

MINUTES
TAX INCREMENT FINANCE COMMITTEE
June 29, 2007

MEMBERS PRESENT: Malcom Chapman, Ron Kroeger, Peter Anderson, Bob DeMersseman, Karen Meyer, Marcia Elkins, Robin Bommersbach, Joel Landeen

OTHERS PRESENT: Lawrence Kostaneski, Hani Shafai, Phillip Olsen, Dwight Sobczak, Rich Marsh, Ted Schultz, Monica Heller, Karen Bulman, Sharlene Mitchell

Call to Order

Elkins called the meeting to order at 11:31 a.m.

Rushmore Crossing TID #56-Project Plan Revision (07TIF015)

Bulman reviewed the request to reallocate project costs from the water and sewer main projects to the Farnwood/Eglin Street construction project. Bulman indicated that the applicant will seek .16 Utility funding for the water and sewer main project costs. Bulman presented the applicant's request to delete Section 6 of the Developer's Agreement.

Discussion followed regarding the request to amend the Developer's Agreement and the available revenue sources for repayment of the .16 Utility funding.

Shafai indicated that the increased road construction costs would be addressed by reallocating the water and sewer project costs noting that .16 Utility funding would be requested to complete the water and sewer infrastructure projects. In response to a question, Shafai indicated that the final portion of the Luna Street construction project has been moved forward to Phase I of the project.

Discussion followed regarding the requested revision to the Developer's Agreement. Shafai outlined the benefits to be realized by both the new development and the existing area businesses from the water and sewer line infrastructure improvements.

Discussion continued regarding the utilization of .16 Utility funding for the water and sewer infrastructure project, identification of a repayment revenue source for the .16 Utility funding and the requested amendment to the Developer's Agreement.

At the request of the Committee, Shafai left the meeting at this time.

Discussion followed regarding the regularity with which Project Plans are being amended.

Chapman advised that he would abstain from voting due to a conflict of interest. Chapman voiced his concern that developers' returning to the City for additional project funding is becoming a normal practice. Chapman indicated that Developers must start accepting responsibility for project cost increases noting his increasing concern with these types of requests. Discussion continued regarding the demand for .16 Utility funding and the need to prioritize the projects requesting the .16 utility funding.

Landeen recommended that the City apply for the .16 Utility funding for the water and sewer project costs noting that this will insure that the projects are completed as designed and that the

.16 funding is repaid by the Tax Increment District. Discussion followed regarding the City's financial participation in the Project Plan and the resulting impact on the funding available to the developer for utilization on the road projects.

Landeem moved, DeMersseman seconded and the motion was approved with Chapman abstaining to recommend that the Rushmore Crossing TID #59-Project Plan be amended as follows:

- 1. That the water and sewer main project costs remain in the Project Plan subject to the City of Rapid City securing funding for those project costs from the .16 Utility Fund with District revenues to be shared on percentage of investment;**
- 2. That the power line project costs, interest savings and the balance of the contingency funding be reallocated to the Farnswood/Eglin Street project costs; and,**
- 3. That the request to delete Section 6 of the Developer's Agreement be denied.**