

CITY COUNCIL**MAY 7, 2007**

Ordinance No. 5291 (No. 07RZ038), An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, Rezoning The Within Described Property as requested by City of Rapid City for a **Rezoning from No Use District to General Agriculture District** on the eastern 33 feet of the E1/2 SE1/4 SE1/4, all located in Section 21, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota, located northwest of the intersection of Seger Drive and North Elk Vale Road was introduced. Okrepkie moved, second by LaCroix and carried that Ordinance No. 5291 be denied without prejudice at the applicant's request.

Ordinance No. 5279 (No. 07OA004), An Ordinance to Correct the Numbering of Certain Subsections of Section 17.22.030 of The Rapid City Municipal Code having passed first reading on April 16, 2007; Okrepkie moved, second by LaCroix that the title be read the second time. The following voted AYE: Schumacher, Olson, Kroeger, Kooiker, Chapman, Johnson, LaCroix, Okrepkie, Hurlbut, and Hadcock; NO: None; whereupon the Mayor declared the motion passed and Ordinance No. 5279 was declared duly passed upon its second reading.

LEGAL & FINANCE COMMITTEE ITEMS

Okrepkie moved, second by LaCroix and carried to (No. CC050707-04), approve increase for the Government Buildings Five-Year Plan by \$450,000 per year, beginning 2008.

The Mayor presented No. 07TI005, a request by Dream Design International, Inc. to consider an application for a **Resolution Creating Tax Increment District No. 62** on Tract NW 66; balance of Lots 12 through 16 and the north 10 feet of vacated alley adjacent to Lots 12 through 16 Block 66, Original Town of Rapid City, Pennington County, South Dakota, less Lots H1, Section 36, T2N, R7E, BHM; Lot 1 of Dan's Supermarket Tract Revised Located in Block 66 of the Original Townsite of Rapid City, Pennington County, South Dakota, Section 36, T2N, R7E, BHM, and Section 1, T1N, R7E, BHM; Dan's Supermarket Tract Revised in Blocks 66 and 67 of the Original Townsite of Rapid City, Pennington County, South Dakota, as shown on the plat filed in Plat Book 24, Page 177, EXCEPTING therefrom Lot 1 of Dan's Supermarket Tract Revised, as shown on the plat filed in Plat Book 29, Page 110, also EXCEPTING therefrom Lot H1, as shown on the plat filed in Highway Plat Book 10, Page 84, Section 36, T2N, R7E, BHM, and Section 1, T1N, R7E, BHM; Lots 6 through 16, in Block 76 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 8 through 16 in Block 96 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 1 through 7, inclusive, in Block 96 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 17 through 24, both inclusive, of the Original Townsite, Block 96 of Rapid City, Pennington County, South Dakota, Lots 25 through 32 in Block 96 of the original townsite of Rapid City, Pennington County, South Dakota, Lots One through Sixteen, Block 95, original town, Rapid City, Pennington County, South Dakota, Original Town of Rapid City Block 95 North 90' of Lot 22 & Lots 23-28 Inclusive & W1/2 of Lot 29, The E1/2 of Lot 29 and All of Lot 30 in Block 95 of the Original Townsite of Rapid City, Pennington County, South Dakota, Lots 31 and 32 in Block 95 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 8 and 9 in Block 105 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 3 through 7 inclusive in Block 105 of the Original Town, Section 1, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota. The North 90 Feet of Lot 1 and 2 in Block 105 of the Original Town of Rapid City, Pennington County, South Dakota, The South 50 Feet of Lots 1 and 2 in Block 105 of the Original Town of Rapid City, Pennington County, South Dakota, Lots 25 and 26 in Block 105, in the Original Town of Rapid City, Pennington County, South Dakota, Lot 27 and the west half of Lot W28 in Block 105 of the Original Townsite

to the City of Rapid City, Pennington County, South Dakota, The E1/2 of Lot 28 and all of Lot 29 in Block 105 of the Original Townsite of The City of Rapid City, Pennington County, South Dakota, Lots 30, 31, and 32 of Block 105 of the Original Townsite of Rapid City, Pennington County, South Dakota, together with all improvements thereon, Lot A of Knights of Columbus Subdivision, City of Rapid City, as shown by the plat recorded in Book 34 of Plats on Page 66 in the Office of the Register of Deeds, Pennington County, South Dakota, Lot B of Knights of Columbus Subdivision, City of Rapid City, as shown by the plat recorded in Book 34 of Plats on Page 66 in the Office of the Register of Deeds, Pennington County, South Dakota, The South 70 Feet of Lots 17-24, less a portion of Lot H1 in Lot 17, of Block 126 of the Original Townsite of Rapid City, Pennington County, South Dakota, Fifth (5th) Street Public Right-of-Way, from Omaha Street, southerly to South Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Rapid Street Public Right-of Way, from Fifth (5th) Street, easterly to Third (3rd) Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way, adjacent to Lots 6 through 16, in Block 76 of the Original Townsite of Rapid City, Pennington County, South Dakota, Saint Joseph Street Public Right-of-Way, from Sixth (6th) Street, easterly to Fourth (4th) Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way located in Block 95, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way located in Block 96, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Kansas City Street Public Right-of-Way, adjacent to Lots 1 through 9, in Block 105, of the Original Townsite of Rapid City, South Dakota, Entire Public Alley Right-of-Way, adjacent to Lots 25 through 32, in Block 105, of the Original Townsite of Rapid City, South Dakota, All located in Section 1, T1N, R7E, BHM, more generally described as being located between Omaha Street and South Street between 3rd Street and 6th Street. The following resolution was introduced, read, and Okrepkie moved its adoption.

RESOLUTION CREATING TAX INCREMENT DISTRICT NUMBER SIXTY TWO AS
SUBMITTED BY THE RAPID CITY PLANNING COMMISSION

WHEREAS the property within the following described District meets the qualifications and criteria set forth in SDCL 11-9; and,

WHEREAS the Council of the City of Rapid City finds that the aggregated assessed value of taxable property in this District, plus the assessed values of all other districts currently in effect, does not exceed ten percent (10%) of the total assessed value of taxable property in the City of Rapid City; and,

WHEREAS the Council finds that:

- (1) Not less than twenty-five percent (25%), by area, of the real property within the district is a blighted area as defined in SDCL 11-9-9 through 11-9-11; and,
- (2) The improvement of the area is likely to significantly enhance the value substantially on all of the other real property in the district.

NOW, THEREFORE, BE IT RESOLVED by the City of Rapid City that the real property legally described as:

Tract NW 66; balance of Lots 12 through 16 and the north 10 feet of vacated alley adjacent to Lots 12 through 16 Block 66, Original Town of Rapid City, Pennington County, South Dakota, less Lots H1, Section 36, T2N, R7E, BHM; Lot 1 of Dan's Supermarket Tract Revised Located in Block 66 of the Original Townsite of Rapid City, Pennington County, South Dakota, Section 36, T2N, R7E, BHM, and Section 1, T1N, R7E, BHM; Dan's Supermarket Tract Revised in Blocks 66 and 67 of the Original Townsite of Rapid City, Pennington County, South Dakota, as shown on the plat filed in Plat Book 24, Page 177, EXCEPTING therefrom Lot 1 of Dan's Supermarket Tract Revised, as shown on the plat filed in Plat Book 29, Page 110, also EXCEPTING therefrom Lot H1, as shown on the plat filed in Highway Plat Book 10, Page 84, Section 36, T2N, R7E, BHM, and Section 1, T1N, R7E, BHM; Lots 6 through 16, in Block 76 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 8 through 16 in Block 96 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 1 through 7, inclusive, in Block 96 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 17 through 24, both inclusive, of the Original Townsite, Block 96 of Rapid City, Pennington County, South Dakota, Lots 25 through 32 in Block 96 of the original townsite of Rapid City, Pennington County, South Dakota, Lots One through Sixteen, Block 95, original town, Rapid City, Pennington County, South Dakota, Original Town of Rapid City Block 95 North 90' of Lot 22 & Lots 23-28 Inclusive & W1/2 of Lot 29, The E1/2 of Lot 29 and All of Lot 30 in Block 95 of the Original Townsite of Rapid City, Pennington County, South Dakota, Lots 31 and 32 in Block 95 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 8 and 9 in Block 105 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 3 through 7 inclusive in Block 105 of the Original Town, Section 1, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota. The North 90 Feet of Lot 1 and 2 in Block 105 of the Original Town of Rapid City, Pennington County, South Dakota, The South 50 Feet of Lots 1 and 2 in Block 105 of the Original Town of Rapid City, Pennington County, South Dakota, Lots 25 and 26 in Block 105, in the Original Town of Rapid City, Pennington County, South Dakota, Lot 27 and the west half of Lot W28 in Block 105 of the Original Townsite to the City of Rapid City, Pennington County, South Dakota, The E1/2 of Lot 28 and all of Lot 29 in Block 105 of the Original Townsite of The City of Rapid City, Pennington County, South Dakota, Lots 30, 31, and 32 of Block 105 of the Original Townsite of Rapid City, Pennington County, South Dakota, together with all improvements thereon, Lot A of Knights of Columbus Subdivision, City of Rapid City, as shown by the plat recorded in Book 34 of Plats on Page 66 in the Office of the Register of Deeds, Pennington County, South Dakota, Lot B of Knights of Columbus Subdivision, City of Rapid City, as shown by the plat recorded in Book 34 of Plats on Page 66 in the Office of the Register of Deeds, Pennington County, South Dakota, The South 70 Feet of Lots 17-24, less a portion of Lot H1 in Lot 17, of Block 126 of the Original Townsite of Rapid City, Pennington County, South Dakota, Fifth (5th) Street Public Right-of-Way, from Omaha Street, southerly to South Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Rapid Street Public Right-of Way, from Fifth (5th) Street, easterly to Third (3rd) Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way, adjacent to Lots 6 through 16, in Block 76 of the Original Townsite of Rapid City, Pennington County, South Dakota, Saint Joseph Street Public Right-of-Way, from Sixth (6th) Street, easterly to Fourth (4th) Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way located in Block 95, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way located in Block 96, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Kansas City Street Public Right-of-Way, adjacent to Lots 1 through 9, in Block 105, of the Original Townsite of Rapid City, South Dakota, Entire Public Alley Right-of-

Way, adjacent to Lots 25 through 32, in Block 105, of the Original Townsite of Rapid City, South Dakota, All located in Section 1, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota

is hereby designated as Tax Increment District Number 62.

Dated this 7th day of May, 2007.

ATTEST:
s/ James F. Preston
Finance Officer

CITY OF RAPID CITY
s/ Jim Shaw, Mayor

The motion for the adoption of the foregoing resolution was second by LaCroix. Upon a roll call vote, the following voted AYE: Schumacher, Olson, Kroeger, Chapman, Johnson, LaCroix, Okrepkie, Hurlbut; NO: Kooiker and Hadcock; whereupon said resolution was declared duly passed and adopted.

The Mayor presented No. 07TI006, a request by Dream Design International, Inc. to consider an application for a **Tax Increment District No. 62 Project Plan** on Tract NW 66; balance of Lots 12 through 16 and the north 10 feet of vacated alley adjacent to Lots 12 through 16 Block 66, Original Town of Rapid City, Pennington County, South Dakota, less Lots H1, Section 36, T2N, R7E, BHM; Lot 1 of Dan's Supermarket Tract Revised Located in Block 66 of the Original Townsite of Rapid City, Pennington County, South Dakota, Section 36, T2N, R7E, BHM, and Section 1, T1N, R7E, BHM; Dan's Supermarket Tract Revised in Blocks 66 and 67 of the Original Townsite of Rapid City, Pennington County, South Dakota, as shown on the plat filed in Plat Book 24, Page 177, EXCEPTING therefrom Lot 1 of Dan's Supermarket Tract Revised, as shown on the plat filed in Plat Book 29, Page 110, also EXCEPTING therefrom Lot H1, as shown on the plat filed in Highway Plat Book 10, Page 84, Section 36, T2N, R7E, BHM, and Section 1, T1N, R7E, BHM; Lots 6 through 16, in Block 76 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 8 through 16 in Block 96 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 1 through 7, inclusive, in Block 96 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 17 through 24, both inclusive, of the Original Townsite, Block 96 of Rapid City, Pennington County, South Dakota, Lots 25 through 32 in Block 96 of the original townsite of Rapid City, Pennington County, South Dakota, Lots One through Sixteen, Block 95, original town, Rapid City, Pennington County, South Dakota, Original Town of Rapid City Block 95 North 90' of Lot 22 & Lots 23-28 Inclusive & W1/2 of Lot 29, The E1/2 of Lot 29 and All of Lot 30 in Block 95 of the Original Townsite of Rapid City, Pennington County, South Dakota, Lots 31 and 32 in Block 95 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 8 and 9 in Block 105 of the Original Townsite of the City of Rapid City, Pennington County, South Dakota, Lots 3 through 7 inclusive in Block 105 of the Original Town, Section 1, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota. The North 90 Feet of Lot 1 and 2 in Block 105 of the Original Town of Rapid City, Pennington County, South Dakota, The South 50 Feet of Lots 1 and 2 in Block 105 of the Original Town of Rapid City, Pennington County, South Dakota, Lots 25 and 26 in Block 105, in the Original Town of Rapid City, Pennington County, South Dakota, Lot 27 and the west half of Lot W28 in Block 105 of the Original Townsite to the City of Rapid City, Pennington County, South Dakota, The E1/2 of Lot 28 and all of Lot 29 in Block 105 of the Original Townsite of The City of Rapid City, Pennington County, South Dakota, Lots 30, 31, and 32 of Block 105 of the Original Townsite of Rapid City, Pennington

County, South Dakota, together with all improvements thereon, Lot A of Knights of Columbus Subdivision, City of Rapid City, as shown by the plat recorded in Book 34 of Plats on Page 66 in the Office of the Register of Deeds, Pennington County, South Dakota, Lot B of Knights of Columbus Subdivision, City of Rapid City, as shown by the plat recorded in Book 34 of Plats on Page 66 in the Office of the Register of Deeds, Pennington County, South Dakota, The South 70 Feet of Lots 17-24, less a portion of Lot H1 in Lot 17, of Block 126 of the Original Townsite of Rapid City, Pennington County, South Dakota, Fifth (5th) Street Public Right-of-Way, from Omaha Street, southerly to South Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Rapid Street Public Right-of Way, from Fifth (5th) Street, easterly to Third (3rd) Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way, adjacent to Lots 6 through 16, in Block 76 of the Original Townsite of Rapid City, Pennington County, South Dakota, Saint Joseph Street Public Right-of-Way, from Sixth (6th) Street, easterly to Fourth (4th) Street, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way located in Block 95, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Public Alley Right-of-Way located in Block 96, of the Original Townsite of Rapid City, Pennington County, South Dakota, Entire Kansas City Street Public Right-of-Way, adjacent to Lots 1 through 9, in Block 105, of the Original Townsite of Rapid City, South Dakota, Entire Public Alley Right-of-Way, adjacent to Lots 25 through 32, in Block 105, of the Original Townsite of Rapid City, South Dakota, All located in Section 1, T1N, R7E, BHM, more generally described as being located between Omaha Street and South Street between 3rd Street and 6th Street. The following resolution was introduced, read, and Okrepkie moved its adoption.

RESOLUTION APPROVING THE PROJECT PLAN FOR TAX INCREMENT DISTRICT NUMBER SIXTY TWO AS SUBMITTED BY THE RAPID CITY PLANNING COMMISSION

WHEREAS the Council of the City of Rapid City has determined that it is in the best interest of the City to implement plans which promote economic development and growth in the City; and

WHEREAS the Council embraces the concept of Tax Increment Financing as a tool to encourage this desirable growth and redevelopment; and

WHEREAS there has been established Tax Increment District Number Sixty Two; and

WHEREAS the Council deems desirable to promote economic development and create jobs in the corporate limits of the City of Rapid City; and

WHEREAS the Project Plan submitted helps revitalize Downtown Rapid City by assisting with the construction of public parking in a parking structure, removal of contaminated soils, and the relocation of power lines in the alley; and

WHEREAS the use of Tax Increment Funding to promote this development is in keeping within the statutes adopted by the South Dakota State Legislature; and

WHEREAS there has been developed a Project Plan for this Tax Increment District which proposes these improvements; and

WHEREAS the Council has considered the Project Plan submitted by the Planning Commission and determined that the Project Plan for Tax Increment District Sixty Two is economically feasible; and

WHEREAS the Council has further determined that this Project Plan is in conformity with the adopted Comprehensive Plan.

NOW, THEREFORE, BE IT RESOLVED by the City of Rapid City that the Tax Increment District Project Plan for Tax Increment District Number Sixty Two be and hereby is approved as submitted by the Rapid City Planning Commission.

Dated this 7th day of May, 2007.

ATTEST:
s/ James F. Preston
Finance Officer

CITY OF RAPID CITY
s/ Jim Shaw, Mayor

The motion for the adoption of the foregoing resolution was second by LaCroix. Alderman Hadcock indicated her support for the concept of the project. She also indicated that she needed to know the ownership of the property, how parking issues will be addressed, and the use of 2012 funds in the project. Alderman Olson indicated her interest in the streetscape to make certain that what goes on, on the ground level, has an influence on increasing the attractiveness of the project. At the request of the Chair, Elkins indicated that a certain number of elements will need to occur before the project is approved. Elkins indicated that one of the elements will be the potential transfer of property and transfer of 2012 funds to be used for the parking garage construction. She indicated that if the interest is about the design and layout of the project, those interests should be discussed as part of the developer's agreement; but if there is interest to include something in the project plan as part of the project cost, those interests should be discussed at this time. Alderman Okrepkie indicated his support of the project and stressed that the project will increase the parking availability in the downtown area. Alderman Chapman indicated his support for the creation of the TIF district and suggested that this does not commit the City at this time. He asked that the developer's agreement include language regarding the land and that the land is returned to the City should the project not move forward. He asked for a guarantee that, if the project does not move forward, the City has the ability through the 2012 fund to create public parking. In response to a question from Alderman Kroeger, Elkins indicated that the project's capital costs include \$2.9 Million for the public parking structure; \$247,500 for the soil removal; \$300,000 for the alley power relocation; \$924,254 for professional services; contingency costs of \$482,000; and \$500,000 for necessary and convenient costs. She explained that the City is not funding the project, but the developer will borrow the funds and will be repaid from the TIF. Alderman Johnson indicated that the project will not occur without tax increment financing. He pointed out that the entire risk is on the developer. He indicated that if the project does not occur the City will not gain any sales tax on the site; property tax dollars will not be generated on the site; and the City will not receive a \$48 Million construction project that will have created jobs and purchased construction material. He explained that no additional housing will be created downtown and no contaminated soils will be removed from the site. At the request of Alderman Kooiker, Hani Shafai, Dream Design, indicated that it would not be feasible to maintain the land if the City retained ownership; and financing will be difficult if the land is leased.

In response to a question from Alderman Kooiker, Shafai indicated that in the past the City has transferred City-owned land. He explained that in accordance with the City's policies and the laws of the State of South Dakota the property can be transferred. Based on an appraisal of the land, Shafai indicated that the City will not be paid in cash but an equivalent cost of parking fees.

Kroeger moved, second by Schumacher to allow Hani Shafai, Dream Design to give a five minute presentation on tax increment financing. Motion carried.

Shafai listed the sixty-one Tax Increment Finance districts and indicated that the assessed value for the City is \$3.5 Trillion; and the City's share of the sales tax revenue in these districts is \$4.48 Million. He reminded the members that the developers took the risks of these districts. Shafai suggested that the tax increment districts allow a lot of development to happen and it reduces the mil levy because once the districts are paid the properties go on the tax roll. The County can not increase its budget by more than a certain percentage, which is less than the rate of growth that is created by the tax increment districts. Shafai indicated that the City will pay \$2.8 Million from 2012 and the land is worth One Million Dollars for a total investment \$3.8 Million. He indicated that the total parking lot will be 580-600 parking stalls and of those stalls public parking will be 280-300 parking spaces. He indicated that the maximum value of the parking lot is an estimated \$18 Million. The total project cost is approximately \$48 Million, and the developer's investment is \$44.2 Million of the cost.

Upon a roll call vote on the motion to approve, the following voted AYE: Olson, Kroeger, Chapman, Johnson, LaCroix, Okrepkie, Hurlbut, Schumacher; NO: Hadcock; whereupon said resolution was declared duly passed and adopted.

The Mayor presented No. LF050207-16, a Resolution Amending Resolution Establishing 2007 Golf Course Fees. The following resolution was introduced, read, and Okrepkie moved its adoption.

RESOLUTION AMENDING
RESOLUTION ESTABLISHING 2007 GOLF COURSE FEES

WHEREAS, concerns have been raised about the current age requirement of 23 years in order to purchase an annual golf pass for College Students; and

WHEREAS, the number of non-traditional students attending colleges and universities in the area is increasing annually; and

WHEREAS, the Rapid City Common Council finds it is in the best interest of the City of Rapid City to amend the established fee resolution.

NOW, THEREFORE, BE IT RESOLVED that paragraph (2) of the Resolution Establishing 2007 Golf Course Fees adopted by the City Council on November 20, 2006 be amended to read as follows:

(2) Meadowbrook Golf Course Season Passes / Punch Cards / Range Passes (Season Passes do not include development fee.)