



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

## GROWTH MANAGEMENT DEPARTMENT

300 Sixth Street

Marcia Elkins, Director  
Growth Management Department  
city web: [www.rcgov.org](http://www.rcgov.org)

Phone: 605-394-4120  
Fax: 605-394-6636  
e-mail: [marcia.elkins@rcgov.org](mailto:marcia.elkins@rcgov.org)

### MEMORANDUM

TO: Mayor Hanks  
City Council

FROM: Marcia Elkins, Director  
Growth Management Department

DATE: October 1, 2007

RE: Tax Increment Financing Guidelines Review Committee Update  
(Information Only)

At their September 18, 2007 meeting the Tax Increment Financing Guidelines Review Committee determined that they would hold a public meeting to review the existing Tax Increment Financing Statutes, The Rapid City Tax Increment Financing Guidelines and other economic development tools. The public meeting will be held on Monday, October 22, 2007 at 7:00 p.m. in the Council Chambers.

A public hearing to solicit input from the community on Tax Increment Financing has been scheduled for Monday, October 29, 2007 at 7:00 p.m. in the Council Chambers.

A working session of the Committee to review the information provided and public comments received will be scheduled following the October 29, 2007 meeting.

The public hearings will be noticed using display ads in the Rapid City Journal one week prior to each meeting. Additionally a web site is under development which will list the public hearings schedule. The general public will be provided three avenues for submitting their comments to the Committee: verbally at the October 29, 2007 meeting, written comment to the Growth Management Department and by e-mail to the Growth Management Department using the on-line comment form that will be available on the web site.



EQUAL HOUSING  
OPPORTUNITY

EQUAL OPPORTUNITY EMPLOYER

MINUTES  
TAX INCREMENT FINANCING GUIDELINES REVIEW COMMITTEE  
September 18, 2007

MEMBERS PRESENT: Malcom Chapman, Karen Olson, Bill Okrepkie, Deb Hadcock, Sam Kooiker, Bob Brandt, Norbert Sebade, Marcia Elkins, Dan Dryden, Mike Tennyson, Dirk Jablonski, Jason Green and Pauline Sumption

OTHERS PRESENT: Risë Ficken

Call to Order

Elkins called the meeting to order at 11:34 a.m. and the Committee members introduced themselves. Elkins described the organizational nature of the meeting.

Elkins advised that the Committee's task as given by the Council is to review the existing policy and provide recommendations as to how the policy should be revised. She identified the materials contained within the agenda packet and the additional information distributed.

Elkins stated that Tax Increment District No. 32 has been repaid noting that a request to dissolve the district will be considered at Planning Commission on September 20, 2007 and by the City Council at their first meeting in October.

In response to a question from Hadcock, Elkins indicated that Tax Increment District No. 32 was created in 2001 and was paid off early in 2007.

Chapman suggested that at least one representative from the County Commission be included in the Committee membership. Discussion followed concerning the benefit of having County Commission membership on the Committee.

In response to a question from Chapman, Elkins advised that all individuals on the membership list are voting members noting that she was requested by the Mayor to chair the Committee.

**Chapman moved and Hadcock seconded to request that Mayor Hanks appoint an individual from the County Commission to serve on the Tax Increment Financing Guidelines Review Committee.**

Discussion followed concerning the approval of Tax Increment Districts in Pennington County and the total number of members serving on the Committee.

**The motion unanimously carried to request that Mayor Hanks appoint an individual from the County Commission to serve on the Tax Increment Financing Guidelines Review Committee.**

Elkins provided a brief review the requirements set out in State law for approval of Tax Increment Districts. She noted that in addition to the requirements set out by State law, the City of Rapid City created the Tax Increment Financing Review Committee and developed additional application and review procedures.

Elkins requested clarification concerning how the Committee would like to proceed with the review of the existing policies and procedures noting that staff has some suggestions for some

changes and revisions. She suggested that at least one public hearing be held in order to solicit input from the community.

Discussion followed concerning the Committee's function as a recommending body to the City Council, when and how to provide opportunities for public comment, the need to gather additional information from the public related to concerns with the existing process, the process to be used by the Committee for preparing a recommendation to the City Council concerning the existing review guidelines and the process for reviewing Tax Increment Financing applications.

Tennyson addressed the need to carefully evaluate requests for use of Tax Increment Financing in order to ensure the City's long term ability to continue to use the funding source as an economic development tool. Discussion followed concerning the recent politicizing of Tax Increment Financing and the degree of flexibility within the guidelines as currently written.

Chapman suggested that staff provide a presentation reviewing the State statutes and City created guidelines relating to Tax Increment Financing. Elkins suggested that those discussions could include identifying other economic development tools available to the City.

In response to a question from Brandt, Elkins reviewed the funding structure for the construction of 5<sup>th</sup> Street south of Minnesota Street.

Brandt addressed concerns related to the need for better notification to property owners who are included in Tax Increment District Boundaries. Elkins indicated that this issue would be addressed at a future Committee meeting.

Elkins requested input on the issue of whether Committee discussions should be open to the public. Lengthy discussion followed regarding concerns related to the presence of the public during the review of individual project plans, the benefit of having public meetings for the purposes of discussing policy issues, the importance of creating public dialogue concerning the issues and the process used by staff to evaluate requests for Tax Increment Financing.

Kooiker entered the meeting at this time.

Elkins suggested that the next meeting consist of a briefing session to review the existing process and guidelines, preliminary suggestions for changes, and other economic development tools available to Rapid City. She stated that the next meeting could consist of a listening session to receive public comment, and a third meeting could subsequently be scheduled to review the information presented and to identify the next steps to be taken.

Discussion followed concerning the opportunity for a briefing session to serve as an educational tool for the public.

Chapman suggested that an executive summary be prepared and made available to the public upon completion of the Committee's work.

In response to a question from Brandt, Elkins indicated that the Committee has the option to make recommendations to discard the policy and rely solely on State statute, leave the policy as is, revise the policy or create a new policy.

Discussion followed concerning the suggested format for changes to be presented to the Committee and the potential to hold additional public meetings to obtain input from members of the development industry.

**Jablonski moved and Kooiker seconded to adopt a schedule to include the following three meetings: Informational Briefing Session open to the public; 1.5 Hour Public Listening Session; and, Committee Working Session.**

Discussion followed concerning possible meeting formats to best solicit public input and proposed timeframes and methods for accepting public testimony.

Hadcock suggested that an expert speaker from outside of the Committee be requested to address questions related to Tax Increment Financing. Discussion followed.

Kooiker suggested the use of lists including topics for discussion by the Committee to facilitate audience discussion at the public listening session. Chapman indicated that the public concerns must be addressed in the Committee's final work product. Olson discussed the benefits of using lists to outline public concerns.

**Jablonski called the question. There was no objection to calling the question.**

**The motion unanimously carried to adopt a schedule to include the following three meetings: Informational Briefing Session open to the public; 1.5 Hour Public Listening Session; and, Committee Working Session.**

Green suggested that dates for the education session and public hearing be announced at an upcoming Legal and Finance Committee meeting. Elkins indicated that display advertisements would also be published in the Rapid City Journal announcing the public meetings.

Discussion followed concerning possible dates, times and room arrangements for the first two meetings.

**Okrepkie moved and Jablonski seconded to schedule the Informational Briefing Session open to the public for 7:00 p.m. on Monday, October 22, 2007 in Council Chambers and to schedule the Public Listening Session for 7:00 p.m. on Monday, October 29, 2007 in Council Chambers.**

Discussion continued concerning the meeting room setup.

**Norbert called the question. There was no objection to calling the question.**

**The motion unanimously carried to schedule the Informational Briefing Session open to the public for 7:00 p.m. on Monday, October 22, 2007 in Council Chambers and to schedule the Public Listening Session for 7:00 p.m. on Monday, October 29, 2007 in Council Chambers.**

The Committee elected to wait to schedule the working session until after the public hearings have been completed.

Chapman requested that the Committee discuss the need to clearly identify developer costs and to review the guidelines related to sustainable affordable housing.

Okrepkie requested that the Committee discuss long-range planning for the use of Tax Increment Financing within the community.

Adjourn

There being no further business the meeting was adjourned at 12:51 p.m.