

MINUTES
TAX INCREMENT FINANCE COMMITTEE
February 14, 2008

MEMBERS PRESENT: Tom Johnson, Bill Okrepkie, Gary Brown, Michael Kenton, Bob DeMersseman, Marcia Elkins, Pauline Sumption, Joel Landeen

OTHERS PRESENT: Kale McNaboe, Joe Muth, Dirk Jablonski, Robert Ellis Stacey Titus, Mike Schad, Karen Bulman, Sharlene Mitchell

Call to Order

Elkins called the meeting to order at 11:37 a.m.

Approve Minutes

Brown moved, DeMersseman seconded and carried unanimously to approve the minutes of the November 29, 2007 meeting.

Rainbow Ridge TID #54-Project Plan Revision (08TIF002)

Bulman provided a brief review of the request to reallocate funding from the Well project line item to the Reservoir costs as a Necessary and Convenient line item.

Titus addressed the water storage capacities of the reservoirs on the east and west side of the hogback noting that the increased storage capacity of the east side reservoir will reduce the required storage capacity of the west side reservoir. Elkins advised that the developer supports the funding reallocation and requested that the City bring the application forward.

In response to a question from Landeen, Jablonski indicated that the developer would fund his portion of the reservoir project and would process the booster station bids. Discussion followed regarding the completion timetable for the well and reservoir.

In response to a question from Okrepkie, Jablonski addressed the need for the water reservoir.

Okrepkie moved, DeMersseman seconded and carried unanimously to recommend approval of the proposed reallocation of project costs from the Well line item to the Reservoir costs as a Necessary and Convenient line item and for a one year extension of the reservoir completion date.

Homestead (08TIF001)

Bulman provided a brief review of the Homestead request noting that the project will be jointly funded by the City and the developer. Bulman indicated that while the preliminary review was completed using a 9% interest rate the Developer Agreement would contain the language "interest rate to be Prime plus 1/2%, not to exceed 9%".

Bulman presented the staff recommendation to increase the City project costs to include the City's engineering costs. Bulman stated that staff also recommends increasing the Developer necessary and convenient project costs.

In response to questions from Landeen, Bulman addressed the location of the commercial property within the District boundaries, the repayment percentages between the City and the developer and the utilization of the residential development to calculate the District repayment.

In response to a question, Jablonski indicated that the 16 inch water main will not provide service to the Homestead development. Jablonski indicated that the water main will be extended east to the Airport noting the benefits realized by installing the water main in conjunction with the Homestead development. Jablonski indicated that the City will fund the water main project from the enterprise fund.

In response to a question, Bulman indicated that the detention facility will be constructed as a regional facility. Johnson recommended that only the City oversizing costs for the detention facility be included in the Project Plan.

Johnson moved to recommend approval of the Homestead Tax Increment District in the amount of \$1,008,321.15 with the stipulations that only the oversizing costs for the Drainage/Storm Sewer facility be included in the Project Plan and that the developer fund 100% of the drainage fees. Okrepkie seconded the motion.

Elkins noted that the City had not funded any portion of the developer's costs as part of the Morningstar Tax Increment Project Plan and questioned whether the developer's share of the drainage improvements should be included in the Project Plan. Discussion followed regarding the manner in which drainage fees are expended.

Johnson moved to modify the motion to recommend approval of the Homestead Tax Increment District in the amount of \$1,008,321.15 with the stipulation that only the oversizing costs for the Drainage/Storm Sewer facility be included in the Project Plan. Okrepkie seconded the modified motion.

Kenton identified the portion of Homestead Street that the School District is responsible for completion. Discussion followed regarding expanding the District boundaries to include the School District portion of Homestead Street.

Kenton moved to amend the motion to recommend approval of the Homestead Tax Increment District in the amount of \$1,008,321.15 with the following stipulations:

- 1. That only the oversizing cost for the Drainage/Storm Sewer facility be included in the Project Plan;**
- 2. That the Tax Increment District boundary be expanded to include the completion of Homestead Street adjacent to the Rapid City School District property;**
- 3. That the Developer Project Costs be increased by \$50,000 for the completion of the west portion of Homestead Street for the Rapid City School District subject to negotiations between the Developer and the Rapid City School District.**

Okrepkie seconded the amended motion and the motion carried with Landeen voting no.

McNaboe and Muth entered the meeting at 11:50 a.m. Elkins briefly reviewed the Committee discussions and the motion on the floor.

In response to a question, Elkins clarified that no developer costs will be included in the Tax Increment District for the detention facility, only City oversizing costs. Discussion followed regarding establishing the oversizing costs for the detention facility and the need for development of the regional detention facility.

The motion as amended to recommend approval of the Homestead Tax Increment District in the amount of \$1,008,321.15 with the following stipulations:

1. That only the oversizing cost for the Drainage/Storm Sewer facility be included in the Project Plan;
2. That the Tax Increment District boundary be expanded to include the completion of Homestead Street adjacent to the Rapid City School District property;
3. That the Developer Project Costs be increased by \$50,000 for the completion of the west portion of Homestead Street for the Rapid City School District subject to negotiations between the Developer and the Rapid City School District.

Carried with Landeen voting no.

Adjourn

There being no further business Brown moved, Johnson seconded and carried unanimously to adjourn the meeting at 12:04 p.m.