

RAPID CITY ECONOMIC DEVELOPMENT AND
CIVIC IMPROVEMENTS FUNDS ANNUAL MEETING
2012 COMMITTEE OF THE CITY COUNCIL
Rapid City, South Dakota

April 29, 2008

Attendance: Alderman Tom Johnson Alderman Ron Weifenbach
Alderman Sam Kooiker Alderman Deb Hadcock
Alderman Karen Olson Alderman Lloyd LaCroix
Alderman Ron Kroeger Alderman Malcom Chapman
Alderman Bob Hurlbut

Absent: Alderman Bill Okrepkie

Others present included Mayor Alan Hanks, Finance Officer Jim Preston, City Attorney Jason Green, Development Services Coordinator Bob Dominicak, Public Works Director Robert Ellis, Engineering Project Manager Rod Johnson, and Administrative Coordinator Jackie Gerry.

The meeting was called to order at 7:00 P.M. by Council President Chapman.

PRESENTATION AND DISCUSSION OF CASH FLOW ANALYSIS

Finance Officer Preston outlined revenue sources in 2008, which included the balance carried forward of \$42,243,000; outlined the uses of the revenue from 2008 to 2012, which totaled \$38 Million; and pointed out the lowest balance in 2010, which is \$2.2 Million.

UPDATES AND DISCUSSION OF SPECIFIC PROJECTS

Completed Vision 2012 Projects were listed as -- 1: Burn Building at Votech with uncommitted funds of \$23,531 that is available for other projects; 2: Homeless Coalition / rehab or construct of transitional living facility; 3: Stevens Westside Gym that houses weight room and multi purpose gym; 6: Pactola Water Plan, the purchase of Pactola water as associated with the Bureau of Reclamation; 7: School Zone Flashers installed at all schools for safety and to control speed with uncommitted funds of \$150,261 that is available for other projects; 8: Traffic Signals (new & upgrades) retrofit existing traffic signals with LED inserts with uncommitted funds of \$421,749 that is available for other projects. It is indicated that the uncommitted funds for school zone flashers and traffic signals is the result of the Traffic Division installing both the school zone flashers and traffic signals. 15 Downtown Renovation - Kansas City Street Reconstruction Project, Phase One; 23. Hospice House -- 12 bedroom hospice home; 24: Artificial Turf-SDSMT / O'Harra Stadium; 25: Skyline Drive Preservation / preserve wilderness area; and 26: Rapid City Girls Softball (Fund Safety Issues Only) with uncommitted funds of approximately \$500.

Vision 2012 Projects in progress were listed as -- 4: Police Evidence/Traffic/Transit Building for public transit maintenance, street & traffic operations/police evidence

processing and storage to be completed in 2008; 5. Canyon Lake Restoration permanent bypass, sediment and weed removal with identified funding for 2008 and 2009. This is a \$1 Million project in its early stages and is anticipated to be completed this winter. There is also available funding from other sources, such as the Game, Fish & Parks. 9. Economic Development, which has a negative balance in 2008 because of the Cabela's project; 10. Park land acquisition with a remaining balance of \$340,000 and \$160,000 being spent on M-Hill. The remaining balance has been discussed as a match to the \$1.7 Million greenway fund; and the \$1.5 Million budgeted in 2008 is for ten parks and recreation scheduled projects. 12. Signage of Bike Path that will take place in 2008 or 2009 and will be supplemented from other non 2012 funding; 13. Skateboard Parking/Restrooms that hinges on the Civic Center parking lot expansion that is currently in the process; 14. Residential Streets in 2008 will expend \$900,000 and it is anticipated that \$300,000 will be expended in each year for 2009 and 2010. 2008 expenditures will be for Saint Andrew, 43rd Street, and some Robbinsdale area street improvements. 16. Downtown Renovation Project, Phase 2 is approximately \$1.8 Million and identified in 2009; 17. Downtown Stormwater relates to stormwater quality projects and it is anticipated these funds could be used as a grant match; 18. Elm Avenue project is currently in design and anticipated for construction with the award of a contract in 2008; 19. East Rapid Creek Drainage identified as a 2010 project could be in design by 2009; 20. Knollwood Drainage, 21. South Dakota School of Mines and Technology road; and 22. Center Street are all projects identified for funding in 2010; 27. ATTA (Alliance of Tribal Tourism Advocates) project is identified for funding in the amount of \$812,000. A recent update indicates the overall project costs have gone to \$1.4 Million. ATTA will begin their fund raising based upon the new estimates to supplement the City's \$812,000. ATTA anticipates that they would start design this summer and that they would get into construction later this year. 28. Founders Park estimates are adjusted to \$180,000. While some funds have been pledged, the group will begin a capital campaign. This project is slated for 2009. 29.A. Dahl Arts remodel and addition project will be complete in 2008; 29.B. Performing Arts Facility could be in construction by 2009, but there is on-going discussion with the School District; 30. Downtown Parking is funded at \$2.8 Million and the City Council previously approved a Tax Increment Financing District for downtown which involves the \$2.8 Million. If the TID project did not move forward the City could move forward with other downtown parking options. 31. Soccer Complex is a \$10 Million project with \$3.8 Million in 2012 funding being allocated to the project. 2012 funding could be used in 2008 for design fees and construction could begin in 2009. 32. Civic Center expansion is in progress, will be completed in 2008, is on time and on budget; 33. Lighted and fenced tennis court at Parkview Pool is in progress and the City, through an agreement, will reimburse the School District for a portion of the design for a total of \$480,000, the City's portion. This project is a twelve court complex that will accommodate future tennis competitions that currently can not be accommodated by most cities in the region. 34. Roosevelt Park Complex project was bid and all bids were rejected. New bids have been received and at a minimum the base bid could be considered and the project could be completed in 2008.

Responding to a question from Alderman Hurlbut, Engineering Project Manager Johnson explained that \$59.5 Million is the total amount of money that was set aside for the thirty-four projects; and \$38 Million is the amount that has been contracted.

PROPOSED AMENDMENT TO CURRENT PLAN FROM COUNCIL AND STAFF

The Chair indicated that this is the time to consider proposed amendments to the plan; and explained that he will ask the City Attorney to make certain that any recommended changes meet the requirements of the ordinance. Alderman Johnson asked that completed projects be addressed first; specifically noting the project funds that are not spent. He explained that using actual costs for completed projects will recalculate the available balance and interest income. Johnson pointed out that there are two ways to create revenue in 2012 -- one is the sales tax collected, and the other is interest earned on projects that are not spent and the money that remains in the balance. After reviewing completed projects, Johnson suggested a review of the projects that may not be constructed in 2008 and move the funding to other years.

Addressing the ATTA (Alliance of Tribal Tourism Advocates) project, Alderman Johnson suggested that ten or twelve percent of the funding in 2008 remain for design costs, and the remaining fund balance be moved to 2009. Engineering Project Manager Rod Johnson indicated that ten percent of a \$1.4 Million project would be \$140,000; but cautioned the members about moving the remaining fund balance, indicating that the organization could award a contract in 2008.

Motion was made by Johnson to amend the 2012 Plan with the changes as outlined by staff, excluding the ATTA project; to reflect the actual amounts on completed projects. Motion was seconded by Hurlbut. Upon a vote being taken on the motion to amend the 2012 plan, motion carried unanimously.

Finance Officer Preston outlined the following adjustments: School Zone Safety Flashers - \$150,261; Traffic Signals - \$421,749; Burning Building - \$23,531; and Parks and Recreation - \$488. Based on the adjustments that were just made, in 2010 the lowest balance is \$2.8 Million and the balance for 2008 is \$4,241,255. Alderman Kroeger asked to hear proposals for 2012 funding.

Engineering Project Manager Rod Johnson distributed a memorandum on the Roosevelt Park Improvements, Phase 3, Project No. PR07-1680 (rebid) opened April 29, 2008. He indicated that the Base Bid is \$392,000, with a construction contingency of \$25,000. He also indicated that if any of the Bid Alternates are considered, the City will need to identify funding to cover the costs of the alternates. Johnson outlined the alternates as -- Alternate 1 is walkways that connect two portions of the project; Alternate 2 is the area between the ice arena and swim center; Alternate 3 is the shade structure located between the ice arena and swim center; and Alternate 4 is the pond aerators. Alderman Hadcock suggested the shade structure is not a necessity at this time; offered support of Alternate 1 (pathways) and Alternate 4 (aerators) totaling \$108,554; and requested \$60,000 be appropriated for these alternates. Engineering Project Manager Rod Johnson explained that there is a balance remaining of \$56,000 from the appropriation and suggested the additional \$60,000 is appropriate. He indicated that the additional \$60,000 would be included in the Parks and Recreation line item for 2008.

Alderman Weifenbach distributed a proposal from Country Stores, Inc. in regards to Hawthorne Street. The proposal is for \$400,000 for a box culvert that would span the

drainage area parallel to Meade Street. This will allow the people from Hawthorne to traverse the drainage area to St. Patrick Street.

Alderman Johnson suggested the General Fund Budget should no longer be burden with subsidies for private organization that are not operated by the City (i.e. Journey Museum, Dahl Fine Arts Center). Johnson proposed a change in the 2012 program asking that a line item be added titled "Subsidies"; and explained that the proposed change would need to be an ordinance amendment. The Chair ruled the proposal out of line, suggesting this is the annual meeting and discussion should be about the current plan.

Alderman Hurlbut asked for \$38,000 for the Skyline Wilderness Park, explaining that the taxes were paid by mortgaging a two-acre parcel. The intent is to pay the mortgage with the 2012 money and the two-acre parcel will be turned over to the City.

Regarding the Police Evidence / Traffic / Transit Building, Engineering Project Manager Rod Johnson explained that the numbers presented earlier were based upon estimates. The project has been bid and the request is revised to \$280,000. When the Ziggy building was purchased staff identified what they felt was going to be the local contribution, which was \$780,000. Staff is reducing that additional funding request by \$500,000, even though the overall project cost is still \$3.9 Million. Staff is able to leverage additional Federal Transit Authority (FTA) money. There is a plan that shows that by moving the bus wash facility to the inside of the building more FTA funding can be leveraged. The federal transit portion of this project can be completed, but if the City wants to complete the project and make the building usable for police evidence and traffic then an additional \$280,000 is being requested. Responding to a question from Alderman Hadcock, Rod Johnson explained that the project cost is \$3,926,113 and of that amount \$2,146,050 was funded by the FTA or fifty-five percent of the project. The remaining \$1,780,000 is the local share or twenty percent of the transit portion, plus the police evidence and the traffic portions, minus the \$1,500,000 which is already committed to the project. The shortfall is \$280,000.

PUBLIC HEARING

Motion was made by LaCroix, seconded and carried to open the public hearing. No comments were offered. Motion was made by LaCroix, seconded and carried to close the public hearing.

DISCUSSION AND RECOMMENDATIONS ON PROJECTS AND PROPOSED AMENDMENTS

Public Works Director Robert Ellis, responding to a question from Alderman Kooiker, explained that the \$4 Million was compilation of several projects in the Canyon Lake Park. The spillway reconstruction estimate is \$2 Million; the pipe bypass estimate is \$1 Million; a project to dredge the lake is an estimated \$500,000; and a park improvements (playground equipment, parking lot, etc.) project is an estimated \$500,000. Money for a spillway project is only \$2 Million. Ellis indicated that it is good the Committee is looking at Canyon Lake as a possible project to use 2012 funds. He explained that the City has been awarded a grant for approximately \$140,000, which was an initial request several years ago. He indicated

that the City is getting some indication that the City may be successful in receiving additional grant money.

Motion was made by Kooiker and seconded to add \$2 Million for the Canyon Lake spillway into the list, as a proposal. Alderman Johnson pointed out that there is another project, Jackson Springs, which is \$100 Million that could be under consideration. Alderman Hurlbut indicated that he would not support line item of the Canyon Lake amount because he did not want to hinder the efforts that are ongoing from the Mayor's Office and staff to identify other available funding for this project. Alderman Kroeger indicated his support of the thought process but not adding the dollar amount in the 2012 process. He suggested the Committee need only to keep in mind that funding will need to be identified for Canyon Lake and Jackson Springs.

Substitute motion was made by Hadcock and seconded to recommend 2012 funding for the Roosevelt Park Improvements - \$60,000; Rapid City Bus Storage Facility (Police Evidence / Traffic / Transit (PETT)) - \$280,000; Hawthorne Street box culvert - \$400,000; and Skyline Wilderness Park - \$38,000; and refer the recommendation to the May 14, 2008 Legal & Finance Committee meeting. Upon a roll call vote, the following voted AYE: LaCroix, Hadcock, Hurlbut, Chapman, Weifenbach, Olson, and Kroeger; NO: Johnson and Kooiker. Motion carried.

There being no further business to come before the Committee, the Chairman adjourned the meeting.