



**CITY OF RAPID CITY**  
**RAPID CITY, SOUTH DAKOTA 57701-2724**  

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**COMMUNITY DEVELOPMENT DIVISION**  
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**MEMORANDUM**

TO: Legal & Finance Committee

FROM: Barbara Garcia, Community Development Specialist

DATE: August 16, 2006

RE: Dahl Request to Waive Environmental Review Fee for Expansion Project

Linda Anderson contacted me about performing an environmental review for the Dahl Fine Arts Center Expansion Project. They have been awarded a VA-HUD Independent Agencies Appropriations Act Grant, which requires an environmental review. No City CDBG funds have been awarded for this project.

City Council previously approved a policy to charge \$2,500 for any environmental review that the Community Development Division performs that is for an activity not funded with CDBG dollars. Ms. Anderson stated that since the Dahl Fine Arts Center is a City owned building, the City should waive the fee. Staff advised that she would have to go before Council to request a waiver, as the current policy requires staff to charge for preparing the Environmental Review.

Environmental reviews and assessments for Economic Development and Independent Agency Appropriations Grant projects are very time intensive for the staff and can be costly. Some reviews trigger the need for lead, asbestos and soils testing, to name a few, as well as the newspaper public ads for required notices and comment requests.

The \$2,500 fee collected helps to cover the cost of staff time, supplies, postage for the concurrence letters that must be mailed out, and public notice ads, that are required to perform the review/assessment.

If environmental review and assessment fees are waived, costs for advertisements are taken directly from the CDBG administration budget, which was set based on the number and type of CDBG projects projected for the year. The additional costs could exhaust the budgeted advertising line item before completion of the CDBG required reviews.



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An example of this was the Fair Grounds environmental assessment. The fee was waived. Staff ended up doing two complete reviews and had to run six public notice ads, which totaled \$1,598.06. The advertising budget for 2006 is \$2,500. The Fair Grounds cost alone was 64% of the budgeted amount. Most CDBG environmental reviews do not require publication, as they fall under the categorically excluded, no significant impact category. Most of the publication costs are for required public notices for applications, public comments on annual action plans and the Consolidated Plan Annual Performance Report. However, the VA-HUD Independent Agency Grant projects almost always require an Assessment and publications, due to the nature and scope of the projects. The CDBG Public Participation Policy requires us to publicize the ads in both the Rapid City Journal and the Lakota/Dakota Journal. Some activities require two publication periods.

**Staff Recommendation: If Council wishes to waive the fee, it is recommended they only do a partial waiver and still collect a minimum of \$800 to cover the required public notice published in the Rapid City Journal and the Lakota/Dakota Journal, per our Citizen Participation Plan. Current costs for a Combined Notice of No Significant Impact and a Notice of Intent to Request Release of Funds is between \$350 and \$450 for each ad and each paper. Staff also recommends that an agreement be executed with the agency stating that the costs of all tests or mitigations required by the Environmental Review be the financial responsibility of the Agency and not the Community Development Division.**