

MINUTES
TAX INCREMENT FINANCE PROJECT REVIEW COMMITTEE
September 28, 2017

MEMBERS PRESENT: David Janak, John Roberts, Lloyd LaCroix, Steve Rolinger and Steve Laurenti

MEMBERS ABSENT: Ron Buskerud

OTHERS PRESENT: Patsy Horton, Jeanne Nicholson, Hani Shafai, Kyle Treloar, Wade Nyberg, Ken Young, Pauline Sumption and Sarah Hanzel

Called to Order

Rolinger called the meeting to order at 7:02 a.m.

Approve Minutes

Motion by LaCroix, seconded by Janak and carried unanimously to approve the minutes of the July 13, 2017 meeting.

Promise Road Economic (17TIF004)

Horton advised that the request is to create a tax increment district for the northwest quadrant of the US Highway 16 and Catron Boulevard intersection. She reviewed the tax valuations and the proposed revenue through 2020. She also reviewed the SDCL Tax Increment Financing District requirements and boundary map. Horton noted that the applicant is adjusting the proposed boundary by removing the right-of-way east of US Highway 16 that overlaps into Tax Increment District 76. She also reviewed the existing zoning and land uses. She noted that currently the property located in the proposed district is vacant except for a residential structure to the north. She also reviewed the land use map, Major Street Plan, photographs, master plan and the proposed uses, road alignments and the proposed public improvements and associated costs. She reviewed the boundaries of the surrounding tax increment districts and identified the infrastructure improvements that have been constructed. Horton further explained the property valuations and payoffs for the surrounding tax increment districts. Horton briefly reviewed the proposed alignments for Promise Road identified in the US Highway 16 Study and the Major Street Plan. She also reviewed the South Dakota Department of Transportation's interchange design options. She explained the proposed public improvements that would be constructed within this tax increment district and noted that the costs for the grading work that has been completed on the property are not part of the tax increment district costs.

In response to a question from Laurenti, Horton advised that without the tax increment district, Promise Road would not be constructed because of the existing service road. She added that the Department of Transportation would like to move service roads away from principal roadways.

In response to a question from Laurenti, Horton commented that the applicant is not required to construct Promise Road but has agreed to as per staff's request.

In response to Laurenti's question regarding the drainage plan, Horton explained that past conversations have been held about a regional drainage plan and with the proposed tax

increment district, a drainage pipe would be installed and the drainage pond would be located next to Promise Road. Additional discussion followed.

In response to a question from Laurenti, Horton explained the anticipated payoffs for the proposed tax increment district and the surrounding districts.

In response to Laurenti's question regarding the checklist, Horton advised that staff reviews the information submitted by the applicant and then the information is presented to the Committee for review and approval/denial.

Laurenti questioned the need for tax increment districts in this area because of the volume of development that has been occurring in this area.

In response to a question from Roberts, Shafai explained that the tax increment district request has been submitted to assist with the high purchase costs for this property and to assist with the installation of the infrastructure on this property. He added that currently there is only curb, gutter and sidewalk on the property and that Promise Road would be a benefit to the area.

Roberts expressed his opinion that tax increment districts have increased development in slow developing areas and have increased tax dollars. He noted that tax increment districts can be beneficial in areas where infrastructure does not exist.

In response to a question from LaCroix, Horton reviewed the anticipated payoff dates for the proposed and surrounding tax increment districts. Additional discussion followed.

Roberts moved to recommend approval of the creation of the tax increment district. The motion was seconded by Janak and carried with Roberts, Rolinger, Janak and LaCroix voting yes and Laurenti voting no. (4 to 1)

Horton thanked Rolinger for his service as a member of the Committee.

Horton introduced the new Community Planning Director, Ken Young.

Rolinger commented that he has enjoyed serving on the Committee and thanked staff and Committee members for their assistance over the years.

There being no further business to come before the Committee, Roberts moved, Laurenti seconded and motion carried unanimously to adjourn the meeting at 7:37 a.m.