MEMBERS PRESENT: Erik Braun, Karen Bulman, Racheal Caesar, Mike Golliher, John Herr, Galen Hoogestraat, Curt Huus, Mike Quasney, Justin Vangraefschepe and Vince Vidal. John Roberts, Council Liaison was also present.

MEMBERS ABSENT: None

STAFF PRESENT: Ken Young, Vicki Fisher, Fletcher Lacock, Javin Weaver, Tim Behlings, Ted Johnson, Carla Cushman and Andrea Wolff.

Braun called the meeting to order at 7:00 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 Item 2 be removed from the Consent Agenda for separate consideration.

Herr requested that Item 3 be removed from the Consent Agenda for separate consideration.

Motion by Hoogestraat seconded by Bulman and unanimously carried to recommend approval of the Consent Agenda Items 1 thru 6 in accordance with the staff recommendations with the exception of Items 2 and 3. (9 to 0 with Braun, Bulman, Caesar, Golliher, Herr, Hoogestraat, Huus, Quasney and Vangraefschepe voting yes and none voting no)

---CONSENT CALENDAR---

1. Approval of the January 4, 2018 Planning Commission Meeting Minutes.

4. No. 17RZ037 - Starlite Subdivision
   A request by Margaret Grosse Hyatt to consider an application for a Rezoning from Light Industrial District to General Commercial District for a portion of the SW1/4 of Section 28, and Lot 3 of Starlite Subdivision, Section 28, T2N, R8E, BHM Rapid City, Pennington County, South Dakota more fully described as follows: Commencing at intersection of the southerly edge of East Mall Drive right-of-way, and the easterly edge of Dyess Avenue right-of-way, and the point of beginning; Thence, first course: S89°58′23″E, along the southerly edge of said East Mall Drive right-of-way, a distance of 1017.22 feet; Thence, second course: N89°51′21″E, along the southerly edge of said East Mall Drive right-of-way, a distance of 30.10 feet; Thence, third course: S00°00′00″E, a distance of 463.07 feet; Thence, fourth course: N89°51′21″E, along the southerly edge of said East Mall Drive right-of-way, a distance of 30.10 feet; Thence, third course: S00°00′00″E, a distance of 463.07 feet; Thence, fourth course: S46°19′30″E, a distance of 112.25 feet; Thence, fifth course: S00°00′00″E, a distance of 376.79 feet, to a point on the northerly edge of Interstate 90 right-of-way; Thence, sixth course: N89°50′04″W, along the
northerly edge of said Interstate 90 right-of-way, a distance of 261.04 feet, to the southeasterly corner of Lot 3 of Starlite Subdivision; Thence, seventh course: N89°44'25"W, along the northerly edge of said Interstate 90 right-of-way, common to the southerly boundary of said Lot 3, a distance of 300.04 feet; Thence, eighth course: N67°13'25"W, along the southerly boundary of said Lot 3, a distance of 279.40 feet, to the northwesterly corner of said Lot 3; Thence, ninth course: N67°13'25"W, along the northerly edge of Lot E of the Lot H2 in lot a of SW1/4 and in a portion of Lot H3 of the SW1/4 a distance of 278.24 feet, to the easterly edge of said Dyess Avenue right-of-way; Thence, tenth course: N08°55'12"W, along the easterly edge of said Dyess Avenue right-of-way, a distance of 342.56 feet; Thence, eleventh course: N00°01'28"W, along the easterly edge of said Dyess Avenue right-of-way, a distance of 361.37 feet, to the intersection of the southerly edge of said East Mall Drive right-of-way, and the easterly edge of said Dyess Avenue right-of-way, and the point of beginning, more generally described as being located southeast corner of the intersection of Dyess Avenue and E. Mall Drive.

Planning Commission recommended that the Rezoning from Light Industrial District to General Commercial District.

5. No. 17OA003 - Ordinance Amendment to Clarify Uses in Residential Districts by amending Title 17 of Rapid City Municipal Code
A request by City of Rapid City to consider an application for an Ordinance Amendment to Clarify Uses in Residential Districts by amending Title 17 of Rapid City Municipal Code.

Planning Commission recommended that the Ordinance Amendment to Clarify Uses in Residential Districts by amending Title 17 of Rapid City Municipal Code be approved.

6. No. 17RZ039 - Marlin Drive Commercial Park
A request by KTM Design Solutions, Inc for ZCO Incorporated to consider an application for a Rezoning from General Agricultural District to Light Industrial District for Lot 1 of Block 1 of Marlin Drive Commercial Park and Lot 4 of Block 3 of Marlin Drive Commercial Park, all located in Section 20, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at the intersection of Marlin Drive and Bernelli Drive.

Planning Commission recommended that the Rezoning from General Agricultural District to Light Industrial District be approved.

---END OF CONSENT CALENDAR---

2. No. 17RZ036 - N and F Subdivision
A request by KTM Design Solutions, Inc for DTH, LLC to consider an application for a Rezoning from Low Density Residential District to Medium Density Residential District for a portion of Tract A of F and N Subdivision, Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota, more fully described as follows: Commencing at the northeasterly corner of Tract A of F
and N Subdivision, and the point of beginning. Thence, first course: S00°07'40"W, a distance of 25.77 feet, to the northwesterly corner of Block 12 of Big Sky Subdivision; Thence, second course: S00°07'40"W, along the westerly boundary of said Block 12, a distance of 144.58 feet; Thence, third course: S1°37'02"W, along the westerly boundary of said Block 12, a distance of 920.50 feet; Thence, fifth course: S18°55'40"E, along the westerly boundary of said Block 12, a distance of 92.82 feet, to the northwesterly corner of Lot 1 of Block 10 of Big Sky Subdivision; Thence, sixth course: S22°39'24"E, along the westerly boundary of said Block 12, a distance of 55.05 feet, to the northeasterly corner of Tract A of F and N Subdivision, and the point of beginning, more generally described as being located southwest of the intersection of Degeest Drive and Big Sky Drive.
Lacock presented the application and reviewed the associated slides. Lacock noted that staff had received a call with concerns from a neighbor and that he had discussions with Commissioner Bulman addressing the possibility for a Planned Development Designation in association with the rezoning. Lacock presented staff’s recommendation to approve the request Rezoning from Low Density Residential District to Medium Density Residential District.

In response to a question from Quasney regarding the neighbor’s concern, Lacock confirmed that the neighbor’s concern was the potential for apartments on the elevated area that would loom over the single family residences.

Bulman noted that she also has concerns regarding the potential of apartments on such a high area in a residential neighborhood and asked if the applicant had a plan for what and where they planned to build.

Doyle Estes, owner and applicant, stated that this property has been a challenge for feasible development but that the recent grading that was done in association with the City’s sewer and water line in the area has created the potential for the property to develop. Estes stated that although he does not have an actual project plan he stated he is looking at building four-plex units along the area by Avenue A. Estes went on to say increasing the number of units will allow him to create more affordable housing. Estes stated that if he could get this property rezoned he would be more apt to complete the construction of Big Sky Drive.

Fisher reviewed the height regulations stating that three story structures would be allowed in the Medium Density Residential District if the median of the roof does not exceed 35 feet and that single family, townhomes or apartments would be allowed in the Medium Density Residential District depending on the size of the lot.

Discussion regarding work force and affordable housing followed.

In response to a question from Quasney regarding completion of Big Sky Drive, Fisher clarified that the platting of the property would trigger the requirement to complete the road not the designation of land use.

Hoogestraat moved, Herr seconded and the Planning Commission recommended that the Rezoning from Low Density Residential District to Medium Density Residential District be approved. (9 to 0 with Braun, Bulman, Caesar, Golliher, Herr, Hoogestraat, Huus, Quasney, and Vangraefscheppe voting yes and none voting no)

*3. No. 17PD056 - Forefather Flats Subdivision and Starlite Subdivision
A request by Margaret Grosse Hyatt to consider an application for a Planned Development Revocation Lot 1 less Lot H-13 of Forefather Flats Subdivision, Lot 3 of Starlite Subdivision, that portion of the SW1/4 north of 1-90 less Lots 3 of Starlite Subdivision, less GLM Subdivision No. 2, less Forefather Flats Subdivision and Lot 2 Less Lot H-13 of Forefather Flats Subdivision, all located in Section 28, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota,
more generally described as being located southeast corner of the intersection of Dyess Avenue and E. Mall Drive.

Herr stated he had pulled this item to discern the association with the rezoning request for the same property.

Lacock presented the application stating that the request for Planned Development Revocation is to remove the Planned Development and Planned Development Designation on this specific section of property. Lacock stated that the associated Rezoning of a portion of the property from Light Industrial District to General Commercial District would bring entirety of the property to a more conducive zoning for property along E. Mall Drive. Lacock further noted that with the removal of the Planned Development from this property, any development would have to be in compliance with the Zoning Ordinance. Lacock explained that it is staff’s recommendation that the Planned Development Revocation be approved in conjunction with the associated Rezoning request (17RZ037) and that if the Rezone is not approved that the Planned Development would remain in effect.

In response to Braun’s question whether the Planned Development had basically been placed for anticipated development that never happened, Fisher confirmed that this area was rezoned and placed within a Planned Development when Cabela’s was constructed. To date this area has not been developed.

Bulman moved, Quasney seconded and the Planning Commission approved the request to revoke the Planned Development on the property be approved in conjunction with the associated Rezoning. (9 to 0 with Braun, Bulman, Caesar, Golliher, Herr, Hoogestraat, Huus, Quasney, and Vangraefschepe voting yes and none voting no)

*7. No. 17PD057 - Fifth Street Office Plaza Subdivision
A request by KTM Design Solutions, Inc for Stoneridge LLC to consider an application for a Initial and Final Planned Development Overlay to allow a commercial development for Lot 1 of Block 1 of Fifth Street Office Plaza Subdivision, located in Section 24, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located northeast of the intersection of Parkview Drive and 5th Street.

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 Planning & Development Services by close of business on the seventh full calendar day following action by the Planning Commission.

---BEGINNING OF REGULAR AGENDA ITEMS---

Lacock requested that Items 7 and 8 be taken concurrently:
8. **No. 17RZ038 - Fifth Street Office Plaza Subdivision**

A request by KTM Design Solutions, Inc for Stoneridge LLC to consider an application for a **Rezoning from Low Density Residential District to General Commercial District** for Lot 1 of Block 1 of Fifth Street Office Plaza Subdivision, located in Section 24, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located northwest of the intersection of Parkview Drive and 5th Street.

Lacock stated that the Rezoning request and Initial and Final Planned Development Overlay to allow a commercial development are being reviewed in conjunction with the other and presented the applications and reviewed the associated slides. Lacock noted that the Rezoning request is to allow the proposed coffee shop, which is not a permitted use in the Office Commercial District, but is a permitted use in the General Commercial District. Lacock stated that the Planned Development Overlay would lock in the use and development of the property and any additional development, expansion of the use or change of use would require the review of a Major Amendment to the Planned Development. Lacock noted that the location of the property with residential properties to the rear, a Principal Arterial and a Collector Street with a single access to the property make it suitable for commercial use rather than residential use. Lacock noted that the proposed roof top mechanical equipment could create noise, affecting the residential neighbors requiring that the noise concerns be addressed prior to issuance of a building permit. Lacock stated that staff recommends that the **Initial and Final Planned Development Overlay to allow a commercial development** be approved with the stipulations outlined in the Project Report and that the **Rezoning from Low Density Residential District to General Commercial District** be approved in conjunction with the Planned Development.

In response to a question from Quasney regarding signage, Lacock noted that there will be signage on the north side of the building, but that it is not anticipated that the signage will have an adverse effect on the residential properties. Fisher further clarified that the difference in grade will reduce the effect of the signage on the residential properties to the north.

Quasney moved, Huus seconded and the Planning Commission approved the Initial and Final Planned Development Overlay with the following stipulations:

1. Prior to issuance of a Building Permit, the associated Rezoning request (File #17RZ038) shall be approved;
2. Prior to issuance of a Building Permit, noise ratings for all proposed mechanical equipment shall be submitted for review and approval. If the noise rating exceeds 60 decibels, the applicant shall demonstrate that the proposed screening of roof-top mechanical equipment is adequate or shall relocate the mechanical equipment to the ground;
3. Upon submittal of a Building Permit, the plans shall be revised to address redlined comments;
4. A minimum of 76 parking spaces shall be provided. In addition, four of the parking spaces shall be ADA accessible. One of the ADA
spaces shall be “van accessible”. In addition, a minimum of three stacking spaces shall be provided for each bank drive-thru and 7 stacking spaces shall be provided for the coffee shop drive-thru. All provisions of the Off-Street Parking Ordinance shall be continually met;

5. A Minimum of 66,523 landscape points shall be provided. Any change to the landscape plan shall require the review and approval of an amendment to the Final Planned Development Overlay. All landscaping shall be maintained in a live vegetative state and replaced when necessary;

6. A six-foot high opaque screening fence shall continually be provided along the north property line. In addition, the proposed landscaping screen shall be continually maintained and replaced when necessary;

7. All signage shall comply with the requirements of the Rapid City Municipal Code. Electronic or Light Emitting Diode (LED) message centers are not permitted as a part of this request. The addition of LED message centers in the future shall require a Major Amendment to the Planned Development. A sign permit shall be obtained for each sign; and,

8. The Initial and Final Planned Development Overlay shall allow for a commercial development to include a bank with drive-thru lanes and a coffee shop with a drive-thru lane. Any change in use shall require the review and approval of a Major Amendment to the Planned Development, and;

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 Planning & Development Services by close of business on the seventh full calendar day following action by the Planning Commission.

Planning Commission recommended that the Rezoning from Low Density Residential District to General Commercial District be approved in conjunction with the associated Final Planned Development Overlay. (9 to 0 with Braun, Bulman, Caesar, Golliher, Herr, Hoogestraat, Huus, Quasney, and Vangraefschepe voting yes and none voting no)

*9. No. 17PD058 - Rushmore Center Subdivision
A request by KTM Design Solutions, Inc for H & H Development, Inc. to consider an application for a Major Amendment to a Planned Development to allow an on-sale liquor establishment in conjunction with a hotel for Lot 4 of Tract C of Rushmore Center Subdivision, located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located north of the Luna Avenue and E. Anamosa Street intersection.

Lacock presented the application and reviewed the associated slides noting that the applicant is proposing to offer a social hour for guests of the hotel and is therefore requesting approval for an on-sale establishment. Lacock stated that
staff recommends approving **Major Amendment to a Planned Development to allow an on-sale liquor establishment in conjunction with a hotel** with the stipulations outlined in the Project Report.

Hoogestraat moved, Quasney seconded and the Planning Commission approved the Major Amendment to a Planned Development to allow an on-sale liquor establishment in conjunction with a hotel with the following stipulations:

1. Hereby acknowledge the Exception to allow a height of four stories and 50 feet in lieu of the maximum allowed height of four stories and 45 feet;
2. Hereby acknowledge the Exception to reduce the minimum required parking aisle width from 26 feet to 24 feet contingent upon the four parking spaces being designated for compact vehicles;
3. All signage shall meet the requirements of the Rapid City Sign Code. No electronic or Light Emitting Diode (LED) signage is being approved as a part of this Final Planned Development Overlay. The addition of electronic or LED signage shall require a Major Amendment to the Planned Development. A sign permit is required for any new signs;
4. The Major Amendment to a Planned Development shall allow an on-sale liquor establishment in conjunction with a hotel. The on-sale liquor use shall be operated in compliance with the submitted operations plan. Any expansion of the on-sale liquor use shall require a Major Amendment to the Planned Development. Permitted uses within the General Commercial District in compliance with the Parking Ordinance shall be allowed with a Building Permit. Any conditional use shall require the review and approval of a Major Amendment to the Planned Development. (9 to 0 with Braun, Bulman, Caesar, Golliher, Herr, Hoogestraat, Huus, Quasney, and Vangraefschepe 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 Planning & Development Services by close of business on the seventh full calendar day following action by the Planning Commission.

*10. No. 17UR026 - Original Town of Rapid City
A request by Randal Decker for Contraband LLC to consider an application for a **Conditional User Permit to allow an Artisan Distillery in the Central Business District** for Lot 1 thru Lot 7 of Block 104 of original Town of Rapid City, located in Section 1, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being located at 601 Kansas City Street.

Fisher introduced Javin Weaver, the new Current Planner who has joined the Department of Community Development’s Current Planning Division.
Weaver presented the application and reviewed the associated slides stating he hoped they could answer Commissioner Bulman’s questions during the review. Weaver reviewed the history of the property including the recent Ordinance Amendment (17OA002) allowing Artisan Distillery as a Conditional Use in the Central Business District. Weaver noted that the property also houses the Hay Camp Microbrewery, a coffee shop and a theater space. Weaver noted that the Planning Commission approved a Conditional Use Permit to allow an on-sale liquor establishment to operate in conjunction with a microbrewery (16UR013) for this location in 2016. Weaver reviewed the layout of the proposed site and that the applicant proposes to offer the sale of their product but their main purpose will be to distill their product. It was noted that the State issues the license for artisan distilleries which covers both on-sale and off-sale and the Planning Commission is solely reviewing for the Conditional Use. Weaver presented staff’s recommendation that the Conditional Use Permit to allow an Artisan Distillery in the Central Business District be approved with stipulations.

Randal Decker, owner and applicant, reviewed the process of an Artisan Distillery explaining that the neutral spirits are produced elsewhere and are brought into the facility where it is then processed into the liquor on site. Decker further clarified that only their products will be served and sold at their distillery establishment.

In response to a question from Caesar regarding the effect of the artisan distillery on the area in regards to the neighboring Hope Center, Decker stated that they are aware of the center and will take steps to control the patronage.

In response to a question from Herr regarding off sale, Cushman stated that the licensing for the distillery liquor license is through the State and that we are only reviewing the on-sale use.

Bill Waugh, speaking as a member of the First Presbyterian Church, noted that their council has not had time to meet to address the issue of the distillery in the neighboring property. Waugh clarified that he is not speaking for the church but as an individual noting concerns in regards to the sampling and sale of liquor so close to the church and the Hope Center.

In response to questions on how samples will be handled, Decker stated that the tasting and retail shop will be open during business hours and that the state of the customer and carding for age will be part of the business practice to safeguard not only the clientele but also the business licenses.

In response to a question from Bulman regarding assess between Hay Camp and the Contraband’s Tasting Room, Decker stated that although there is interior access between the two businesses patrons will not be able to purchase from one and carry to the other and confirmed that they would require proof of identification for purchase or tasting.

Vangraefschepke stated that he feels this social trending business is a great option for the downtown area and that the responsibility of being a good
neighbor is not the responsibility of the Planning Commission but the business operator and as it appears that Contraband takes that responsibility seriously, he supports the use.

Huus moved, Hoogestraat seconded and Planning Commission approved the requested Conditional Use Permit with the following stipulations:

1. Prior to issuance of a certificate of completion, all necessary municipal and state licensing for operation of an artisan distillery and an on-sale liquor establishment shall be obtained;

2. All proposed signage located within the Historic Environ shall obtain 11.1 Historic review and approval. All signage shall comply with the requirements of the Rapid City Municipal Code. No electronic or Light Emitting Diode (LED) signage is being approved as a part of this Conditional Use Permit. The addition of LED signage shall require a Major Amendment to the Conditional Use Permit. A sign permit is required for each sign, and;

3. The requested Conditional Use Permit shall allow an on-sale liquor establishment to be operated in conjunction with an artisan distillery. Any change in use which expands the sale and service of alcohol shall require a Major Amendment to the Conditional Use Permit. Uses permitted in the Central Business District shall be permitted. All conditional uses in the Central Business District shall require the review and approval of a Major Amendment to the Conditional Use Permit. (8 to 1 with Braun, Bulman, Caesar, Golliver, Hoogestraat, Huus, Quasney, and Vangraefschepe voting yes and Herr 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 Planning & Development Services by close of business on the seventh full calendar day following action by the Planning Commission.

11. No. 17RZ040 - Section 12, T1N, R7E
A request by KTM Design Solutions, Inc for Maguire Services, LLC to consider an application for a Rezoning from Park Forest District to Low Density Residential District for a tract of land lying in the S1/2NE1/4 and the N1/2SE1/4 of Section 12, T1N, R7E of the B.H.M. and being more particularly described as follows: commencing at the Northeast corner of Lot 32, Block 3 of Robbinsdale Terrace Addition as recorded in the steel files in the Pennington County Register of Deeds and being the Point of Beginning; Thence with said Addition southwesterly a distance of 300 feet to the Northwest corner of Lot 26, Block 5; Thence continuing with said Addition southeasterly a distance of 210 feet to the southwest corner of Lot 25, Block 5; Thence continuing with said Addition southwesterly a distance of 46 feet to the northwest corner of Lot 20, Block 5; Thence continuing with said Addition northwesterly a distance of 166 feet to the southeast corner of Lot 16, Block 5; Thence continuing with said Addition northwesterly a distance of 450.5 feet to the southeast corner of Lot 10 Revised,
Block 5; Thence continuing with said Addition northerly a distance of 46.06 feet to an angle point in the easterly line of Lot 10A, also being an angle point in the south line of Lot 1 of Faith Lutheran Addition as recorded in Book 29 of Plats, Page 21 in the Pennington County Register of Deeds; Thence with said Faith Lutheran Addition northerly a distance of 11.50 feet to an angle point in the south line of said Lot 1; Thence continuing with said Addition easterly a distance of 206.77 feet to the southeast corner of said Lot 1; Thence continuing with said Addition northerly a distance of 100.00 feet to a point on the easterly line of said Lot 1, also being the southwest corner of Lot 2, Block 5 of aforementioned Robbinsdale Terrace Addition; Thence with said Robbinsdale Terrace Addition easterly a distance of 583 feet to the northwest corner of Lot 9, Block 3; Thence continuing with said Addition southeasterly a distance of 306 feet to the southwest corner of Lot 12, Block 3; Thence continuing with said Addition southeasterly a distance of 203 feet to an angle point in the south line of Lot 15, Block 3; Thence continuing with said Addition southwesterly a distance of 361.5 feet to the northeast corner of Lot 25, Block 3; Thence continuing with said Addition westerly a distance of 112 feet to the northwest corner of Lot 26, Block 3; Thence continuing with said Addition northwesterly a distance of 474 feet to the northeast corner of Lot 32, Block 3 and the point of beginning, more generally described as being located southeast of the intersection of Oak Avenue and Indiana Street.

Lacock presented the application noting that a previous Rezoning request for this property had been denied by the City Council and that the applicant has indicated a soils report will be submitted for review with this request for Rezoning. Lacock stated that staff recommends that the Rezoning from Park Forest District to Low Density Residential District be continued to the February 8, 2018 Planning Commission meeting.

Bulman moved, Herr seconded and the Planning Commission continued the Rezoning from Park Forest District to Low Density Residential District be to the February 8, 2018 Planning Commission meeting. (9 to 0 with Braun, Bulman, Caesar, Golliher, Herr, Hoogestraat, Huus, Quasney, and Vangraefschepe voting yes and none voting no)

12. Discussion Items

None

13. Staff Items

None

14. Planning Commission Items

None

There being no further business, Caesar moved, Hoogestraat seconded and unanimously carried to adjourn the meeting at 8:20 a.m. (9 to 0 with Braun, Bulman, Caesar, Golliher, Herr, Hoogestraat, Huus, Quasney, and Vangraefschepe voting yes and none voting no)