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From: fredandkaryl@rap.midco.net

To: councilgroup@rcgov.org

Sent: Friday, August 17, 2007 10:45 PM

Subject: Minnesota St. TIF # 65

Mayor Hanks & City Councilmembers:

Attached are my comments regarding The Minnesota St. TIF. This is one of the most ludicrous examples of TIF abuse that exists!

Fred Weishaupl

MEMORANDUM

Date: August 17, 2007
To: Rapid City Mayor & City Council
From: Fred Weishaupl
Subj: **TAX INCREMENT DISTRICT #65
MINNESOTA STREET.**

Well I see that the TIF capitol of South Dakota is at it again. This TIF is even more ludicrous than the one at the Southeast corner of Sheridan Lake Rd. & Catron Blvd. where the City Council approved a \$900,000 TIF (with no blight other than piles of cow dung and weeds) with interest of \$1,200,000. The following are my concerns:

* First of all this project does not meet the blight requirement, that is unless you consider Canadian Thistle, Chickweed and small, wild varmints as blight.

* Most importantly, on page 2, 3rd paragraph, last sentence, "The creation of this Tax Incremeant District for economic development purposes will not require an additional levy to make up for the School District's share of the property taxes included in the Tax Increment." This TIF is not an economic development!

Over 95% of this project is 'low density residential' or 'agriculture'. **You are doing this so that the rest of the State will have to 'contribute' to the School District for Rapid City's abuse of the TIF statute!.**

* The only items that the City should participate in is the enlargement of the drainage pond and the traffic signal of Elk Vale Rd. All other items are the developers costs. It appears the only reason for this project is to create a second access for the development around the Elks Golf Course. **This should not be done at taxpayers expense!**

* The City is not in the irrigation business, so the cost for enclosing and/or relocating the irrigation ditch is not a viable expense for any TIF.

* **NOW for the real shocker - The interest for this project is 250% of the cost of the project. The cost of the project is \$10,500,000 and the financing cost is \$23,594,976 WOW! This project will never pay itself off because it is mostly residential and the interest financing cost is exorbitant.**

All of the costs associated with this project except the two I have mentioned is mainly developers normal costs. So why do it?

THIS PROJECT IS A LOSER FOR THE CITY AND WILL BE HARD PRESSED TO BE BUILT OUT BY THE TIME THE TIF IS PAID OFF. AND IT APPEARS THAT YOU ARE CLASSIFYING IT AS AN 'ECONOMIC DEVELOPMENT TO HAVE THE REST OF THE STATE REIMBURSE THE SCHOOL DISTRICT SO THAT YOU CAN USE THE SCHOOL DISTRICTS INCREMENT AS WELL AS PENNINGTON

**COUNTY'S. THE CITY'S PORTION OF THE TAX INCREMENT IS ONLY 13% AND WITH VERY LITTLE COMMERCIAL PROPERTIES, THE SALES TAX WILL BE NEGLIGIBLE OR NON-EXISTANT, AND THE PROPECT OF THE COMMERCIAL DEVELOPING ANY TIME SOON IS REMOTE.
SO THIS TIF SHOULD BE DENIED!!!!**

----- Original Message -----

From: PATPHXSD@aol.com

To: karen.olson@rcgov.org ; sam.kooiker@rcgov.org ; deb.hadcock@rcgov.org ;
ron.weifenbach@rcgov.org ; lloyd.lacroix@rcgov.org ; malcom.chapman@rcgov.org ;
tom.johnson@rcgov.org ; bill.okrepie@rcgov.org ; ron.kroeger@rcgov.org ;
bob.hurlbut@rcgov.org

Sent: Saturday, August 18, 2007 11:05 AM

Subject: RE:Please vote for TIF

Dear Council Members,

As a resident of ELKS Country Estates, I feel it very important for another access in/out of this development; not only for emergency vehicles, but for convenience, safety and future development.

Please give a positive vote at your August 20th council meeting.

Rapid City needs positive growth and citizen safety.

YOU can make this happen!

Thank You,

Pat Clarke