

OPPORTUNITY CAPTURE FUND

January 10, 2011

Minutes

An Opportunity Capture Fund meeting was held on January 10, 2011. Committee chair, Mayor Alan Hanks, called the meeting to order at 9:30 a.m.

The following Committee members were present: Mayor Hanks, Jim Mirehouse, Aaron Costello and Jim Lampy. Others in attendance: Jeff Barbier & Mary Floto (City Finance), David Hillard & Ben Snow (Economic Development), and Kip Larson (SymCom, Inc.).

Motion by Mirehouse, second by Costello & carried to approve the minutes of the August 16, 2010 committee meeting.

Motion by Lampy, second by Costello & carried to approve the financials as of January 10, 2011.

The Committee reviewed the request from SymCom, Inc. for \$243,000.

Motion by Mirehouse, second by Costello & carried to approve the request as presented for \$243,000.

Motion by Hillard, second by Lampy & carried to adjourn the meeting at 9:48 a.m.

Jeff Barbier
Acting Finance Officer

Memorandum of Understanding
between
SymCom, Inc., City of Rapid City, and
Greater Rapid City Area Economic Development Corporation

The Greater Rapid City Area Economic Development Corporation, in an effort to secure the expansion/relocation of SymCom Inc. and its related family of companies within Rapid City, has requested a grant from the Rapid City Opportunity Capture Fund, which was recently approved. This offer was extended in conjunction with SymCom, Inc.'s growth plans, including the acquisition of an out-of-state company and the purchase of a much larger Rapid City facility. Both of these important milestones have been achieved.


This expansion and relocation project meets several important local economic development objectives:

- **Business Retention and Expansion:** providing assistance to one of 'our own' businesses - a proven, successful home-grown company embarking on growth and expansion in a challenging economic environment.
- **Primary Job Growth:** growing the type of employment that will provide year-round wages and benefits to the local economy.
- **High Average Wages:** securing wages which will be nearly twice our community's per capita.
- **Targeted Industry:** growing science-engineering-technology related employment.
- **Backfilling Sanmina Facility:** ensuring a major, vacant real estate asset is re-occupied and will re-emerge as an important employment center for Rapid City.

The Rapid City Opportunity Capture Fund Committee has approved a **\$243,000 Incentive Grant** for SymCom Inc. (based on \$1,500 per new job), with the following conditions:

- Funds must be used for job-training, fixed assets, equipment, leasehold improvements, and building construction and/or renovation.
- Creation of approximately 162 additional full time jobs (from a baseline of 55) by the end of calendar year 2013.
- At the end of each calendar year (2011, 2012, 2013), the parties to this MOU will visit to discuss the overall progress of the project. If it is determined that SymCom, Inc. and/or its related entities has failed to make substantial progress on its job-creation goals during the year, the portion of the grant associated with those jobs will revert to a loan (3% interest, 20 year amortization, 5 year balloon).
- If SymCom, Inc. and/or its related entities ceases operations or relocates from Rapid City causing a loss of the employment created by the expansion, or should SymCom, Inc. and/or its related entities be sold and the jobs leave Rapid City within five years from the date of the award, the grant would be immediately due and payable in the full amount of \$243,000.

SIGNED:


George Dunham, Chairman
SYMCOM, INC.

Date

1/31/11

Alan Hanks, Mayor
CITY OF RAPID CITY

Date

Al Rieman, Chair
GREATER RAPID CITY AREA ECONOMIC DEVELOPMENT CORPORATION

Date