

Draft

Minutes
Rapid City Infrastructure Development Partnership Review Committee
October 4, 2002

Members Present: Mayor Jerry Munson, Alan Hanks, Ron Kroeger, Martha Rodriguez, Jeff Hoffmann, Jeff Stone, Dan Bjerke, Marcia Elkins Jim Preston

Others Present: Kevin Conway, Sharlene Mitchell, Ted Vore, Jason Green

Elkins called the meeting to order at 9:34 a.m.

Disk Drive Extension

Elkins presented the request for an Infrastructure Development Loan in the amount of \$362,000 for the purpose of funding Henderson's share of the costs associated with the extension of Disk Drive.

Elkins reviewed the property ownership and development adjacent to the proposed Disk Drive right-of-way. Elkins indicated that Howard Street would be terminated just west of UBC Lumber. In response to a question from Rodriguez, Elkins indicated that the property lying south of Howard Street is right-of-way and undevelopable. Discussion followed regarding the need to direct traffic away from Howard Street to alleviate the adverse impact on the Haines Avenue interchange.

In response to a question from Hanks, Elkins clarified that the \$362,000 represents the projected costs for the north half of the Disk Drive extension project adjacent to Henderson's property. Discussion followed regarding the retention of the Howard Street access for the existing businesses and the opposition voiced by the property owners to the closing of Howard Street.

In response to a question from Hanks, Elkins indicated that it is her understanding that Federal regulations will not permit direct access from Disk Drive to the I-90 on ramp. Elkins indicated that the Disk Drive connection to I-190 is not included in the proposed Tax Increment District as the projected increment from the District is insufficient to support the development costs. Discussion followed regarding the development of a frontage road from Disk Drive to Deadwood Avenue.

In response to a question from Hanks, Elkins indicated that the ten year timeframe was assumed from Nooney's letter.

Hanks requested clarification of the advantages and disadvantages between using an Infrastructure Development loan or an assessment project to fund the Disk Drive improvements. Elkins addressed the financial advantages provided the City under the Infrastructure Development program. Bjerke commented on the legal challenges that could occur as a result of an assessment project.

In response to a question from Rodriguez, Elkins indicated that the relocation costs for the Williston Pipeline will be provided from the Tax Increment District. Elkins commented on the dependent relationship between the Infrastructure Development request and Tax Increment District #36.

Preston presented the funding breakdown for the Fifth Street Extension Project:



Estimated cost of project (9-10-02)	\$5,510,000
Funding Sources:	
IDPF (to be repaid by landowners)	\$1,100,000
SDDOT	440,000
2012 (only \$2,500,000 remain in infrastructure)	\$3,000,000
CIP (Streets & Drainage line item in FY2006; repaid drain fees)	610,000
Water Reclamation (to be repaid by connection fees)	50,000
Water (to be repaid by connection fees)	<u>100,000</u>
TOTAL	\$5,300,000*

*Design costs (\$210,000) have been paid by Streets (CIP)

Preston then presented the funding breakdown of the Infrastructure Development fund as of October 4, 2002:

Initial Fund Balance	\$5,000,000
Red Rock	\$960,773
Elm Avenue	1,073,424
Sewer - Hwy 79 to 5th Street	244,140
Fifth Street	1,100,000
TOTAL	<u>\$3,378,337</u>
Uncommitted	\$1,621,663

Elkins indicated that the \$410,000 Infrastructure Development loan to Heartland Development is not reflected in the breakdown. Elkins clarified that while the Elm Avenue and Hwy 79 to 5th Street sewer projects can proceed independent of the Fifth Street project, the Fifth Street project cannot proceed without the Elm Avenue and Hwy 79 Sewer projects.

Preston indicated that approximately fifty percent of the Red Rocks loan has been repaid. In response to a question from Bjerke, Elkins indicated that the Infrastructure Development program is not a revolving fund and repaid loans must be returned to the Capital Improvement Program fund balance. Discussion followed regarding the Fifth Street project funding shortage.

Discussion continued regarding the development of the sewer infrastructure along Mall Drive from the Visitor Information Center west and the projected expenditure timeframe of the identified Capital Improvement funding.

Hanks moved to recommend approval of an Infrastructure Development Partnership Fund loan in the amount of \$362,000 with:

- 1. a ten year loan term;**
- 2. years 1-5 of the loan to be interest free;**
- 3. interest for years 6-10 to be one percent above prime; and**
- 4. loan repayment to occur upon platting of the property.**

The motion was seconded by Rodriguez.

In response to a question from Hanks, Elkins clarified the impact Council's approval or denial of Tax Increment District #36 would have on this request.



The motion to recommend approval of an Infrastructure Development Partnership Fund loan in the amount of \$362,000 with:

- 1. a ten year loan term;**
- 2. years 1-5 of the loan to be interest free;**
- 3. interest for years 6-10 to be one percent above prime; and**
- 4. loan repayment to occur upon platting of the property.**

Carried with Munson abstaining.

Approval of Minutes

Hanks moved, Rodriguez seconded and carried with Munson abstaining to approve the minutes of the September 10, 2002 meeting.

There being no further business the meeting was adjourned at 10:10 a.m.