

Draft

MINUTES
TAX INCREMENT FINANCE PROJECT REVIEW COMMITTEE
July 20, 2010

MEMBERS PRESENT: Ron Kroeger, Dennis Landguth, David Janak, David Hillard,

OTHERS PRESENT: Doyle Estes, Roy Dishman, Marcia Elkins, Robert Ellis, Dale Tech, Pauline Sumption, Joel Landeen, Karen Bulman, Sharlene Mitchell

Call to Order

Kroeger called the meeting to order at 7:01 a.m.

Approve Minutes

Janak moved, Landguth seconded and carried unanimously to approve the minutes of the January 19, 2010 meeting.

Children's Home Society Foster Care Facility TID #35 – Project Plan Revision (10TIF002)

Bulman provided a brief review of the storm drainage improvements funded by the Tax Increment District. Bulman addressed the requested reallocation of project costs noting that pursuant to the Tax Increment Financing Guidelines adopted in December, 2008 legal fees are not an approved Project Cost unless specifically authorized by the City Council. Bulman presented the current District valuation as determined by the South Dakota Department of Revenue.

Estes indicated that the original District was created by Pennington County for the purpose of developing three metering dams. Estes indicated that as the third metering dam was located within the City limits the overlapping District was created to fund those project costs. Estes indicated that the legal expenses were a result of litigation required to determine land ownership with regard to the development of the drainage facilities. Doyle indicated that the legal fees would be remitted to the firm hired to litigate the issue on his behalf.

In response to a question from Landguth, Estes indicated that he was uncertain as to the reason for the increase in the drainage construction costs.

Landguth moved to recommend approval of the Children's Home Society Foster Care Facility TID #35-Project Plan Revision. Janak seconded the motion.

Elkins recommended that the Committee clarify their reasons for approving the expenditure of legal fees as they are not a permitted project costs under the current Tax Increment Policy.

Tech identified the area affected by the litigation noting that it lies outside the City's Tax Increment District boundary and therefore an ineligible expense. Estes concurred that the site would be located within the County Tax Increment District boundary and requested that the legal fees be removed from the reallocation request.

Landguth moved to amend the motion to recommend approval of the Children's Home Society Foster Care Facility TID #35-Project Plan Revision with the removal of the Legal Fees in the amount of \$27,254.19 at the Developer's request. The amended motion was seconded by Janak and carried unanimously.

Disk Drive Extension TID #36-Project Plan Revision (10TIF003)

Bulman provided a brief review of the water, sewer, roadway and gas transmission line realignment improvements funded by the Tax Increment District. Bulman indicated that the reallocation request is to fully fund road construction and engineering design costs for Kathryn Avenue and Champion Drive. Bulman indicated that the associated Developer financing has been paid in full noting that the Developer is seeking repayment of only the additional costs. Bulman indicated that the District improvements have been completed noting that the District will be dissolved upon disbursement of the funding reallocation. Bulman presented the current District valuation as determined by the South Dakota Department of Revenue.

Estes indicated that the additional costs were incurred as a result of realignment of both Kathryn Avenue and Champion Drive. Estes indicated that the road realignments have generated area development at a faster pace than originally anticipated allowing the District to be repaid ahead of schedule.

Janak moved to recommend approval of the Disk Drive Extension TID #36-Project Plan Revision. Hillard seconded the motion.

Elkins addressed the overlapping Tax Increment Districts in the area and the impact the reallocation will have on the disbursement of payments to the underlying Districts. In response to a question, Sumption indicated that payment disbursements to the underlying Tax Increment Districts #51 and #54 would be delayed should the funding reallocation be approved. Landeen concurred that the underlying Districts would experience a delay in receipt of revenues as a result of the reallocation. Landeen indicated that the reallocation request does not exceed the total Project Costs originally approved for the District.

The motion to recommend approval of the Disk Drive Extension TID #36-Project Plan Revision carried unanimously.

Adjourn

There being no further business to come before the Committee Hillard moved, Landguth seconded and carried unanimously to adjourn the meeting at 7:22 a.m.