



CITY OF RAPID CITY

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January 21, 2016

Rapid City Planning Commission
300 Sixth Street
Rapid City, SD 57701

RE: Buffalo Crossing, Hani Shafai, TIF Request

Dear Planning Commissioners:

I am writing to urge your support of tax increment financing requested by Hani Shafai for the Buffalo Crossing development near the intersection of Highway 16 and Catron Boulevard.

I realize tax increment financing can be controversial, but in this case I would like to point out that Rapid City is lacking significant commercial development. In 2015, only seventeen commercial development building permits were issued in Rapid City. The request by Hani Shafai for the Buffalo Crossing development will help Rapid City reach some of our goals in terms of job growth, higher wages and overall economic development.

This particular development will be greatly enhanced by tax increment financing. It will speed up both the growth of jobs and positive commercial development along the Highway 16 Corridor. Without tax increment financing, the project will still proceed, but at a much slower pace. In addition, only the north end of the property will be developed and the streets will be asphalt rather than concrete. Mr. Shafai has shown me his cost estimates to include profit margin. Without the TIF, a larger, faster development fails to "pencil out," therefore it won't happen.

Buffalo Crossing will redevelop an area formerly utilized for water slide recreation to allow for new medical, hospitality and retail development. The economic and social impact to the area will be highly advantageous to the City.

Please support this project and the request for tax increment financing. If you have any further questions or would like more information, please do not hesitate to contact me.

Sincerely,

Steve Allender
Mayor, Rapid City



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