

MINUTES  
TAX INCREMENT FINANCE PROJECT REVIEW COMMITTEE  
October 24, 2008

MEMBERS PRESENT: Ron Kroeger, Deb Hadcock, David Janak, Bob DeMersseman, Marcia Elkins, Pauline Sumption, Joel Landeen

OTHERS PRESENT: Tonya Tordsen, Karen Gundersen Olson, Robert Ellis, Dale Tech, Mike Schad, Karen Bulman, Sharlene Mitchell

Call to Order

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

Approve Minutes

**DeMersseman moved, Kroeger seconded and carried unanimously to approve the minutes of the September 12, 2008 meeting.**

Mall Ridge Lift Station TID #55 – Project Plan Revision (08TIF008)

Bulman provided an overview of the reallocation request to increase the lift station costs and to add a Phase 2 project for the reconstruction for the West Nike Road and Country Road intersection. Bulman indicated that the lift station reallocation would increase the City project costs and decrease the Developer project costs. Bulman indicated that the District revenues are allocated 75% Developer and 25% City. Bulman indicated that per the State Department of Revenue the District's current assessed valuation is \$80,573,400.

In response to a question from Hadcock, Elkins indicated that the Public Works Department staff has reviewed the project costs and are in agreement with the requested reallocation.

Tordsen indicated that the lift station project costs exceed the engineer estimates noting that the bids were approved without developer input based on the agreement with the City of Rapid City. Tordsen reviewed the manner in which the Developer Agreement addresses cost overages. In response to a question, Tordsen indicated that the Freeland Meadows gravity sewer and force main revised project balances reflect the actual final project costs.

In response to a request from Elkins, Tordsen listed the Mall Ridge developers as Sam Benne, Boyce Kennedy, Brad Estes and Brett Estes, . Tordsen addressed the need for the West Nike Road intersection project noting that a future developer could utilize the Phase 2 funding to rebuild the intersection.

In response to a question from Hadcock, Elkins indicated that while intersection reconstruction is not a typical tax increment district cost the significant safety concerns and development issues associated with the current intersection design warrant the reconstruction. Elkins encouraged the committee members to tour the intersection. Discussion followed regarding responsibility for reconstruction of the intersection.

Tordsen indicated that the Phase 2 funding allocation would allow the future option to reconstruct the three-way stop intersection. Elkins indicated that the alternative would be to retain the funds in the Necessary and Convenient line item and address the intersection reconstruction if and when a project moves forward. Sumption clarified that utilization of the tax increment funding would require that the intersection reconstruction funding be expended by

October, 2010. Ellis indicated that the Public Works Department does not have a funding source for the project and has no recommendation regarding the line item for the funds.

**Hadcock moved to recommend approval of the Mall Ridge Lift Station TID #55 – Project Plan Revision with the stipulation that the Phase II-Reconstruction of West Nike Road and Country Road Intersection be eliminated and the associated funding remain in the Other Necessary and Convenient line item. DeMersseman seconded the motion.**

Discussion followed regarding the property owner's ability to market the property.

**The motion to recommend approval of the Mall Ridge Lift Station TID #55 – Project Plan Revision with the stipulation that the Phase II-Reconstruction of West Nike Road and Country Road Intersection be eliminated and the associated funding remain in the Other Necessary and Convenient line item carried unanimously.**

Elk Vale Water/Timmons Boulevard TID #42 – Project Plan Revision (08TIF009)

Bulman provided an overview of the reallocation request to reflect the anticipated cost for each component of the project based on the awarded bid prices. Bulman indicated that there will be no increase in the total amount of the City costs noting that this is a City financed District. Bulman indicated that per the State Department of Revenue the District's current assessed valuation is \$26,353,700.

Ellis indicated that the request is to allocate funding based on the approved bid noting that there are is not an increase to the total project costs. In response to a question from DeMersseman, Ellis outlined those areas that will receive service from the new reservoir noting that service cannot be provided to the ridge top from this reservoir.

In response to a question by Elkins, Ellis acknowledged that there were no additional funds available in the Tax Increment District. Further, Ellis indicated that any additional project cost increases would have to be funded by the Public Works Department.

**Hadcock moved to recommend approval of the Elk Vale Water/Timmons Boulevard TID #42 – Project Plan Revision. Landeen seconded the motion.**

In response to a question from Kroeger, Elkins indicated that December 1, 2008 would be the last opportunity to reallocate the District #42 project costs.

**The motion to recommend approval of the Elk Vale Water/Timmons Boulevard TID #42 – Project Plan Revision carried unanimously.**

Other Business

Elkins indicated that Utility Rates and the recommendations of the Tax Increment Financing Guidelines Review Committee will be addressed at the Special City Council meeting on Monday, October 27, 2008 at 6:00 p.m.

Adjourn

**There being no further business, Kroeger moved, Janak seconded and carried unanimously to adjourn the meeting at 11:54 a.m.**