

## OPPORTUNITY CAPTURE FUND

August 16, 2010

### Minutes

An Opportunity Capture Fund meeting was held on August 16, 2010. Committee chair, Mayor Alan Hanks, called the meeting to order at 2:00 p.m.

The following Committee members were present: Mayor Hanks, Jim Mirehouse, Ron Kroeger, Aaron Costello and Jim Lampy. Others in attendance: Pauline Sumption & Jeff Barbier (City Finance), Terri Haverly & Ben Snow (Economic Development).

Motion by Mirehouse, second by Kroeger & carried to approve the minutes of the June 9, 2010 committee meeting.

Motion by Costello, second by Lampy & carried to approve the financials as of August 16, 2010.

The Committee reviewed the request from Caterpillar Global Engineering Service Center for an additional \$49,291. The initial proposal for \$150,000 was approved in August 2009 and the company plans on enlarging their operations so are requesting the additional funding.

Motion by Lampy, second by Kroeger & carried to approve the request as presented and to process the payment for the full \$199,291.

Haverly gave a brief update on the follow-up requirements for those businesses that have been funded by the Opportunity Capture Fund. Motion by Mirehouse, second by Costello & carried to acknowledge the report.

Motion by Costello, second by Mirehouse & carried to adjourn the meeting at 2:18 p.m.

Pauline Sumption  
Finance Officer

Opportunity Capture Fund  
As of 8/16/10

	2006	2007	2008	2009	2010	TOTAL
Beginning Balance	\$0	\$650,000	\$81,018	(\$195,220)	(\$695,220)	
Budget Amount 2012	\$1,000,000	\$500,000	\$500,000	\$500,000	\$1,200,000	
Funding Available	\$1,000,000	\$1,150,000	\$581,018	\$304,780	\$504,780	
Incubator, Phase II	\$350,000					\$350,000
Accurpress		\$100,000				\$100,000
C-lock		\$134,232				\$134,232
Northrop Grumman		\$100,000				\$100,000
Cabelas 1/		\$500,000	\$500,000	\$1,000,000		\$2,000,000
SDSM&T		\$234,750	\$276,238		\$113,610	\$624,598
Caterpillar Global					\$199,291	\$199,291
TDI Arms					\$50,000	\$50,000
Total committed	\$350,000	\$1,068,982	\$776,238	\$1,000,000	\$362,901	
Remaining Balance	\$650,000	\$81,018	(\$195,220)	(\$695,220)	\$141,879	

1/ Agreement by Council not Opportunity Capture Committee. If City obtains additional funds from State such funds will be offset against \$1 million in 2009



July 29, 2010

Mayor Alan Hanks  
City of Rapid City  
300 Sixth Street  
Rapid City, SD 57701

Dear Mayor Hanks:

The Rapid City Economic Development Partnership, in an effort to secure the location of a Caterpillar Global Engineering Service Center in Rapid City, offered an incentive in the form of a \$150,000 grant which was requested and approved August 27, 2009 from the Opportunity Capture Fund Board. The original request was to assist them with a build-out of approximately 2,000 square feet in the Black Hills Business Development Center.

The scope has now increased to a 3,100 square foot build-out in the Black Hills Business Development Center to be completed September 2010. Therefore, we are requesting an additional \$49,291 from the Opportunity Capture Fund to complete this project for a total of \$199,291. The build out (lease hold) becomes property of BHBDC when vacated with a lease period for three years with the ability to extend to a maximum of five years. It also includes the cost of office work space dividers, work stations and furniture estimated at \$50,000 that also become the property of the BHBDC at the end of the lease.

Caterpillar services at startup include design, modeling, detailing, and releasing services. They propose the following start-up plan:

- 39 staff at startup
- Average salary \$42,000 plus benefits
- Vision for growth to 100 staff in Rapid City
- Core permanent staff: expertise, training, quality assurance
- Student labor as flexible resources

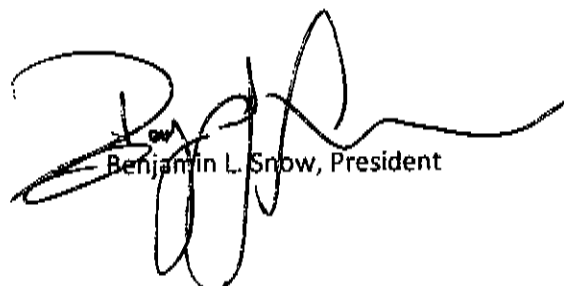
Our office staff and resources are at the company's disposal to coordinate activities between education entities, labor and any other business services they may require.

The Rapid City Economic Development Partnership requests that the Opportunity Capture Fund grant of \$199,291 be transferred to the Rapid City Economic Development Foundation for their completion of this project.

Sincerely,



Rick Rylance, Chairman



Benjamin L. Snow, President