



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Growth Management Department

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MEMORANDUM

TO: City Council

FROM: Karen Bulman, Planner I ^{KB}

DATE: December 15, 2004

RE: Parkview Drive improvements

At the December 14, 2004 Public Works meeting, the Public Works Committee requested that staff include an item on the City Council agenda to authorize the expenditure of funds for the Parkview Drive improvements as noted on the Project Plan for Tax Increment District #41 for 5th Street. On July 21, 2003, the City Council included the Tally and Enger properties in the boundaries of the Tax Increment District for 5th Street and included an estimated cost of \$45,000 for the Parkview Drive Street, utility and related storm drainage improvements. A copy of the City Council minutes of July 21, 2004, approving the Project Plan for the 5th Street Tax Increment District and a copy of the project costs from the Project Plan, indicating the Parkview Drive improvements, are included with this memo.

Recommendation: Approve the authorization of the \$45,000 expenditure of funds for the Parkview Drive street, utility and related storm drainage improvements as noted on the Project Plan for Tax Increment District #41.



EQUAL OPPORTUNITY EMPLOYER

The next item discussed by the Council was a request for a **Special Event/Parade Permit** which would allow motorcycles to park on Sixth Street in front of the Alex Johnson Hotel in the loading zone area during the week of the Sturgis Rally. For discussion purposes, motion was made by Hanks and seconded by Murphy to approve the special event/parade permit for the Alex Johnson Hotel. The permit request is for 45 days. Police Chief Tieszen stated that the Police and Fire Departments do have safety concerns when motorcycles are parked in the loading zone and busses are loading and unloading in this area. Tieszen recommended that the permit be approved with the following stipulations: 1) The permit is approved for August 1-10, 2003; and 2) any loading or unloading of busses be conducted with the use of flaggers or other safety devices. Hanks also suggested that no loading or unloading be allowed in any of the driving or turning lanes. Substitute motion was made by Kroeger and seconded by Waugh to approve the Special Event/Parade Permit for the Alex Johnson Hotel, with the stipulations outlined by the Police Chief Tieszen. Kriebel stated that many companies use the center lane for parking while making deliveries to businesses in this area. Historically, Rapid City has granted a lot of latitude in enforcement of its ordinances during this time of the year. Second substitute motion was made by Partridge and seconded by Kriebel to approve the permit for August 1-10, 2003 only, and allow parking in the loading zone area only. Upon vote being taken, the motion carried unanimously.

Motion was made by Hanks and seconded by Murphy to approve No. LF071603-08 – Travel Request for Ken Simmons and David R. Lepine to attend the 19th Annual Airport Conference in Rosemont, Illinois, from November 12-14, 2003, in the Approximate Sum of \$2,078. Airport Director Tory Richardson explained that staff will be attending 14 of the 35 different seminars held during this conference. The topics being covered are definitely relevant to location operations at the airport. Upon vote being taken, the motion carried unanimously.

The next item before the Council was No. 03TI007, **Resolution Creating Tax Increment District No. 41** on the following property: Government Lot 1 & 2 less Lot H1 in the SW1/4 NW1/4, Section 19, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and NW1/4 NW1/4; and, SE1/4 NW1/4 less the West 460 feet of the South 990 feet less Lot H1; and, SW1/4 NW1/4 less the South 990 feet; and, SE1/4 NE1/4; and, SW1/4 NE1/4; and, NE1/4 NW1/4; and, N1/2NE1/4 less NE1/4 NW1/4 NE1/4 and Less NW1/4 NE1/4 NE1/4, all located in Section 24, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and, SW1/4 SW1/4 SE1/4; and, N1/2 SW1/4 SE1/4; and, the unplatted balance of the E1/2 NW1/4 SE1/4; and, the unplatted balance of the SW1/4NW1/4SE1/4; and the 100 foot dedicated 5th Street Right-of-way lying adjacent to Lot 19 of Block 6, Robbinsdale Addition No. 10 located in the NW1/4SE1/4; and, the platted 60 foot Minnesota Street Right-of-way adjacent to Lot 1 of Block 1, Terracita Park Subdivision as shown on Plat 30 Page 109; and, the platted 80 foot Minnesota Street Right-of-way as shown on Plat 29 Page 117 adjacent to Lot 19 of Block 6, Robbinsdale Addition No. 10 located in the NW1/4SE1/4 and adjacent to the Unplatted balance of the E1/2NW1/4SE1/4 and adjacent to Tract B; all located in Section 13, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 2 and dedicated ROW, Block 11, Robbinsdale Addition No. 10, Section 13, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, located north of Catron Boulevard, west of SD Highway 79 and east of US Highway 16. City Attorney Jason Green stated that it is the opinion of the City Attorney's Office that the statutory prerequisite of 25% of land being blighted in the tax increment district is not satisfied in this case. Substitute motion was made by Hadley and seconded by Kooiker to amend the boundaries of the Tax Increment District to include the Talley property and the affected right-of-way located along Parkview Drive, as recommended by the Planning Director. Elkins explained that if additional property is included in the TID, it gives the City the option to fund these costs. However, the city would not be required to do so. Those are decisions that can be made in the future. Kriebel noted that no additional revenue will be generated by the Talley property, therefore, no additional funds will be available in the TID as result of including them within the TID boundaries. Upon vote being taken, the motion to amend carried with Kriebel voting no. Substitute motion was made by Kooiker and seconded by Kroeger to amend the boundaries of the TID to include the Enger

property. Upon vote being taken, the motion carried unanimously. The motion before the Council at this time is to approve the Resolution Creating Tax Increment District No. 41, with the amended boundaries (Talley and Enger property). The following voted AYE: Hanks, French, Murphy, Kooiker, Waugh, Rodriguez, Kroeger, Hadley, Kriebel and Partridge; NO: None, whereupon said Resolution was declared duly passed and adopted.

The next item discussed by the Council was No. 03TI008, a request by Dream Design International, Inc. for a **Tax Increment District No. 41** - Project Plan on the following property: Government Lot 1 & 2 less Lot H1 in the SW1/4 NW1/4, Section 19, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and NW1/4 NW1/4; and, SE1/4 NW1/4 less the West 460 feet of the South 990 feet less Lot H1; and, SW1/4 NW1/4 less the South 990 feet; and, SE1/4NE1/4; and, SW1/4 NE1/4; and, NE1/4 NW1/4; and, N1/2 NE1/4 less NE1/4 NW1/4 NE1/4 and Less NW1/4 NE1/4 NE1/4, all located in Section 24, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and, SW1/4 SW1/4 SE1/4; and, N1/2 SW1/4 SE1/4; and, the unplatted balance of the E1/2 NW1/4 SE1/4; and, the unplatted balance of the SW1/4 NW1/4 SE1/4; and the 100 foot dedicated 5th Street Right-of-way lying adjacent to Lot 19 of Block 6, Robbinsdale Addition No. 10 located in the NW1/4 SE1/4; and, the platted 60 foot Minnesota Street Right-of-way adjacent to Lot 1 of Block 1, Terracita Park Subdivision as shown on Plat 30 Page 109; and, the platted 80 foot Minnesota Street Right-of-way as shown on Plat 29 Page 117 adjacent to Lot 19 of Block 6, Robbinsdale Addition No. 10 located in the NW1/4 SE1/4 and adjacent to the Unplatted balance of the E1/2 NW1/4 SE1/4 and adjacent to Tract B; all located in Section 13, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 2 and dedicated ROW, Block 11, Robbinsdale Addition No. 10, Section 13, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, located north of Catron Boulevard, west of SD Highway 79 and east of US Highway 16. Motion was made by Hanks and seconded by Rodriguez to approve the Resolution Approving the Project Plan for Tax Increment District No. 41. Planning Director Elkins explained that if the Council wants to include the Talley and Enger property, a dollar amount should be specified and the Plan should be amended. This is a policy decision which must be made by the Council based on what they would like to do. If the Talley's assessment is approximately \$76,000, Elkins suggested adding an additional \$45,000 to the Plan which would cover cost-sharing a portion of this project on the Talley and Enger properties. Kroeger expressed concern that, to be fair, if the City adds these two properties to the tax increment district, we should add the other properties involved with this project. Elkins stated that she is not aware that the council has taken action to include an assessed project with a TIF prior to this. She added that an amendment to the Project Plan does not commit the City to moving forward; it only provides the option. The City is not required to spend the money or enter into any type of agreement with the property owners. This decision would have to be made prior to action on the final assessment roll for the project. Substitute motion was made by Hadley and seconded by Waugh to amend the Project Plan to include \$45,000 for project costs associated with inclusion of the Talley and Enger properties in the Tax Increment District. Kriebel stated that is a great deal of disparity in the cost per acre of the proposed assessments for properties included in this TID. Roll call vote was taken: AYE: French, Kooiker, Waugh, Hadley, Kriebel, and Partridge; NO: Hanks, Murphy, Rodriguez and Kroeger. Motion to amend carried, 6-4. Hanks expressed concern that no research has been done on the dollar amount that was added to the Plan. Substitute motion was made by Hanks and seconded by Kooiker to continue this item until August 4, 2003. Kooiker asked about the computation of these costs on a per acre basis. Elkins suggested that this discussion be held at a future meeting because it is a separate item from the Resolution on the Agenda tonight. Substitute motion was made by Hanks and seconded by Kooiker to continue this item until August 4, 2003 and request that staff determine the per acre allocation rather than frontage and share this information with the applicants. Hanks accepted an amendment to his motion to continue this item to a special council meeting to be held on Tuesday, July 29th prior to the Public Works Committee meeting. Hadley spoke against the motion noting that the Council can decide on what portions of the project to pay with TID funds in the future. Upon vote being taken, the substitute motion failed with Murphy voting AYE. Roll call vote was taken on

the original motion to approve the Resolution Approving the Project Plan for TID 41, as amended: AYE: French, Kooiker, Rodriguez, Waugh, Hadley, Kriebel and Partridge; NO: Hanks, Murphy and Kroeger. Motion carried, 7-3.

Motion was made by Kooiker, seconded by Hanks and carried to award the bid for **Parkview Drive Extension Project ST03-1006** to RCS Construction, the lowest responsible bidder meeting specifications, based on their low unit prices bid, for a total contract amount of \$648,106.85.

The next item discussed by the Council was the bid award for **surplus refuse trucks**. Acting Public Works Director Vore recommended that Units 1, 3, 5 and 16 be sold to Kiefer Sanitation for their total bid price of \$47,550; and Unit 7 be sold to Erickson Trucks for their total bid amount of \$5,307.66. Motion was made by Hanks and seconded by Waugh to approve the bid award as recommended above. Kooiker spoke against selling these vehicles for the bid prices. He encouraged staff to clean up the vehicles before they are displayed for prospective bidders. Roll call vote was taken: AYE: Murphy, Rodriguez, Waugh, Kroeger and Partridge; NO: Hanks, French, Kooiker, Hadley and Kriebel. Motion failed due to a tie vote. Motion was made by Hanks and seconded by Kooiker to reject all bids. Substitute motion was made by Rodriguez, seconded by Kooiker and carried to reject all bids for surplus refuse trucks and request that staff clean up the trucks and offer them for sale on a regional basis. Upon vote being taken, the substitute motion carried unanimously.

Motion was made by Hanks and seconded by Murphy to authorize Mayor and Finance Officer to sign contract with Jump Ease, Inc. for purchase of a **harness at the skating rink**. Substitute motion was made by Kroeger and seconded by French to table this item. Upon vote being taken, the motion carried with Partridge voting NO.

Public Works Committee Items

Motion was made by Kroeger, seconded by Murphy and carried to approve No. PW071503-03 – Change Order No. 01 for **Knollwood Detention Pond** Element 310 Project DR00-902 to RCS Construction, Inc. for an increase of \$84,552.40.

Motion was made by Kroeger and seconded by Partridge to approve No. PW070103-12 – Authorize Mayor and Finance Officer to sign Amendment No. 02 to Professional Service Agreement with Ferber Engineering to Design ST03-1006, **Parkview Drive Extension Project** for an amount not to exceed \$7,420. Upon vote being taken, the motion carried with Kooiker and Hadley voting no.

Motion was made by Kroeger, seconded by Rodriguez and carried to approve No. PW070103-14 – Authorize Mayor and Finance Officer to sign Amendment No. 02 to Professional Service Agreement with Kadmas, Lee & Jackson to Design ST02-1189, **North LaCrosse/East Anamosa Intersection Improvements** for an amount not to exceed \$10,408.

Motion was made by Kooiker and seconded by Rodriguez to approve No. PW070103-15 – Authorize Mayor and Finance Officer to sign Amendment No. 01 to Professional Service Agreement with Alliance of Architects and Engineers to Design WRF02-1195, **Water Reclamation Facility Waterline** for an amount not to exceed \$34,785. Upon vote being taken, the motion carried with Hadley voting no.

Motion was made by Rodriguez, seconded by Waugh and carried to approve No. PW070103-16 – Authorize Mayor and Finance Officer to sign Amendment No. 01 to Professional Service Agreement with Kadmas, Lee & Jackson, Inc. to Design SSW02-1242, **Haines Avenue North – Northridge Drive to Viking Drive**, for an amount not to exceed \$10,370.22.

Tax Increment District 5th Street
Project Plan

Street Extension	\$5,348,600
Drainage Basin Improvements	\$ 664,900
Sanitary Sewer Extension	\$ 510,000
Water Extension	\$ 109,000
Parkview Drive Street, Utility and Related Storm Drainage Improvements	<u>\$ 45,000</u>
TOTAL	\$6,677,500

*PRELIMINARY ESTIMATES – Design is not complete

*Does not include costs of acquiring Walgar property for right-of-way

ESTIMATED PROJECT COSTS TO BE PAID BY THE TAX INCREMENT DISTRICT

Capital Costs:	
City's portion of 5 th Street	\$1,018,860.00
Extraordinary Grading	\$ 400,000.00
Parkview Drive Street, Utility and Related Storm Drainage Improvements	\$ 45,000.00
Professional Service:	
Engineering Costs	\$ 0
Contingency Costs:	\$ 0
Financing Costs:	
Financing interest	\$ 691,087.18
Relocation Costs	\$ 0
Organizational Costs	\$ 0
Other Necessary and Convenient Costs:	\$ 0
TOTAL	\$2,154,947.18
Imputed Administrative Costs*	
City of Rapid City	\$ 2,050

*The imputed administrative costs are interest-free, are not included in the total project costs, and are to be paid from the balance remaining in the TID fund available to the City Finance Officer on July 15, 2008.

4. FISCAL IMPACT STATEMENT

The impact on taxing entities can be derived from determining the tax increment anticipated during the life of the district. The true impact on taxing entities of the Plan is the increase in valuation of the property within the Tax Increment District. The taxing entities are only foregoing that income during the life of the district and will realize that income as soon as the debt from the project costs in the Plan is retired. The purpose of this Plan is to encourage that increase in valuation.