



Rapid City Planning Commission

Final Planned Development Overlay Project Report

June 25, 2015

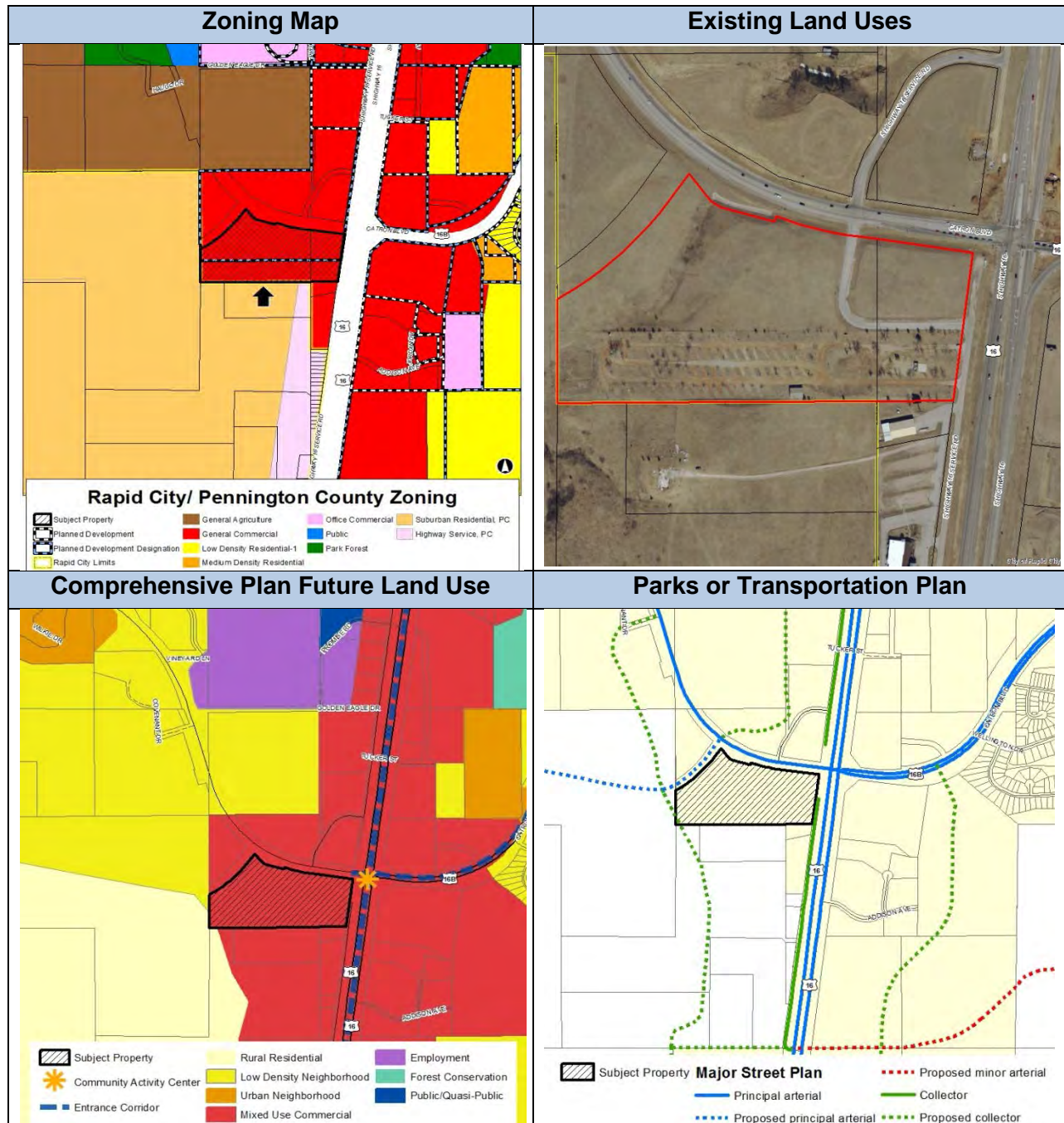
| Applicant Request(s) |
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| Case # 15PD017 – Final Planned Development Overlay to construct an office complex |
| Companion Case(s) File #15VR003 – Vacation of Right-of-Way for a portion of Catron Boulevard |

| Development Review Team Recommendation(s) |
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| Approve with stipulations |

| Project Summary Brief | |
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| The applicant has submitted a Final Planned Development Overlay to construct an office complex for the Black Hills Corporation headquarters. In particular, the applicant is proposing a two phase development with Phase I including the construction of two wings of a proposed four story office building and 1,030 parking spaces. The applicant is requesting the following Exceptions: an Exception to reduce the minimum required parking from 1,593 parking spaces to 1,030 parking spaces, an Exception to allow height of 75 feet for the central portion of the proposed structure in lieu of a maximum allowed height of 45 feet, and an Exception to waive the screening fence requirement for Phase I. Phase II will include the construction of the third wing of the office building with additional parking. The office complex includes open office space, a fitness center, cafeteria, and a child care center for employees only which is a conditional use. The applicant has indicated that Phase I will have a total of 700 employees. Phase II will be constructed in 10 to 15 years and will require a Major Amendment to the Planned Development. | |
| Applicant Information | Development Review Team Contacts |
| Applicant: Black Hills Corporation | Planner: Fletcher Lacock |
| Property Owner: Black Hills Corporation | Engineer: Ted Johnson |
| Architect: ARC International | Fire District: Tim Behlings |
| Engineer: Ferber Engineering Company | School District: Janet Kaiser |
| Surveyor: Ferber Engineering Company | Water/Sewer: Ted Johnson |
| Other: NA | DOT: Stacy Bartlett |

| Subject Property Information | |
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| Address/Location | 7001 South Highway 16 |
| Neighborhood | US Highway 16 |
| Subdivision | C2B Addition |
| Land Area | 27.12 acres (1,181,347 square feet) |
| Existing Buildings | No structures |
| Topography | Rise in elevation of approximately 40 feet from north to south |
| Access | Access is proposed from Energy Park Way which will be dedicated by H-Lot |
| Water Provider | Rapid City |
| Sewer Provider | Rapid City |
| Electric/Gas Provider | Black Hills Power – Black Hills Electric Cooperative / MDU |
| Floodplain | NA |
| Other | NA |

| Subject Property and Adjacent Property Designations | | | |
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| | Existing Zoning | Comprehensive Plan | Existing Land Use(s) |
| Subject Property | GC - PDD | MUC – Community Activity Center | Void of structural development |
| Adjacent North | GC - PDD | MUC – Community Activity Center | Void of structural development |
| Adjacent South | County SRD / Highway Services | MUC – Community Activity Center | Commercial storage building and a vacant residential property |
| Adjacent East | GC - PDD | MUC – Community Activity Center | Formerly a waterpark – currently void of structural development |
| Adjacent West | County SRD | LDN and RR | Void of structural development |



| Relevant Case History | | | |
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| Case/File# | Date | Request | Action |
| 12VR006 | 06/16/13 | Vacation of Right-of-Way for a portion of U.S. Highway 16 service road | Approved |
| 12VR009 | 03/04/13 | Vacation of Section Line Highway | Approved |
| Relevant Zoning District Regulations | | | |
| General Commercial District | | Required | Proposed |
| Lot Area | | NA | 27.12 acres |
| Lot Frontage / Width | | NA | 2,485 feet |
| Maximum Building Heights | | 4 stories or 45 feet | Requesting and Exception to allow 4 stories and 75 feet |
| Maximum Density | | 75% | 7.1% |
| Minimum Building Setback: | | | |
| • Front | | 25 feet | 87.5 feet |
| • Rear | | "0" feet | 58 feet |
| • Side | | "0" feet | 333 feet |
| • Street Side | | 25 feet | 630 feet |
| Minimum Landscape Requirements: | | | |
| • # of landscape points | | 938,620 | 940,000 |
| • # of landscape islands | | 21 | 21 |
| Minimum Parking Requirements: | | | |
| • # of parking spaces | | 1,593 | Requesting reduction to 1,030 |
| • # of ADA spaces | | 26 | 22 |
| Signage | | 4,970 square feet allowed | Five monument signs for a total of 2,720 square feet |
| Fencing | | Screening fence required | Requesting Exception to waive the screening fence requirement |

| Planning Commission Criteria and Findings for Approval or Denial | |
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| Pursuant to Section 17.50.050(F)5 of the Rapid City Municipal Code the Planning Commission shall consider the following criteria for a Final Planned Development Overlay: | |
| Criteria | Findings |
| 1. There are certain conditions pertaining to the particular piece of property in question because of its size, shape, or topography: | The property is approximately 27.12 acres in size. The property slopes gradually upward 40 feet from north to south. The property is zoned General Commercial District with a Planned Development Designation requiring a Final Planned Development Overlay be approved prior to issuance of a Building Permit. |
| 2. The application of these regulations to this particular piece of property would create a practical difficulty or undue hardship: | The property is zoned General Commercial District and an office building is identified as a permitted use in the district. The applicant is requesting Exceptions to reduce the minimum required parking, to waive the screening fence requirement for Phase I, and to allow a maximum height of 75 feet. |
| 3. Exceptions to the underlying zoning district, if granted, would not cause undue hardship to the public good or impair the purposes and intent of these regulations: | The applicant is requesting three Exceptions. The first Exception is a request to reduce the minimum required parking for the office complex from 1,593 parking spaces to 1,030 parking spaces. The applicant has indicated that Phase I of the proposed office complex is designed to provide work space for 700 employees of the Black Hills Corporation and will not be available for public use. The future Phase II expansion will provide additional parking |

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| | <p>and will require a Major Amendment to the Planned Development and a further review of the parking requirement. For these reasons, staff recommends that the Exception be granted.</p> <p>The applicant is requesting an Exception to allow a building height of 4 stories or 75 feet in lieu of the maximum allowed height of 4 stories or 45 feet. The fourth story of the proposed structure is located in the center of the building and does not extend the full length of the structure. The property is located in a commercial corridor adjacent to the intersection of two arterial streets. In addition, the minimum required setback for a commercial structure is 25 feet and the applicant is proposing to increase the setbacks to a minimum of 58 feet from the proposed Energy Park Way and a maximum of approximately 630 feet from U.S. Highway 16 to the east. The increased setbacks will assist to mitigate the impact of the proposed 75 foot high building. The property is also located at a lower elevation compared to U.S. Highway 16 which should also assist mitigate the height. Based on these reasons, staff recommends that the Exception to allow a height of 75 feet be granted.</p> <p>The property abuts a residential district on the south property line for a short section. The applicant is proposing to construct Phase I parking on the south side of the proposed Energy Park Way right-of-way. The applicant is requesting an Exception to waive the screening requirement for this section of proposed Phase I. The residential property is currently undeveloped. In addition, the slope on the south side of the property rises and a screening fence would not provide the intended buffer. As such, staff recommends that the Exception to waive the screening requirement be granted. The applicant should be aware that the proposed Phase II parking also abuts a residential district and the review of the screening fence requirement will be reviewed upon submittal of a Major Amendment for Phase II.</p> |
| 4. A literal interpretation of this chapter would deprive the applicant of rights that others in the same district are allowed: | The literal interpretation of the Zoning Ordinance would not deprive the applicant of rights that others in the same district are allowed. |
| 5. Any adverse impacts will be reasonably mitigated: | <p>The increased setbacks from the property lines will assist to mitigate the scale of the proposed development. In addition, the conceptual views of the proposed structure submitted by the applicant show that the fourth story of the proposed building is located in the middle of the structure and do not extend along the wings of the building minimizing the area that is 75 feet high.</p> <p>The proposed child care center is not open to the public and will serve the 700 employees that will be working on-site. The proposed parking should be adequate for the proposed development. Phase II parking and screening</p> |



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| | will be reviewed upon submittal of a Major Amendment. |
| 6. The requested exception to the underlying zoning district standards is an alternative or innovative practice that reasonably achieves the objective of the existing standard sought to be modified: | The proposed office complex is innovative in that it will provide employee services and amenities on-site including a wellness spa and child care. The requested Exceptions will be mitigated as noted above and should reasonably achieve the standard sought by the Zoning Ordinance. |






Staff has also reviewed the proposed use with respect to Chapter 17.54.030(E) and has noted the following issues:

The applicant is proposing to operate a child care center for the use of Black Hills Corporation headquarters employees which will not be open to the public. A Child Care Center is a conditional use in the General Commercial District. The proposed child care center is located on the first floor of the proposed structure and will be approximately 10,000 square feet size. The applicant has indicated that Phase I will provide care for a maximum of 50 children and the future Phase II will increase the capacity to 100 children. The child care center will have 12 staff members. The minimum required indoor and outdoor play areas required for 50 children are 1,750 square feet and 2,500 square feet respectively. The proposed child care center exceeds the minimum required indoor and outdoor play areas with 2,000 square feet and 6,000 square feet respectively. In addition, the applicant has shown a 42 inch high wall around the outdoor play area. Chapter 17.50.150 of the Rapid City Municipal Code requires a fenced-in outdoor play area with a minimum fence / wall height of 42 inches. Staff recommends that the proposed child care center for use of the Black Hills Corporation employees be approved.

Planning Commission Comprehensive Plan Policy Guidance for Approval or Denial

In considering an application for approval or denial the Planning Commission finds that the application either complies or does not comply with the following values, principles, goals, and policies within the Rapid City Comprehensive Plan:

| Comprehensive Plan Conformance – Core Values Chapters | |
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|  A Balanced Pattern of Growth | |
| BPG-2.1F | State and Federal Coordination: U.S. Highway 16 and Catron Boulevard east of the intersection with U.S. Highway 16 are maintained by the South Dakota Department of Transportation (SDDOT). The proposed development requires a Traffic Impact Study (TIS) which the SDDOT has reviewed. The applicant has submitted plans showing public street improvements which the TIS has identified are needed. The applicant should be aware that any changes to the TIS required by the SDDOT must be addressed prior to start of construction. |
|  A Vibrant, Livable Community | |
| LC-3.1C | Compatible Infill and Redevelopment: The property is located on the southwest corner of the intersection of U.S. Highway 16 and Catron Boulevard which are both identified as Principal Arterial Streets on the City's Major Street Plan. Water and sewer mains are located in Catron Boulevard right-of-way. The property was previously the location of a travel park and the proposed redevelopment takes advantage of existing infrastructure. |
| LC-3.2C | Pedestrian and Bicycle Linkages: The site plan identifies a 10 foot wide bicycle and pedestrian pathway from the northwest intersection of Catron Boulevard and Les Hollers Way along the proposed Energy Park Way and connecting to the U.S. Highway 16 service road on the southeast side of the property. The applicant has obtained a Variance from Chapter 12.08.060 of the |

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| | Rapid City Municipal Code to waive the requirement to install sidewalk on the north side of proposed Energy Park Way and to provide the 10 foot wide path on the south side of the proposed street. |
|  | A Safe, Healthy, Inclusive, and Skilled Community |
| SHIS-3.1A | Pedestrian and Bicycle Networks: As previously mentioned, the applicant is incorporating a bicycle and pedestrian pathway through the property. |
|  | Efficient Transportation and Infrastructure Systems |
| TI-2.1A | Major Street Plan Integration: Catron Boulevard and U.S. Highway 16 are identified as Principal Arterial Streets. The applicant has submitted a TIS that addresses the needed roadway improvements to accommodate the proposed development. The applicant should be aware that any changes to the TIS that the SDDOT requires must be made prior to issuance of a Building Permit. |
|  | Economic Stability and Growth |
| EC-3.1C | Other Employment Areas: The proposed Final Planned Development Overlay to construct the Black Hills Corporation headquarters will employ approximately 700 people. |
|  | Outstanding Recreational and Cultural Opportunities |
| | NA |
|  | Responsive, Accessible, and Effective Governance |
| GOV-2.1A | Public Input Opportunities: The requested Final Planned Development Overlay is before the Planning Commission for review and approval. The public has an opportunity to provide input at this meeting. |

| Comprehensive Plan Conformance – Growth and Reinvestment Chapter | |
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| Future Land Use Plan Designation(s): | Mixed Use Commercial – Entrance Corridor – Community Activity Center |
| Design Standards: | |
| NA | The Final Planned Development Overlay for the Black Hills Corporation headquarters is located on the southwest corner of the intersection of U.S. Highway 16 and Catron Boulevard which are both identified as Principal Arterial Streets on the City's Major Street Plan. Mixed Use Commercial and Community Activity Centers identify offices as a suitable use. |

| Comprehensive Plan Conformance – Neighborhood Area Policies Chapter | |
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| Neighborhood: | U.S. Highway 16 |
| Neighborhood Goal/Policy: | |
| US16-NA1.1C | Employment Areas: The proposed Final Planned Development Overlay to construct the Black Hills Corporation headquarters is designed to employ 700 people and is located on the southwest corner of the intersection of U.S. Highway 16 and Catron Boulevard. |

| Findings | |
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| Staff has reviewed the Final Planned Development Overlay to construct an office complex pursuant to Chapter 17.50.050(F)5 of the Rapid City Municipal Code and the goals, policies, and objectives of the adopted Comprehensive Plan. The proposed redevelopment of the property located on the southwest corner of the intersection of U.S. Highway 16 and Catron Boulevard will provide employment and promote the redevelopment of a key intersection in the City of two Principal Arterial Streets. The requested Exceptions should be reasonably mitigated and future expansion will require a Major Amendment. | |

| Planning Commission Recommendation and Stipulations of Approval | |
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| Staff recommends that the Final Planned Development Overlay to construct a office complex be approved with the following stipulations: | |
| 1. | An Exception is hereby granted to reduce the minimum required parking from 1,593 parking spaces to 1,030 parking spaces; |
| 2. | An Exception is hereby granted to allow a maximum building height of 75 feet for the centrally located fourth floor of the proposed structure in lieu of the maximum allowed height of 45 feet; |
| 3. | An Exception is hereby granted to waive the screening requirement for the Phase I parking lot development on the south side of the property. A review of the screening fence requirement will be reviewed upon submittal of a Major Amendment application for Phase II of the development; |
| 4. | Prior to starting construction of subdivision improvements, development engineering plans shall be submitted for review and approval; |
| 5. | Prior to approval of development engineering plans, all redlined comments to the Traffic Impact Study shall be addressed; and, |
| 6. | The Final Planned Development Overlay shall allow for Phase I of the Black Hills Corporation headquarters including a Child Care Center for 50 children. Any expansion of the Child Care Center will require a Major Amendment to the Planned Development. Phase II shall require a Major Amendment to the Planned Development. Any permitted use in the General Commercial District in compliance with the parking regulations shall require a building permit. Any change in use that is a Conditional Use in the General Commercial District shall require the review and approval of a Major Amendment to the Final Planned Development Overlay. |