

MEMORANDUM

TO: Rapid City City Council
FROM: Rapid City Planning Commission

Infrastructure Development Partnership Loan Requests in the amount of \$66,500 for the Skyline Pines project; and \$126,740 for the Skyview South project

PLANNING COMMISSION RECOMMENDATION:

Planning Commission recommended that the Infrastructure Development Partnership Loan Requests in the amount of \$66,500 for the Skyline Pines project; and \$126,740 for the Skyview South project be approved.

Vote: Unanimous (6 to 0)

DRAFT

Minutes
Rapid City Infrastructure Development Partnership Review Committee
June 30, 2000
11:00 a.m.
Public Works Conference Room

Members Present: Mayor Jim Shaw, Mel Dreyer, Alan Hanks, Ron Kroeger, Jerry Munson, Bob Scull, Dan Bjerke, Marcia Elkins, Jim Preston

Others Present: Steve Rolinger, Pat Tlustos, Charles Barker, Larry Kostaneski, Sharlene Mitchell, Randy Nelson

Call to Order

Mayor Shaw called the meeting to order at 11:05 a.m.

Approval of the May 25, 2000 Minutes

Munson moved, Elkins seconded and carried unanimously to approve the May 25, 2000 Minutes as corrected.

Skyline Pines Proposal

Preston reviewed the Skyline Pines Development Company sewer line loan agreement proposal. Preston provided a brief review of the location of the proposed sewer line and water main extensions. Preston indicated that the water main extension would be funded from the City Water Fund with the City receiving repayment via connection fees. Preston recommended elimination of the five-year time frame identified in the draft proposal. Preston indicated that the cost of the sewer line extension would be funded from the Infrastructure Development Fund and reviewed the proposed repayment schedule. Bjerke indicated that Skyline Pines Development Company would receive loan credit for the water extension project design costs. Bjerke reviewed the number of anticipated lot connections in the subject area. Discussion followed on the reliability of loan repayment for the Water Main Extension project from connection fees, the number of properties in the subject area and the level of interest expressed by those properties in connecting to the central system. Hanks recommended establishing a repayment timetable noting his concern that connection fees would not be sufficient to repay the loan.

Elkins moved, Munson seconded to recommend approval of the request for: a \$66,500 IDPF loan to Skyline Pines Development Company, LLC for the development of 1,900 feet of sewer line, no interest for the first two years beginning from the date of substantial completion, interest to be charged at one percent above the prime rate beginning on the first day of year three, loan repayment to be completed in six years, payments to be made prior to final plat approval, Skyline Pines Development Company shall provide easements or rights-of-ways at no cost to the City of Rapid City, all improvements shall be public improvements, City construction in accordance with City standards and Skyline Pines Development Company shall provide a surety bond to guarantee loan repayment.

Preston recommended further review of the Water Main Extension proposal to more accurately identify the number of properties that will connect to the system. Discussion followed regarding repayment of the Water Main Extension project costs. The Committee recommended that staff continue to review the repayment proposal for the Water Main Extension project.

The motion to recommend approval of the request for: a \$66,500 IDPF loan to Skyline Pines Development Company, LLC for the development of 1,900 feet of sewer line, no interest for the first two years beginning from the date of substantial completion, interest to be charged at one percent above the prime rate beginning on the first day of year three, loan repayment to be completed in six years, payments to be made prior to final plat approval, Skyline Pines Development Company shall provide easements or rights-of-ways at no cost to the City of Rapid City, all improvements shall be public improvements, City construction in accordance with City standards and Skyline Pines Development Company shall provide a surety bond to guarantee loan repayment carried unanimously.

Skyview South Proposal

Preston presented a map of the proposed development area and alignment of the water main extensions. Bjerke reviewed the Broadmoor Drive and Sheridan Lake Road water main extensions and the booster station upgrade. In response to a question, Bjerke indicated that these improvements would also provide increased water pressure service to the existing area residents. The Committee reviewed the proposed funding sources and loan repayment schedule. Nelson reviewed the method utilized in determining the cost sharing ratios. Bjerke clarified that there would be no recovery of the \$213,960 funded from the water fund, as this is a system upgrade. In response to Mayor Shaw, Nelson indicated that the costs reflected in this proposal would not change should the City perform this upgrade independent of the applicant's proposed improvements.

In response to Hanks concerns, Bjerke reviewed the City's process in determining when a project has been "substantially completed". Elkins indicated that the City process to determine the "substantial completion" of a project could be incorporated into the loan agreement.

Hanks moved, Kroeger seconded and carried unanimously to recommend approval of the request for: a \$126,740 IDPF loan to B.E. Development Company, LLC, for the Broadmoor Drive water main extension, Sheridan Lake Road water main extension and booster station upgrade, no interest for the first two years beginning from date of substantial completion, interest to be charged at one percent above the prime rate beginning on the first day of year three, loan repayment to be completed in six years, payments to be made prior to final plat approval, B.E. Development Company shall provide additional easements or rights-of-ways as necessary at no cost to the City of Rapid City, all improvements shall be public improvements, City construction in accordance with City standards and B.E. Development Company shall provide a surety bond to guarantee loan repayment.

The Committee directed staff to distribute information on the Skyline Pines and Skyview South IDPF projects to Council immediately and place both projects on the July 5, 2000 Public Works agenda.

East Anamosa Street

Nelson reviewed the design and costs estimates provided by the East Anamosa Corridor Study. Dreyer suggested that East Anamosa be constructed from Wal-Mart east to Menards as a five-lane right-of-way with the developers funding the cost of three lanes. Discussion followed regarding the City funding all oversize costs of the project and the ability to secure outside funding sources, such as Department of Transportation, to assist in the project.

Bjerke indicated that more specific information is required in order to determine the actual project costs. Hanks commented on the projected cost of the project noting the need to identify the City funding sources to be utilized.

Kostaneski commented on the impact design elements such as number of lanes, curb, gutter and sidewalk would have on the project costs. Tlustos commented on the impact of area drainage and railroad right-of-way would have on the road layout and the estimated frontage available for development. Tlustos proposed funding the normal costs for a collector street and then as specific sites are developed additional funding would be provided. Tlustos indicated that the City could place a covenant on the land in order to secure loan repayment at the time of development. Discussion followed regarding land development costs, railroad crossing development costs, land value upon completion of the right-of-way in comparison to road development costs.

Kostaneski presented scenarios by which the City could possibly secure Department of Transportation funding for the East Anamosa Street project including the railroad bridge. Discussion followed on the Department of Transportation Bridge Fund proposal, current traffic congestion on LaCrosse Street and East North Street and the impact the East Anamosa Street connection would have on that congestion. Preston reviewed the various road projects to be reviewed and prioritized by the Council. Preston presented the Infrastructure Development Fund matrix for Committee review noting the total projected funding for the identified projects and possible revenue sources.

Bjerke indicated that more detailed research with the applicant is required in order to determine the actual project costs. Shaw indicated that more detailed information on the project costs is required to determine the level of funding available through the Infrastructure Development Fund.

Elkins recommended that staff, working in conjunction with the project consultant, identify roadway lengths, impacted landowners, sewer, water, curb and gutter and sidewalk costs for Committee review. Tlustos recommended that land utilization be identified in order to determine the value of the project noting that the road connection should alleviate a current traffic flow problem. Elkins noted that this is a voluntary program and the applicant must provide evidence of the property owners interested in participating in the project.

Elkins moved, Munson seconded and carried unanimously to continue the East Anamosa Street project to Friday, July 21, 2000 at 1:00 p.m. with the requested information to be presented at that time for Committee review.

Adjourn

There being no further business the meeting was adjourned at 12:15 p.m.

Rapid City Infrastructure Development Partnership Fund

Bullet points for drafting an agreement

REQUEST FROM: Skyline Pines Development Company, LLC (SPDC)

LOCATION: Skyline Pines. Along Skyline Drive

Block 1, Lots 1 through 7, T1N, R7E, BHM, Pennington County, SD
Block 2, Lots 1 through 10, T1N, R7E, BHM, Pennington County, SD
Block 3, Lots 1 through 16, T1N, R7E, BHM, Pennington County, SD
Block 4, Lots 1, T1N, R7E, BHM, Pennington County, SD

FUNDING SOURCE FOR WASTEWATER LINE CONSTRUCTION

	<u>PROJECT</u>	<u>Est. Cost</u>	<u>CITY</u>	<u>SPDC</u>
A	1900' of Sewer line @ \$35	\$66,500		100%
B	Water Main Extension	\$185,000	100%	
	TOTAL	\$251,500		

Estimated cost provided by the developers

TOTAL PROJECT COST = \$251,500

City Funding Source – Water Fund

Water Main Extension costs will be repaid by connection fees

The City will need to determine a reasonable expectations of hook ups.

LOAN AGREEMENT

- SPDC will borrow \$66,500 from the Rapid City Infrastructure Development Fund
- Loan will be completely repaid in six years
- No interest for the first two years beginning from date of substantial completion
- Interest rate from the beginning of year three through year six – 1% above the prime rate as of the first day of year three
- Payments made prior to final plat approval
- SPDC will provide easements or rights-of-ways at no cost to the City of Rapid City
- All improvements are public improvements
- City construction in accordance with City standards
- SPDC shall provide a surety bond to guarantee loan repayment
- SPDC will provide existing engineering drawings for the water main extension with costs credited toward the connection fees.

Rapid City Infrastructure Development Partnership Fund

Bullet points for drafting an agreement

REQUEST FROM: B.E. Development Company, LLC

LOCATION: Skyview South Subdivision located near Mountain Shadows Subdivision on the West Side of Dinosaur Hill.

Block 1, Lots 1 through 10, T1N, R7E, BHM, Pennington County, SD

FUNDING SOURCE FOR WATER LINE CONSTRUCTION

	<u>PROJECT</u>	<u>Est. Cost</u>	<u>CITY</u>	<u>B.E.</u>
A	Water main extension to Broadmoor Dr.	\$73,500	62.8%	37.2%
B	Sheridan Lake Rd. Water Extension	5,000	62.8%	37.2%
C	Booster Station upgrade	262,200	62.8%	37.2%
	TOTAL	\$340,700		

A, B, C - Letters refer to projects on attached map

Estimated cost provided by the developers

TOTAL PROJECT COST = \$340,700

$\$340,700 \times 37.2\% = \$126,740$

City Funding Source – Water Fund (\$213,960)

LOAN AGREEMENT

- B.E. will borrow \$126,740 from the Rapid City Infrastructure Development Fund
- Loan will be completely repaid in six years
- No interest for the first two years beginning from date of substantial completion
- Interest rate from the beginning of year three through year six – 1% above the prime rate as of the first day of year three
- Payments made prior to final plat approval
- B.E. will provide additional easements or rights-of-ways as necessary at no cost to the City of Rapid City
- All improvements are public improvements
- City construction in accordance with City standards
- B.E. shall provide a surety bond to guarantee loan repayment