MEMBERS PRESENT: John Roberts, Steve Laurenti, David Janak, Rachel Caesar and Mark DiSanto for Ron Buskerud

MEMBERS ABSENT: Deb Hadcock

OTHERS PRESENT: Patsy Horton, Jeanne Nicholson, Ted Johnson, Wade Nyberg, Pauline Sumption, Sarah Hanzel, Kale McNaboe, Ken Young, Sam Benne, Brad Estes and Brett Estes

Called to Order
Laurenti called the meeting to order at 7:02 a.m.

Approve Minutes
Motion by Roberts, seconded by Janak and carried unanimously to approve the minutes of the September 28, 2017 meeting.

Prairie Meadows South Residential TIF (18TIF001)
Horton advised that the request is to create a Residential Tax Increment Financing District for property located adjacent to Country Road and the future extension of LaCrosse Street. She reviewed the boundary and the tax rates for the taxing entities for the proposed district. Horton further reviewed the development phases, road improvements to Country Road and LaCrosse Street, the checklist, the project costs and the proposed regional public improvements map identifying the location of the inlet and outlet drainage pipes and the retention pond. She addressed the Erosion and Sediment Control, the Mass Grading Topsoil and Seeding, the Drainage and the Non-Expansive Granular Material Stockpile exhibits. She identified the locations of the material stock pile and the regional lift station and noted that the lift station is almost to capacity with the existing residential structures. Horton explained that in 2017, an exception was granted for the improvements to Country Road during the subdivision phase of the development. She added that the potential for the public improvements down the road could be at the cost of the tax payers. Horton also reviewed the projected revenues, the Amortization Schedule, the site photos and property valuations.

Horton explained that the Committee can recommend denial of the proposed Tax Increment Financing District because the proposal does not meet the blight criteria and the TIF Policy criteria or the Committee can recommend approval per staff's recommendation with the five stipulations outlined in the Staff Report.

In response to a question from Janak, Horton expressed her opinion that the issues with the proposal can be addressed and resolved which would allow the Tax Increment Financing District request to move forward.

Laurenti expressed concern with tax increment districts being used to finance public improvements that are being triggered by new development and requested clarification for the public improvements for the proposed development. Horton reviewed the location of the regional retention pond and the need for separate bid schedules for the improvements.
McNaboe reviewed the location of the proposed project and the location of the lift station. He noted that the exception to the road improvements that was granted was due to Country Road not being a fully urbanized street. He reviewed the phases for development and noted that Phase 4 would include the improvements to LaCrosse Street, the apartments and the eventual removal of the lift station. That property would then be returned to the property owner. McNaboe explained that LaCrosse Street has not been annexed and half of the right-of-way is located outside of City limits. He added that the owner of the adjacent property is not willing to work with the proposed developers for this project. He added that the timeline for Phase 4 is uncertain until the right-of-way issue is resolved. He reviewed the public improvements map, the mass grading plan and the regional detention pond. He noted that one of the reasons for the grading stockpile is to retain the materials, at an affordable cost, for the future extension of LaCrosse Street. McNaboe advised that the developers are establishing base costs for the bid schedules to be used for the certification of the Tax Increment Financing District.

In response to a question from Caesar, a brief discussion followed regarding the non-expansive material stockpile to be used for structural building stability.

Caesar expressed her opinion that the proposed Tax Increment Financing District would not benefit Rapid City because the project would not provide affordable housing and economic development to the community. Additional discussion followed.

Roberts expressed his opinion that the development would provide affordable housing for the community and that the property is blighted because of the sloping and the terrain. He added that the issues with the proposed Tax Increment Financing District could be addressed and recommended delaying any action on the request until issues are resolved.

Horton advised that staff is willing to work with the applicant to resolve the issues with the request and recommended that the Committee recommend approval of the Tax Increment Financing District with the five stipulations identified in the Staff Report.

Roberts moved to recommend approval of the Prairie Meadows South Residential Tax Increment District with the condition that the applicant revises the proposal as follows:

1. That the regional project costs located within the city limits are eligible for reimbursement, more specifically to provide additional detail related to the oversizing cost for the sewer extension, the regional detention pond and the inlet and outlet pipes for the regional detention pond;

2. That to determine the eligible regional detention pond expenditures and cost certification purposes, the applicant shall provide the city with separate bid schedules for the eligible and ineligible estimates for the regional projects, including the mass grading, topsoil and seeding costs; erosion and sediment control costs; and the drainage (detention and storm sewer) costs, i.e. expenditures inside the boundary and outside the boundary;

3. That a separate bid schedule shall identify all regional improvements including the detention pond quantities and associated expenditures as well as separate schedules for costs associated with the proposed Prairie Meadows South Subdivision development;
4. That the Project Plan shall clarify the additional costs associated with each bid schedule identified above related to the regional detention pond and appurtenances located within the City limits, including the associated engineering, contingency costs and financing expenses for the regional improvements; and

5. The if the request to include the non-expansive granular material stockpiled north of Country Road, addressing soils issues during building construction, is determined to be an eligible TIF expenditure, the certification documentation must include the log sheets, quantities used, the location where the material was placed, as well as any other verifiable documentation to determine the applicable TIF funding eligibility.

The motion was seconded by DiSanto and carried with Roberts, Janak and DiSanto voting yes and Laurenti and Caesar voting no. (3 to 2)

There being no further business to come before the Committee, Roberts moved, Janak seconded and motion carried unanimously to adjourn the meeting at 7:57 a.m.