

Minutes
Rapid City Infrastructure Development Partnership Review Committee

February 16, 2001

1:30 p.m.

Third Floor West Conference Room

Members Present: Mayor Jim Shaw, Mel Dreyer, Alan Hanks, Ron Kroeger, Jerry Munson, Tom Murphy, Bob Scull, Dan Bjerke, Marcia Elkins Jim Preston

Others Present: Sally Broucek, Hani Shafai, Sharlene Mitchell, Randy Nelson, Ted Vore

Call to Order

Mayor Shaw called the meeting or order at 1:30 p.m.

Approval of February 6, 2001 Minutes

Scull moved, Hanks seconded and carried unanimously to approve the Minutes of the February 6, 2001 meeting.

Munson requested clarification of the discussion in the minutes regarding defaulted deferred assessments. Dreyer reviewed the assessment situation on Parkview and Minnesota Street properties. Discussion followed regarding the manner in which deferred assessments are currently addressed. Dreyer indicated that his intent was to encourage the structuring of future deferred assessment projects to insure their full repayment. Discussion followed regarding the deferred assessment program.

5th Street Extension Request

Preston presented the draft Infrastructure Agreement noting that the document is under review by the City Attorney's Office at this time. Preston briefly reviewed the City Attorney's preliminary comments regarding individual contracts for the parties involved, clarification of responsibility percentages where multiple owners are involved, securing Letters of Credit from the involved parties and clarifying the loan repayment formula. Discussion followed regarding the loan repayment formula utilizing the percentage of 5th Street frontage versus the percentage of total acreage. Bjerke indicated that the agreement requires full repayment in ten years regardless of when the land is developed. Elkins proposed basing the loan repayment structure on a percentage of cost attributed to the individual properties calculated on the overall length of 5th Street including rights of way.

Shafai briefly reviewed the Walgar/Broucek agreement. Shafai proposed utilizing Broucek's property as security for right of way improvements in lieu of a Letter of Credit. Discussion followed regarding the proposal. Elkins cautioned against the City taking a first lien holder position on the property in conjunction with the Infrastructure Development agreement. Dreyer and Hanks indicated they would not support the lien holder proposal.

Preston reviewed the issues to be addressed prior to finalization of the loan agreement. Shafai indicated that Walgar has not reviewed the Infrastructure or Broucek agreements at this time.

Hanks moved and Munson seconded to continue the 5th Street Extension Agreement for two weeks to allow staff to finalize the Infrastructure Agreement.

Munson moved a substitute motion and Dreyer seconded to continue the 5th Street Extension Agreement until such time as all Agreements required to facilitate the project have been finalized including Walgar's execution of all agreements.

Shaw recommended that Elkins be contacted when the property owners are ready to proceed with the project. In response to Shafai, Munson clarified that Walgar must execute all necessary agreements prior to scheduling another meeting of the Infrastructure Development Committee.

The substitute motion to continue the 5th Street Extension Agreement until such time as all Agreements required to facilitate the project have been finalized including Walgar's execution of all agreements carried unanimously.

In response to Dreyer, Nelson reviewed the funding structure for the 5th Street drainage improvements. Discussion followed regarding funding sources for the various elements of the 5th Street Extension project. Shaw encouraged staff to review all project costs and funding sources reflected in the loan agreement. Discussion followed.

Red Rock Sewer Funding

Bjerke reviewed the impact of the increased infrastructure costs for the Red Rock Sewer project on the available funding sources. Discussion followed regarding identification of funding sources for the Red Rock and 5th Street projects. Discussion followed regarding the additional expenditure for the Red Rock Sewer project.

Elkins moved, Munson seconded and carried unanimously to recommend that Council authorize the expenditure of \$636,000 from the revised Infrastructure Development Partnership Fund Capital Improvements uncommitted line item to fully fund the Red Rock Canyon/Sheridan Lake Road Interceptor project and that the appropriate documents be prepared to facilitate the funding proposal.

In response to Hanks, Elkins clarified the funding source for the increased funding and the repayment process for that funding source. Munson requested that in conjunction with the Red Rock funding item, staff provide alternative options for reimbursement of the IDPF fund.

Tax Increment District Financing Requests

Elkins presented cost estimates for construction of the Mall Drive extension. Elkins commented on the proposed road swap with the Department of Transportation in exchange for their financial participation in the Mall Drive project. Discussion followed regarding the availability of Department of Transportation funding, proposed road swap and extension of East North Street to Mall Drive. Discussion followed regarding future development in the Eglin Street area and the need to improve infrastructure in the area.

Bjerke identified the roads that would become City maintenance responsibility in conjunction with the Mall Drive extension and Southeast Connector. Elkins suggested approaching Pennington County regarding participating financially in the Mall Drive project to the extent of funding previously committed by the County for the Mall Drive project. Discussion followed regarding sewer infrastructure needs in the Mall Drive area.

Elkins reviewed the mechanics of creating and funding standard Tax Increment Districts noting that the Mall Drive and Anamosa Street districts would be speculative districts requiring a guaranteed funding source for bonding purposes.

Elkins commented on the positive impact the Cement Plant properties would have on a tax increment district. Bjerke suggested utilizing an assessment project in the Deadwood Avenue area due to the level of existing development. Discussion followed regarding the financial structure of the tax increment districts. In response to a question, Elkins indicated that new development could be utilized to repay tax increment district bonds noting the need to provide a guaranteed funding source in order to initiate the district.

Dreyer moved, Kroeger seconded to direct staff to create a Tax Increment District Project Plan for that area bounded on the west by LaCrosse Street, on the south by Highway 44 East, on the east by Elk Vale Road and on the north by Seger Drive for the purpose of infrastructure development.

Elkins reviewed the creation of the project plan, expenditure time frames, bonding for improvements and district development criteria. Discussion followed regarding participation by the various taxing entities in the proposed district. Dreyer reviewed the infrastructure needs to be addressed utilizing the Tax Increment District funding. Discussion followed regarding the estimated cost of the proposed improvements.

The motion to direct staff to create a Tax Increment District Project Plan for that area bounded on the west by LaCrosse Street, on the south by Highway 44 East, on the east by Elk Vale Road and on the north by Seger Drive for the purpose of infrastructure development carried unanimously.

Discussion followed regarding funding of the Deadwood Avenue infrastructure improvements. Elkins reviewed the limited time frame for creating the Deadwood Avenue Tax Increment District incorporating the Cement Plant properties.

Adjourn

There being no further business the meeting was adjourned at 3:05 p.m.

Minutes
Rapid City Infrastructure Development Partnership Review Committee
October 2, 2001

Members Present: Mayor Jerry Munson, Mel Dreyer, Alan Hanks, Ron Kroeger, Tom Murphy, Martha Rodriguez, Bob Scull, Dan Bjerke, Marcia Elkins, Jim Preston

Others Present: Sharlene Mitchell, Randy Nelson, Ted Vore

Elkins called the meeting to order at 9:35 a.m.

Seeger/Dyess Assessed Water Project

Elkins presented a breakdown of IDPF funding commitments, the Tax Increment Financing proposal for the Mall Drive area including road construction and water and sewer main extensions and the request from GLM Land, Inc. for an IDFP loan to fund the infrastructure improvements identified under the Seeger/Dyess Assessed Water Project. Discussion followed regarding the identified pipe sizing for the various segments of the Mall Drive sewer extension project.

Bjerke provided a brief review of the water main extension project noting the existing line that has been installed to the Visitor Information Center. Bjerke identified the location of the GLM funding request noting that the area involves the construction of a 14 inch water line for a length of one-half mile at an estimated cost of \$110,000.00.

Bjerke clarified that the improvements identified in the GLM funding request is included in the proposed tax increment project costs. Elkins reviewed the Tax Increment Committee discussion regarding the creation of the Mall Drive District and the proposed blending of funding resources to finance the district. Elkins clarified that it was her understanding that the proposed TIF district would be for the full project amount with the costs being recaptured to the greatest degree possible. Hanks clarified that the landowners financing would be repaid to them from the TIF.

Bjerke reviewed the sewer main extension project noting the location of the Elk Vale Road lift station. Bjerke clarified that the system would be a gravity flow system with the exception of the area serviced by the existing lift station. Bjerke identified the location of an additional small sewer interceptor to be installed as development occurs in the area.

In response to a question from Hanks, Bjerke addressed the State order requiring the mobile home parks in the area to connect to central sewer. Bjerke indicated that extension of central sewer to the mobile home parks from the main line would be the financial responsibility of the property owner. Elkins clarified that utility connection fees have not been incorporated into the current Tax Increment District funding structure, although they could be included. Discussion followed.

Bjerke briefly reviewed the City's discussions with the mobile home property owners regarding the financial responsibilities for connecting to City services.

Elkins indicated that the Tax Increment Finance Committee has requested that the IDPF Committee address the reallocation of the Fifth Street funding to the Mall Drive project and provide a recommendation to the City Council. In response to Scull, Elkins indicated that the Fifth Street property owners have been provided with all necessary legal documents but at this

time those documents have not been executed. Elkins identified the issues being addressed by the individual property owners with regard to the Fifth Street project.

Dreyer voiced support for the reallocation of the Fifth Street funding to the Mall Drive Project noting that the action would encourage landowners to resolve their development issues prior to seeking funding approval. Discussion followed regarding the basic requirement of the Infrastructure Development program that all landowners be in concurrence and participate voluntarily. Hanks reviewed the various issues being addressed by the Committee with regard to the Fifth Street Infrastructure project.

In response to a question from Rodriguez, Elkins noted that the landowners have had the loan documents for several months. Discussion followed regarding the City's obligations to the School District pursuant to the memorandum of understanding. Elkins recommended that the City Attorney be asked to review the executed documents to identify the City's position should Fifth Street not be constructed.

Preston indicated that pending clarification of the legal issues, he would support the reallocation of the Fifth Street IDPF funding to the Mall Drive project noting that the development of the Mall Drive area would provide a greater opportunity of future sales tax revenue.

Kroeger commented on the Davis and Broucek planning applications with regard to the Fifth Street development and recommended that staff prepare an informational presentation to the Public Works Committee outlining the history and current status of the project.

Dreyer voiced support for the Mall Drive Project indicating the infrastructure will provide needed support for area development in addition to addressing the mobile home park issues. Dreyer indicated that the City has expended sufficient time on the Fifth Street project with no further progress and he encouraged reallocation of the funding to the Mall Drive project.

In response to a question from Nelson, Elkins indicated that the Infrastructure Development fund is not a revolving fund noting that repayment of previously issues loans would be returned to the Capital Improvement Program.

Bjerke commented on the long range impact the proposed road swap will have on the City's maintenance responsibilities. Hanks indicated that the sales tax revenues generated by the Mall Drive development could provide the funding necessary to meet the increased maintenance costs. Hanks recommended that future Infrastructure Development projects also be reviewed for their potential to repay the fund ahead of schedule.

Bjerke indicated that further development of the Mall Drive area is dependent upon the extension of infrastructure to the area.

Elkins requested clarification of the Mall Drive drainage issues and the impact of drainage on area development. Bjerke encouraged the completion of the Mall Drive Drainage Master Plan.

Dreyer moved to direct staff to meet with the affected landowners in the Mall Drive area to determine their level of interest in participating financially in a Tax Increment District. Hanks seconded the motion.

Discussion followed regarding the presentation of the Mall Drive project to the City Council.

Kroeger offered a friendly amendment to the main motion to recommend that the Fifth Street and Mall Drive projects be placed on the October 10, 2001 Public Works agenda as an information item. Discussion followed regarding prioritization of the Infrastructure Development projects, as well as the presentation of information regarding Fifth Street, Mall Drive and Anamosa Street. Dreyer and Hanks accepted the friendly amendment to the motion.

Discussion followed regarding the Infrastructure Development fund structure and the impact to the Capital Improvement Program should the IDPF repayments be redirected to the Mall Drive project.

The motion to direct staff to meet with the affected landowners in the Mall Drive area to determine their level of interest in participating financially in a Tax Increment District and to provide an informational presentation at the October 10, 2001 Public Works meeting on the Fifth Street, Mall Drive and Anamosa Street projects carried unanimously.

Discussion followed regarding identification of a funding source for the \$110,000.00 GLM project. Bjerke briefly reviewed the history of the water extension project to the GLM site. Discussion followed regarding the impact the provision of water infrastructure would have on the development of the area, the lack of IDPF funds for the project and other possible funding sources.

Adjourn

There being no further business Preston moved, Bjerke seconded and carried unanimously to adjourn the meeting at 10:30 a.m.

Minutes
Infrastructure Development Partnership Review Committee
July 11, 2002

Members Present: Mayor Jerry Munson, Ron Kroeger, Tom Murphy, Jeff Stone, Dan Bjerke, Marcia Elkins, Jim Preston

Others Present: Harold Bies, Rick Kahler, Randy Nelson, Ted Vore, Coleen Schmidt, Sharlene Mitchell

Munson called the meeting to order at 9: 08 a.m.

In response to a request from Munson, Preston reviewed the committed projects and funding noting the unencumbered balance of \$156,550.00.

Bjerke clarified that the Elm Avenue Loan request identified in the Infrastructure Development funding breakdown addresses the full extension of Elm Avenue to Catron Boulevard. He indicated that the current request addresses only a portion of Elm Avenue and would terminate north of the Davis property.

Noting the current status of Minnesota Street, Munson recommended that the Committee determine if it would be advisable to approve a funding request that does not complete the required transportation link.

Kahler indicated that the proposed road section will complete approximately one-half of the extension to Catron Boulevard. Kahler indicated that the proposed termination point provides a natural break for provision of sewer services from the north. He noted that the three affected landowners are in agreement on the proposal.

Bies indicated that the three landowners participating in this portion of the Elm Avenue project are also willing to participate in any future project for the completion of Elm Avenue. Discussion followed regarding the ownership of the property between Bies' and Catron Boulevard.

In response to a question from Kroeger, Bjerke indicated that it was his understanding that this portion of Elm Avenue can be serviced from the existing sewer. He indicated that the southern portion of Elm Avenue would require new sewer service. Munson expressed concern with approving a project that would complete half of a transportation link. Bies briefly reviewed the issues associated with securing Davis' participation in the project.

Kahler reviewed the east/west road connections that can be facilitated noting that these connections would create a transportation loop through the area. Kahler indicated that the road connections are necessary in order to allow residential development in excess of the forty unit policy.

In response to a question from Preston, Bies addressed the status of the Ahrlin deed. Preston recommended that the Ahrlin deed be recorded prior to execution of the Infrastructure Development Partnership agreement.

In response to a question from Bjerke, Bies indicated that it is their intent to provide design engineering for the entire length of Elm Avenue to Catron Boulevard with the City participating in that cost. He continued that they are requesting the City's participation in any oversize costs identified by the design project.

In response to a question from Elkins, Nelson indicated that the project costs identified in the request have been prorated on the full project costs based on the percentage of road to be completed.

Kroeger voiced support for the proposed project with the understanding that the approved Elm Avenue funding would be utilized for the project. Murphy concurred.

Elkins indicated that the proposed project does not meet the intent of the Infrastructure Development program as the project does not complete all necessary street and infrastructure connections. Elkins recommended that, in order to avoid a Minnesota Street situation, Bies dedicate the right-of-way from the proposed Elm Avenue terminus to Catron Boulevard and that he execute an Infrastructure Development agreement for the construction of the improvements in that right-of-way to be constructed and the agreement implemented at the time Elm Avenue is constructed from Catron Boulevard north across the Davis property. Elkins recommended that the repayment schedule for the second portion be five years with no interest with a ten year repayment term from the time that the southern portion is constructed. Discussion followed regarding the financial structure of the loan agreement.

In response to a question from Elkins, Bies reviewed the status of the extension of sewer across his property noting that installation would begin as soon as the engineering is completed. Bjerke recommended securing a commitment from the affected landowners to extend sewer services to Elm Avenue during construction.

Bies commented on the home sites that would be available with the construction of this portion of Elm Avenue. Bies indicated that he would continue to work with Davis on the agreement for the southern portion of Elm Avenue. Bjerke commented on the status of the drainage study noting that the completed study should address Davis' concerns.

Schmidt addressed accounting problems that have been experienced with previous agreements and recommended that the repayment structure be based on the full loan amount. Elkins clarified that the Infrastructure Development guidelines require repayment at time of platting. Elkins recommended that a definition of "principal for repayment purposes" be clarified in the final agreement.

In response to a question from Preston, Bies indicated that it was his intention to provide right-of-way to Davis' northern property boundary. Discussion followed regarding the Infrastructure Development agreement to be executed by Bies for the construction of that portion of Elm Avenue between the proposed terminus and Davis' property.

Kroeger recommended meeting with Bies and Davis in an effort to finalize the Elm Avenue agreement. Discussion followed regarding the financial advantages to be realized by the City from the completion of Mall Drive versus Elm Avenue. Stone indicated that he would prefer to see Elm Avenue completed and recommended that the City provide protection against another Minnesota Street situation. Discussion followed regarding the Drainage Basin design project.

Munson indicated that City staff would make themselves available to meet with Bies and Davis in order to discuss the drainage issues. In response to a question from Elkins, Munson recommended that the Attorney's Office begin drafting the language for the second phase agreement with Bies.

There being no further business the meeting was adjourned at 10:05 a.m.