

MINUTES  
TAX INCREMENT FINANCE PROJECT REVIEW COMMITTEE  
February 1, 2011

MEMBERS PRESENT: John Brewer, Gary Brown, David Hillard, David Janak, Dennis Landguth, Jordan Mason and Lyndell Petersen

MEMBERS ABSENT: None

OTHERS PRESENT: Karen Bulman, Marcia Elkins, Jason Green, Pauline Sumption, Dale Tech, Mayor Hanks, Robert Green, Hani Shafai, Marla Murphy, Dan Baker, and Risë Ficken

Call to Order

Brown called the meeting to order at 7:00 a.m.

Approve Minutes

**Motion by Mason, seconded by Hillard and carried unanimously to approve the minutes of the December 14, 2011 meeting.**

Brown welcomed new Committee members Lyndell Petersen and John Brewer.

South Robbinsdale Tax Increment District (11TIF001)

Bulman described the location and boundaries of the proposed Tax Increment District noting that the proposed public improvements will be funded by the developer. Bulman stated that the proposed District will overlap the boundaries of the existing Tax Increment District No. 41. She indicated that Tax Increment District No. 41 is currently projected to be paid off in June of 2016. Bulman added that the increment received from the proposed District would first be applied to paying off Tax Increment District No. 41 noting that the additional increment would likely pay off Tax Increment District No. 41 earlier. She noted that the proposed District is an Economic Development project. Bulman identified the proposed District boundary and provided a brief review of each of the proposed public improvements and related costs to be included in the project plan. Bulman identified the estimated time period for payoff of the proposed District with financing obtained at both 9% and 7% interest rates.

In response to a question from Mason, Bulman explained how increments are allocated when District boundaries overlap. Elkins clarified that it is a statutory requirement for the underlying Tax Increment District to be paid first.

In response to a question from Brown, Bulman provided a brief description of the public improvements associated with Tax Increment District No. 41. Discussion followed.

Hani Shafai advised that he was available to answer questions.

Marla Murphy, 521 St. Francis Street, spoke in favor of the proposed Tax Increment District. Murphy emphasized the need to require that the developer guarantee that the roads to be constructed with the Tax Increment Financing funds will not fail for a 15 year period. Discussion followed.

Dan Baker, 325 Stumer Road, requested that the proposed Tax Increment District be denied. Baker indicated that he does not feel the application meets the criteria to create a Tax Increment District. Discussion followed.

In response to a question from Mason, Shafai identified the legal entities that own the property and reviewed the proposed business structure for the transfer of ownership of the property. Discussion followed.

In response to a question from Mason, Shafai clarified that THF Stoneridge, LLC will obtain the financing for the Tax Increment District noting that Stoneridge, LLC is the applicant as they currently own the property. Discussion followed.

In response to a question from Brown, Green indicated that it is not unusual for new business entities to be created to facilitate business transactions.

Chris Nelson, 5002 South Canyon Road, stated that he is a Wal-Mart employee. He expressed his support for the proposed Tax Increment District. Nelson discussed the regional draw of customers to the current store stating that the residents of Rapid City need and want an additional store. Discussion followed.

**Motion by Janak, seconded by Brewer and unanimously carried to recommend approval of the Tax Increment District as proposed.**

There being no further business to come before the Committee, the meeting adjourned at 7:21 a.m.