money in the road, then they won't have that extra money for the apartments. Then the goal of keeping rents low starts to slip.

Jim Letner said he was there for questions.

Ordinances

Ordinance 6186 (No. LF062817-05) An Ordinance to Amend Provisions Concerning Appeals to the Building Board of Appeals by Amending Sections 15.04.120 and 15.04.130 of the Rapid City Municipal Code. (This item was continued from the July 3, 2017 City Council meeting per staff's request.) In response to a question from Scott, Landeen said the two staff members that were primarily responsible for the ordinance were not present at the July 3, 2017 meeting, so the item was asked to be continued. In response to a question from Scott, Cushman said the change is to address situations where there is a homeowner/contractor dispute. The ordinance is in place to allow the homeowner to ask the building official to take action against the contractor's license. Currently, if the building inspector doesn't take any

action against the license of the contractor, then that decision is appealable to the building board. She explained that contractors have due process. If you take away their license, you take away their livelihood. In response to a question from Scott, Solon said there are notes that are kept and tracking done in order to properly review the license when it comes up for renewal. In response to a question from Modrick, Solon said it's been over two years since there has been an appeal made through his department. He said they get a few complaints but haven't had an appeal for a few years. Modrick said it seems like we are taking the rights of the residents away. Modrick asked if the word individual could stay and still clean up the ordinance. Cushman said that the intent of the ordinance was to remove the individual part of it. Landeen said when we get complaints a lot of them don't have to do with code. Sometimes it deals with finances, and the building board isn't equipped to decide on finances. These types of issues should go to small claims. He said the City should not be making decisions on issues other than code violations, otherwise they could get sued. In response to a question from Salamun, Solon said that in order to get a contractor's license they have to pay a fee for the license, they also need a state license, insurance, excise tax license, they have to pass a test, and show proof of experience. Cushman said a license could be denied or revoked if there is a series of violations. Solon said they look at code compliance and if they are not adhering then it could be revoked. In response to a question from Nordstrom, Cushman said a resident could appeal a violation of the code, however a resident can't appeal whether a contractor should have a license or not. Laurenti said he was in favor of the ordinance. He said there is a process for the building official to review licenses if any red flags come up. He stated the Council has almost become a court and is putting themselves in a difficult situation. He said many complaints are not about code and Council should not be involved. Roberts said he agrees that Council should not get involved between homeowners and contractors if it's not a code violation. He does think there should be a code violation issued to a contractor if they do violate the code. Lewis does not think Council should be involved in litigation, but if there is a code violation it does need to be addressed. Motion was made by Scott, second by Laurenti to approve. Roll call vote was taken with Scott, Drew, Lewis, Armstrong and Laurenti voted AYE; Nordstrom, Modrick, Salamun, Drury and Roberts voted NO; Landeen stated that the motion failed because it is an ordinance.

Ordinance 6188 (No. LF062817-12) An Ordinance to Update The Requirements for Purchases by Amending Section 3.04.030 of the Rapid City Municipal Code. Motion was made by Laurenti, second by Roberts that the title be read the second time. Upon vote being taken the following voted AYE: Scott, Drew, Nordstrom, Modrick, Salamun, Lewis, Armstrong, Laurenti, Drury and Roberts. NO: None: whereupon the Mayor declared the motion passed an Ordinance 6188 was declared duly passed upon its second reading

Ordinance 6187 (No. 17RZ022) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by KTM Design Solutions, Inc for Mollers Limited Partnership for a Rezoning from General Commercial District to Office Commercial District for property generally described as being located northwest of the intersection of E. Omaha Street and Lacrosse Street. Roberts said he needed to abstain. Motion was made by Laurenti, second by Scott that Ordinance 6187 be placed on its first reading and the title was fully and distinctly read. Motion passed 9-0 with Roberts abstaining.

Community Planning & Development Services Department Items

Drew read in item (No. 17PL061) A request by Fisk Land Surveying and Consulting Engineers, Inc for Spell Revocable Trust for a Preliminary Subdivision Plan for proposed Lots 4A And 4B of Block 4 of Rushmore Regional Industrial Park, located at 3600 Jet Drive. Motion was made by Drew, second by Nordstrom to approve with the following stipulation: 1. A Final Plat shall be submitted for review and approval.

Drew read in item (No. 17PL065) A request by Fisk Land Surveying and Consulting Engineers, Inc for Andrew J. Severson for a Preliminary Subdivision Plan for Lots 1, 2 and 3 of Pine View Terrace, generally described as being located on Park Drive. Motion was made by Nordstrom, second by Roberts to approve with the following stipulations: 1. Upon submittal of a Final Plat application, additional right-of-

way shall be dedicated as needed along Park Drive to provide one-half of the minimum required 68 foot wide right-of-way from the property or an Exception shall be obtained. If the Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application; 2. Upon submittal of a Final Plat application, the plat document shall be revised to show the dedication of all necessary easements including drainage easements, shared access easements and utility easements; and, 3. Upon submittal of a Final Plat application, the property owner shall pay an assessment as provided in the agreement between Andrew J. Severson and Jane Cary and the City of Rapid City dated August 9, 1993 or as provided in any subsequent agreement between the property owner and the City.

Public Works Committee Items

Drew read in item (No. PW062717-09) Appeal of Denied Exception Request from Sperlich Consulting on Behalf of Market Square, LLC to Waive Additional Pavement, Curb, Gutter, Sidewalk, Handicap Ramps, Street Light Conduits and Water Main in Creek Drive (City Files 17EX117). (This item was continued from the July 3, 2017 City Council meeting). Salamun and Roberts both said they were abstaining. In response to a question from Laurenti, Tech said what McNaboe illustrated is geometrically correct. He said this is a signalized intersection, which could be compared to the intersection at Sheridan Lake Road and West Main near the guard camp. Tech said he can't give an answer as to when this intersection will ever be aligned. He said the improvements would get their use. Tech confirmed that there was nothing in the 5-year capital plan or in the 10-year future plan that shows this area is going to be worked on, especially at this intersection. Laurenti said this property is being considered for a TIF and would replace an existing TIF, which is an advantage to the developer. Laurenti said the council should examine the usefulness of the improvements as well as upholding staff's recommendation to require the improvements. Motion was made by Nordstrom, second by Laurenti to uphold staff's decision to deny the appeal. Nordstrom would like to see minimum requirements upheld. Modrick said she visited the site and the road does look rough and she does see the pull. She thinks some fixes are needed but also feels the city should be responsible for a portion of them. McNaboe thinks movement needs to happen north of E St Patrick. Modrick would like to see the city work cooperatively with the developer to get Creek Drive fixed. Tech said Creek Drive is a 44/100 which is in the fair category. In response to a question from Lewis, Letner said they are shooting for rent to be \$660/month for a one bedroom. Letner said he's been in the multi-family dwelling business for 16 years. He believes there is a need for homes for people making \$25,000-\$60,000 per year. Lewis doesn't believe there is a need to fix the intersection. He will be voting against the denial. He is in favor of affordable housing and doesn't believe all of these improvements are necessary. Scott stated that Creek Drive serves as an arterial road. Tech said Creek Drive is a dead end road when you go south on it. The major street plan shows it being continued in the future to the south to Minnesota Street, which is not currently there. Tech said once development driven, Creek Drive will continue to the south along with Minnesota Street. In response to a question from Scott, Tech said there really isn't anything going north of St Patrick Street. Rapid Creek runs through there so there are a lot of floodplain issues. Scott said she recalls Tech saying that they would be willing to work with the applicant's if given more time. He agreed. Scott said they need to quit kicking the can down the road and not putting in curb, sidewalk, gutter, etc. and require these improvements. Scott said she can't support it right now but would be in favor of postponing in order to come up with an agreement with the developer. In response to a question from Drew, Letner said he wasn't sure if they would go through with the project if they are required to make all of the improvements. Letner wants to negotiate the best deal that he can, so they can apply to the state for state dollars to fund this project. He said the state plays a huge part in this project. They are not applying for federal dollars. He said they put rent caps on themselves in the TIF proposal. If they are required to make improvements, they would have to increase the rent. Drew said she was in support of affordable housing but also agrees that there should be a compromise with some of the improvements. Letner stated he proposed giving \$200,000 which is half the engineer's estimate for improvements. But those funds can't be put in the TIF. Tech said the developer is proposing to plat three lots. One is for housing the other two are commercial lots. The costs for the improvements aren't solely for the affordable housing project. Tech said there is a dead end water main on E St Charles Street. The water main is critical for fire protection in the future, so staff does not

want that waived. In response to a question from Laurenti, Tech said the engineer’s rough cost estimate is around \$400,000. In a general sense, he agrees with that. However, there has been no detailed engineer designed submitted. Laurenti said the current value of the existing TIF is around \$1.6 million dollars. Nordstrom stated that TID 52 is still on the books and has \$375,000 that needs to be paid off. Nordstrom said this doesn’t work for him at the current conditions. Lewis said he knows Letner to be a fair business person. Braun said this process takes a long time and Jim has given them time to work through the entire process since last fall. Letner is also giving them a great deal, an affordable price for the land. Braun said they aren’t out to make a mint. The project income in the first year is around \$40,000 between the three of them. He believes they have put forth a very efficient project in design, land cost and construction. Roll call vote was taken. Laurenti, Drury, Scott and Nordstrom voted to uphold the denial. Armstrong, Drew, Modrick and Lewis voted to overturn the denial. Roberts and Salamun abstained. Chair voted to uphold the denial. Motion passed 5-4.

Staff Items

Mayor read in item (No. CC071717-04.2) Accept the proposal submitted by Coca Cola Bottling Company High Country for Hot and Cold Beverage Services at Rapid City Recreation Facilities from October 1, 2017 through September 30, 2020, in the annual amount of \$19,919. Motion was made by Scott, second by Laurenti to approve. In response to a question from Drew, Biegler said the proposal was made available to all vendors and Coca-Cola was the only bid they received. Motion carried 10-0.

Appeals

Mayor read in item (No. CC070317-04.2) Appeal of Denied Security License – Eric Yellow Boy (Continued from the July 3, 2017 City Council meeting, per the applicant’s request). Motion was made by Scott, second by Drew to continue to the August 7, 2017 City Council meeting per the applicant’s request. In response to a question from Lewis, Jegeris had no objection to continuing. Motion carried 10-0.

PUBLIC HEARING ITEMS – Items 46 - 47

CONSENT PUBLIC HEARING ITEMS – Item 46 - 47

Motion was made by Lewis, second by Laurenti and carried to approve items 46 and 47.

Alcohol Licenses

- 46. Thrifty Smoke Shop, Inc. DBA Thrifty Smoke Shop, 608 E North Street for a Package (off sale) Malt Beverage & SD Farm Wine License
- 47. Sol Yoga Collective (Karen Buxcel) for a SPECIAL EVENT On-Sale Malt Beverage and Wine license for an event scheduled for July 25, 2017 at Sol Yoga Collective, 611 ½ Main Street

END OF CONSENT PUBLIC HEARING CALENDAR

BILLS

The following bills have been audited.

BILLIST - JULY 17, 2017

P/ROLL PERIOD END 06/24/17, PD 06/30/17	1,144,012.77
P/ROLL PERIOD END 06/30/17, PD 06/30/17	1,583,598.95
CDEV P/ROLL PERIOD END 06/24/17, PD 06/30/17	3,275.58
PIONEER BANK & TRUST, 06/24/17 P/ROLL TAXES, PD 06/30/17	138,618.84
PIONEER BANK & TRUST, 06/30/17 P/ROLL TAXES, PD 06/30/17	406,631.80
CDEV PIONEER BANK & TRUST, 06/24/17 P/ROLL TAXES, PD 06/30/17	444.23
WELLMARK INC, HEALTH CLAIMS THROUGH 06/23/17, PD 06/29/17	188,218.37
WAGE WORKS, SECTION 125 CLAIMS THROUGH 07/03/17, PD 07/05/17	4,332.65
WAGE WORKS, SECTION 125 CLAIMS THROUGH 07/10/17, PD 07/11/17	4,209.20

SOUTH DAKOTA RETIREMENT SYSTEM, JUNE17 RETIREMENT, PD 07/06/17	567,656.46
SD RETIREMENT SYSTEM, SPECIAL PAY PLAN-RUD, D, PD 06/30/17	45.00
SD RETIREMENT SYSTEM, SPECIAL PAY PLAN-ASBJELD, GABERT, MEYER, PD 06/30/17	135.00
BERKLEY ASSIGNED RISK SERVICES, JUN17 CLAIMS, PD 07/07/17	54,737.11
US BANK, CREDIT CARD CHARGES, PD 06/30/17	55,476.72
US BANK TRUST, SRF CLEAN WATER #6 PRINC & INT, PD 07/05/17	84,583.36
US BANK TRUST, SRF DRINKING WATER #2 PRINC & INT, PD 07/05/17	105,933.32
PLUMBING DESIGN & INSTALLATION INC, REHAB ESCROW-RENSCH M	969.00
BLACK HILLS ENERGY, ELECTRICITY, PD 07/11/17	38,146.85
COMPUTER BILL LIST,	2,727,987.91
CDEV COMPUTER BILL LIST	168.87
SUBTOTAL	7,109,181.99
RSVP, P/ROLL PERIOD END 06/24/17, PD 06/30/17	3,330.58
RSVP, PIONEER BANK & TRUST, 06/24/17 P/ROLL TAXES, PD 06/30/17	454.61
RSVP, COMPUTER BILL LIST	32.11
TOTAL	7,112,999.29

Sumption presented the bill list total of \$7,112,999.29. Motion was made by Laurenti, second by Drury and carried to authorize (No. CC071717-01) the Finance Officer to issue warrants or treasurers checks drawn on proper funds, in payment thereof

ADJOURN

There being no further business to come before the Council at this time, motion was made by Laurenti, second by Salamun and carried to adjourn the meeting at 8:42 p.m.

Dated this 17th day of July, 2017.

ATTEST:

CITY OF RAPID CITY

Finance Officer

Mayor

(SEAL)