

ORDINANCE NO. 3988

AN ORDINANCE TO MODIFY THE REGULATION OF THE RAPID CITY ECONOMIC DEVELOPMENT AND CIVIC IMPROVEMENTS FUND BY AMENDING SECTION 3.16.020 OF THE RAPID CITY MUNICIPAL CODE.

WHEREAS, the Rapid City Economic Development and Civic Improvements Fund currently receives its funding from the revenue generated by the second penny of sales tax; and

WHEREAS, the use of the second penny of sales tax is currently restricted by state law; and

WHEREAS, after January 1, 2004, the restrictions imposed by state law on the use of the second penny of sales tax will be repealed; and

WHEREAS, the Rapid City Common Council finds that it is in the best interests of the City of Rapid City to maintain certain restrictions on the use of the funds deposited into the Rapid City Economic Development and Civic Improvements Fund.

NOW THEREFORE BE IT ORDAINED by the City of Rapid City that section 3.16.020 of the Rapid City Municipal Code is hereby amended to read as follows:

3.16.020

There is established the Rapid City economic development and civic improvements fund to be used as follows:

~~A. The funds included with the Rapid City economic development and civic improvements fund shall be used only for capital improvements, land acquisition, street improvements or economic development.~~

~~B~~ A. The council shall adopt, by resolution, a plan for projects or programs to be funded, in whole or in part, from the Rapid City economic development and civic improvements fund. Prior to the adoption of such plan the council shall have conducted one or more public hearings, after giving notice thereof, and shall consider comments and suggestions for projects or programs to be included in the plan. No portion of the Rapid City economic development and civic improvements fund shall be used to fund any project or program which is not included in the plan. The council shall at least annually conduct public hearings, after giving notice thereof, to consider proposed amendments to the plan and may, by resolution, approve amendments to the plan. Every fifth year the council shall conduct public hearings, after giving public notice thereof, and adopt a new plan.

~~C~~ B. The council shall be authorized to issue revenue bonds to be paid from the Rapid City economic development and civic improvements fund to fund projects or programs contained in the plan; however, no bonds shall be issued in an amount greater than can be

expected to be repaid with seven years anticipated revenue to the Rapid City economic development and civic improvements fund.

C. The funds deposited in the Rapid City Economic Development and Civic Improvements fund shall be used as follows, within 2% each year, not to exceed a total of 100%:

- 1. That 50% of the funds be utilized for municipal infrastructure. For purposes of this subsection, infrastructure means the maintenance and construction of streets, sanitary sewer, storm sewer, water, and drainage facilities.**
- 2. That 25% of the funds be utilized for municipal improvements. Such improvements must be facilities that are owned, operated and managed by the City and a long term funding source must be identified for the operation and maintenance of the improvement financed from this source.**
- 3. That 25% of the funds be utilized for economic development. The funds must be dedicated to specific construction projects or loaned for a specific construction project.**

a. Any money loaned for specific construction projects under this subsection, must be fully repaid to the City of Rapid City upon such terms and condition as shall be determined by the Council.

b. The recipient of money loaned under this subsection shall make a report to the Council at a regular Council meeting of its construction and repayment progress on a quarterly basis or more often if requested by the Council.

CITY OF RAPID CITY

Jim Shaw, Mayor

ATTEST:

Finance Officer

(SEAL)

First Reading:

Second Reading:

Published:

Effective: