

PROCEEDINGS OF THE STURGIS CITY COUNCIL

The Common Council of the City of Sturgis met in regular session starting at 6:00 p.m. on Monday, July 27, 2020 at the Sturgis City Hall Council Meeting Room. Present: Mayor Mark Carstensen, Alderpersons Jason Anderson, Mike Bachand, Rhea Crane, Steve Keszler, Terry Keszler, David Martinson and Ronald Waterland. Also present: City Manager Daniel Ainslie and City Attorney Greg Barnier. Absent: Beka Zerbst.

Motion by Martinson, second by Crane and carried with all members present unanimously voting yes to approve the agenda.

Motion by Waterland, second by S. Keszler and carried with all members present unanimously voting yes to go into executive session for two legal cases, one contract and two personnel at 6:01 pm.

Motion by Crane, second by S. Keszler to return to regular session at 6:33 pm.

Mayor Mark Carstensen led everyone in the Pledge of Allegiance.

Informational Reports:

- Planning and Zoning Commission Minutes (unapproved) from July 21, 2020

Announcements:

- SD Community Foundation has donated 1000 white cloth masks. If anyone is interested contact City Hall.
- The recycling center on exit 32 will be closed on August 3rd and reopened after the Rally. The temporary signal lights will go up on August 3rd.
- For the annexation election the parking will be in the back-parking lot of the Community Center.
- Absentee voting will be done at City Hall until 5:00 pm on August 3rd.
- Absentee ballot envelopes will be accepted until 3:00 pm on August 4th.
- The annexation election is August 4th. You can vote from 7:00 am to 7:00 pm.
- The Finance/Water Department hours are 7:00 am to 6:00 pm Monday through Thursday.

City Manager Ainslie reported:

- Payroll Changes within Budget-
 1. Fire: Scott Lensegrav-Chief \$15.00 during Rally period; Pat Urbaniak-Assistant Chief \$15.00 during Rally period; Dan Grubl-Assistant Chief \$15 during Rally period; Temporary Fire Fighter during Rally period \$12.00.
 2. Liquor Store: Destiny Roberts-Rally Seasonal Salesclerk \$11.00; Jen Parrow-Rally Seasonal Salesclerk \$11.00.
 3. City Manager Ainslie and Public Works Director Bush gave an update on street maintenance. A map was presented that shows the streets that have already been completed and streets that they plan on working on this year. The streets in the older part of town have blotter on them instead of asphalt, so a portion of the are getting complete reconstruction as they cannot put a layer of asphalt over these streets.

Motion by Bachand, second by Anderson and carried with all members present unanimously voting yes to approve the following items on the consent calendar with the exception of b and c:

- a. Consideration to approve minutes from July 20, 2020 regular City Council meeting.

- ~~b. Consideration to set a public hearing for August 24, 2020 for a street closure and lifting of Open Container law on September 16, 2020 for the After Rally Community Picnic.~~
- ~~c. Consideration to approve change of date for an SEL for the Loud American After Rally Community Picnic September 16, 2020 (SEL approved June 1, 2020).~~

Motion by T. Keszler, second by Anderson and carried with all members present unanimously voting yes to approve setting a public hearing for September 8, 2020 for a street closure and lifting of Open Container law on September 16, 2020 for the After-Rally Community Picnic.

Motion by T. Keszler, second by Crane and carried with all members present unanimously voting yes to approve a change of date for the SEL for the Loud American After-Rally Community Picnic on September 16, 2020 (SEL approved June 1, 2020).

Motion by S. Keszler, second by Waterland and carried with all members present unanimously voting yes to approve the following claims:

WAGES – Ambulance \$21,048.34; Attorney \$4132.33; Auditorium \$197.36; Buildings \$1188.33; Cemetery \$3054.70; City Manager \$4675.71; Community Center \$9822.13; Finance Office \$8012.31; Fire Department \$870.42; Fleet \$3946.01; Human Resource \$5085.88; Library \$9037.36; Liquor \$6342.56; Mayor and Council \$3913.78; Parks \$13,824.96; Planning & Permitting \$9349.44; Police \$33,722.96; Rally \$8235.76; Recreation \$3550.31; Sanitary Service \$16,028.38; Streets \$11,511.65; Wastewater \$8230.38; Water \$9312.95; Federal Withholding \$15,074.96; FICA \$13,921.41.

COMBINED CASH FUND – Cash Banks, \$4,800.00.

GENERAL – 3E Electrical Engineering, \$289.82, rep; A&B Business, \$438.13, sup; Elton Lane Barden, \$100.00, prof fee; Black Hills Energy, \$869.21, util; Black Hills Family Practice, \$120.00, prof fee; Roger Burnham, \$3,713.17, prof fee; Cadillac Jacks, \$220.00, sup; Construction Industry Center, \$425.00, prof fee; Dakota Extinguisher & Safety, \$179.00, other; Fabric Junction, \$30.00, sup; Goldmine International, \$5,250.00, promo; Emylee Kay Hency, \$100.00, prof fee; Ketel Thorstenson, \$500.00, prof fee; Legendary Electric, \$84.18, rep; Meade County Register of Deeds, \$90.00, other; Motionsoft, \$450.00, prof fee; Nelson's Tents & Events, \$2,756.00, rent; Northern Hills Sod Farm, \$85.00, rep; Petty Cash, \$86.41, sup; S&C Cleaners, \$6,500.00, prof fee; Sam Erion Construction, \$11,929.92, prof fee; SD Secretary of State, \$30.00, ins; The Corner Station, \$20.91, sup; Traffic Services Company, \$4,619.40, sup; U Drive Technology, \$275.01, util; Vanway Trophy & Award, \$35.80, other; Kris York, \$60.00, other.

SPECIAL SALES TAX – Meade 46-1 Music Booster, \$2,500.00; Sturgis Area Chamber of Commerce, \$9,166.67; SEDC, \$6,666.67; Sturgis Mustang Rally, \$10,000.00; Williams Middle School Drama, \$2,500.00.

BUSINESS IMPROVEMENT DISTRICT – Vanway Trophy & Award, \$465.00, sup.

LIQUOR – Arctic Glacier, \$314.07, resale; Black Hills Rally & Gold, \$674.00, resale; Cash-Wa Distributing, \$802.73, resale; Cask & Cork, \$579.52, resale; Change Banks, \$2,000.00; Coca Cola, \$372.50, resale; Fisher Beverage, \$6,856.43, resale; Johnson Western Wholesale, \$25,784.13, resale; MB Enterprises, \$253.30, resale; Pepsi Cola, \$530.00, resale; Quality Brands, \$12,532.34, resale; REB, \$356.25, resale; Republic Beverage, \$27,709.07, resale; Southern Glazer's of SD, \$6,378.95, resale.

WATER – Black Hills Energy, \$4,914.52, util; Core & Main, \$1,000.00, sup; Petty Cash, \$4.34, sup.

SANITATION – Black Hills Energy, \$230.99, util; Holtz Industries, \$110.00, rep.

AMBULANCE – 3E Electrical Engineering, \$289.82, rep; A&B Welding, \$94.58, sup; Dakota Extinguisher & Safety, \$179.00, other; Henry Schein, \$2,389.54, sup; Dr. Michael Hogue, MD, \$500.00, prof fee; Image Trend, \$4,808.50, prof fee; Medical Waste Transport, \$114.45, other;

Dr. Joy Mueller, \$500.00, prof fee; Rapid City Regional Hospital, \$439.33, sup; Richter's Tire & Exhaust, \$198.16, rep; Tom's T's, \$247.50, sup.

Motion by Crane, second by Anderson and carried with all members present unanimously voting yes to approve Resolution 2020-45 - Approve a street closure and lifting of the open container law for the 14th Annual Sturgis Mustang Rally.

RESOLUTION 2020 - 45

A RESOLUTION TO CLOSE STREETS TO CREATE A SHOW AND SHINE AREA, AND TO PERMIT OPEN CONTAINERS ON CERTAIN PUBLIC PROPERTY AND WITHIN CERTAIN PUBLIC RIGHTS OF WAY

WHEREAS, the Sturgis Mustang Rally is an event that brings many tourists to the City of Sturgis and the surrounding area, and

WHEREAS, the City of Sturgis has supported the Sturgis Mustang Rally event in past years, and

WHEREAS, the Sturgis Mustang Rally organizers have requested a designation of an open container area within a portion of the public property of the City of Sturgis, and

WHEREAS, the request from the Sturgis Mustang Rally is permitted under the authority of state law;

NOW THEREFORE IT IS HEREBY RESOLVED that any banner to be installed by Sturgis Public Works staff shall be delivered to the Public Works Department on Dudley Street by Friday, August 21st in condition suitable for installation on Monday, August 24th, and

IT IS HEREBY FURTHER RESOLVED as set forth herein that the City of Sturgis shall close certain streets to the public for a limited period of time to establish a Show and Shine event area on September 5, 2020, from 5:00 am until 7:00 pm, on the public streets as follows:

- a. On Main Street, beginning at the east edge of the Right of Way of 4th Street, and continuing east to intersection of Main Street and Junction Avenue, and resuming on the East side of Junction Avenue and continuing to the intersection of Main street and Middle street, and
- b. On First Street, between its intersection with Lazelle Street and south to its intersection with Sherman Street, and
- c. On Harley-Davidson Way, between its intersection with Lazelle Street and south to its intersection with Sherman Street, and
- d. On Third Street, between its intersection with the alley south of Lazelle Street and then south to its intersection with Sherman Street, and

IT IS HEREBY FURTHER RESOLVED that the Sturgis Police Department will be authorized to ticket and tow illegally parked vehicles within that street closure area starting September 5, 2020 at 2:00 a.m. through 8:00 p.m. and

IT IS HEREBY FURTHER RESOLVED as set forth herein that the City of Sturgis shall establish an alcoholic beverage open container area on September 5, 2020 from 10:00 am to 8:00 pm, as authorized by Section 3.02.20(C) of Sturgis City Ordinance and SDCL 35-1-5.5, for those persons legally possessing an alcoholic beverage in the designated cup that is available for purchase from any on-sale licensees, on that public property open to the public, within area bounded as follows:

a. On the west, by the eastern edge of the Right of Way of 4th Street, beginning at the intersection of 4th Street and Lazelle Street and continuing south to the intersection of 4th Street and Sherman Street,

b. On the south, by the north edge of the Sherman Street Right of Way between 4th Street and Middle Street, and on

c. On the east, by the western edge of the Middle Street Right of Way beginning at the intersection of Sherman Street and Middle Street and including the entire Main Street Right of Way to a point two hundred eighty (280) feet East of the intersection of Main Street and Middle Street, continuing west from Middle Street to Fourth Street on the south side of Lazelle Street.

d. On the north, continuing north to the intersection of Middle Street and the alley located between Lazelle Street and Dudley Street, and by the alley Right of Way located between Lazelle Street and Dudley Street and extending from the intersection of that alley and Middle Street across Junction Avenue and continuing to the intersection of that alley and the Right of Way for 1st Street and along the south edge of Lazelle from Middle Street to Fourth Street.

e. Included in this Open Container area are the designated cross walks at the intersections of Main Street and Junction Avenue, Main Street and Middle Street, Lazelle Street and Junction Avenue, 1st Street, Harley Davidson Way and 3rd Street as they cross Lazelle Street, and also including the Right of Way area of Third Street, Harley Davidson Way, First Street, Main Street and Junction Avenue within these boundaries. This also includes the Harley Davidson Rally Point.

This area shall be marked by city barricades with clearly legible signs, provided by the organizers and consistent with the limitations of this Resolution, stating that the barricade marks the boundary of the open container area. The open container area does not include the City Library, any City Property not open to the public, and does not include any private property within the open container area.

Dated this 27th day of July 2020.

Published: 08-03-2020

Effective: 08-25-2020

Motion by Waterland, second by Martinson and carried with all members present unanimously voting yes to approve Resolution 2020-40 - Establishing TIF #17 project boundaries.

**RESOLUTION 2020-40
CREATION OF TAX INCREMENTAL
DISTRICT NUMBER SEVENTEEN**

WHEREAS, the Common Council of the City of Sturgis deems it necessary to create a tax incremental district, pursuant to SDCL 11-9-5, to be designated as Tax Incremental District Number Seventeen (TID #17) and includes the real property as more particularly described herein; and

WHEREAS, the Council has reviewed and considered the recommendation provided to the Council by the Sturgis Planning and Zoning Commission; and

WHEREAS, the property within the following described District meets the qualifications and criteria set forth in SDCL 11-9-8 for a tax incremental district; and

WHEREAS, the Council finds that not less than twenty-five percent, by area, of the real property within the district is a blighted area or not less than fifty percent, by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and

WHEREAS, the Council finds that the use of tax increment financing to promote this development is authorized by the statutes of the State of South Dakota; and

WHEREAS, the Council finds improvement of the area is likely to significantly enhance the value substantially of all the other real property in the district.

NOW, THEREFORE, BE IT RESOLVED by the City of Sturgis that the real property legally described below shall constitute the final boundaries of Tax Incremental District Number Seventeen (TID #17):

Lot 1 of Bowman Addition to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 18 on Page 144.

Lot 10A of Lot 10 of Bowman Addition to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 20 on Page 262.

Lot 10B of Lot 10 of Bowman Addition, located in the N ½ NE ¼ of Section 21, T5N, R5E, BHM, City of Sturgis, Meade County South Dakota, as shown by the plat filed in Plat Book 20 on Page 262.

Lot S in the N ½ N ½ NE ¼ of Section 21, T5N, R5E, BHM, Meade County, South Dakota, as shown by the plat filed in Plat Book 14 on Page 2.

Lot B of Wheeler Heights Estates, Meade County, South Dakota, as shown by the plat filed in Plat Book 23 on Page 13.

BE IT FURTHER RESOLVED that said Tax Incremental District Number Seventeen, City of Sturgis, described above shall upon passage and publication be forwarded to the State of South Dakota Department of Revenue to set the aggregate assessed value pursuant to SDCL 11-9-20.

Dated at Sturgis, Meade County, South Dakota, this 27th day of July 2020.

Published: 08-03-2020

Effective: 08-25-2020

Motion by Martinson, second by Crane and carried with all members present unanimously voting yes to approve Resolution 2020-41 - Approving Project Plan Documents for TIF #17.

**RESOLUTION 2020-41
APPROVING PROJECT PLAN FOR
TAX INCREMENTAL DISTRICT NUMBER SEVENTEEN**

BE IT RESOLVED by the Common Council of the City of Sturgis, as follows:

WHEREAS, the Common Council has established Sturgis Tax Incremental District Number Seventeen by Resolution 2020-40 on July 27, 2020; and

WHEREAS, the Common Council deems it in the best interests of the City to promote the creation of affordable housing developments within the City; and

WHEREAS, the Project Plan approval helps make such affordable housing development feasible by assisting with various public works improvements including streets, bicycle path, utility connections and earthwork within the tax increment district; and

WHEREAS, the use of tax increment financing to promote this development is authorized by the statutes of the State of South Dakota; and

WHEREAS, the lack of available affordable housing hinders workforce development within the community and the growth in customer base which in turn hampers economic growth and sales tax revenue growth within the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF STURGIS that the Project Plan for Tax Incremental District Number Seventeen be, and is hereby, approved as presented by the Sturgis Planning Commission.

Date this 27th day of July 2020.

Published: 08-03-2020

Effective: 08-25-2020

Motion by Martinson, second by S. Keszler and carried with all members present unanimously voting yes to approve Resolution 2020-44 - Authorizing the signing of contracts for Private Development of TIF #17.

**RESOLUTION 2020-44
RESOLUTION APPROVING AND AUTHORIZING
THE SIGNING OF CONTRACTS FOR PRIVATE DEVELOPMENT OF
TAX INCREMENTAL DISTRICTS NUMBER SEVENTEEN**

BE IT RESOLVED by the Common Council of the City of Sturgis, as follows:

WHEREAS, the Common Council has approved a project plan for Sturgis Tax Incremental District Number Seventeen by Resolution 2020-41 on July 27, 2020; and

WHEREAS, the approved Project Plans will stimulate development and economic growth throughout the community; and

WHEREAS, the use of tax increment financing to promote these developments are authorized by the statutes of the State of South Dakota; and

WHEREAS, to fully implement each project plan a Contract for Private Development of Tax Incremental District is required and that each Project Plan's associated Contract for Private Development was reviewed and available for public comment during the July 27, 2020 Council meeting.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF STURGIS that the associated Contract for Private Development of Tax Incremental District Number Seventeen are hereby approved by the Sturgis Common Council and that City Manager Daniel Ainslie is hereby authorized to sign each contract.

Dated this 27th day of July 2020.

Published: 08-03-2020

Effective: 08-25-2020

City Manager Ainslie gave a presentation on the 2021 Budget. The first reading will be on August 24th and second reading will be on September 8th. The 2021 preliminary budget will be put on the City website at www.sturgis-sd.gov.

Any other business:

Todd Stock and Bonnie Alberts questioned the Council on the purchase of the building downtown.

Councilor Steve Keszler questioned if the City should be charging the recycling fee when the recycling center is shut down.

Motion by T. Keszler, seconded by Martinson and carried with all members present unanimously voting yes to adjourn the meeting at 8:07 pm.

ATTEST: _____
Fay Bueno, Finance Officer

APPROVED _____
Mark Carstensen, Mayor

Published once at the total approximate cost of \$197.74.