An Opportunity Capture Fund meeting was held on August 7, 2019. Committee chair Mayor Steve Allender called the meeting to order at 11:10 a.m.

The following Committee members were present: Mayor Allender, Bob DeMersseman, Dick Johnson and Peter Cappa. Members Absent: Laura Armstrong and Chad Lewis. Others in attendance: Dale Tech (Public Works Director), Jeff Haverly (Elevate Rapid City, Economic Development Director), and Kelsey Sakos (Mayor’s Project Manager).

Motion by Johnson, second by Cappa and carried to approve the minutes of the last meeting, held on April 29, 2019.

Financials as of August 7, 2019 were presented. Motion by Cappa, second by DeMersseman and carried to approve the financials as presented.

The committee reviewed the request from Elevate Rapid City on behalf of Property Meld in the amount of $55,000 from the Opportunity Capture Fund for the 19 current local jobs and the increase of 36 newly created jobs. Awarding this money will help offset the total cost of $120,000 in different areas of improvements for 35 workstations, remodel, and noise remediation for their new open-concept space on 11 Main Street. The average wage projection is $58,000. The company is currently doing well in the incubator; however, no Angel or State funding has been obtained. Motion by Johnson, second by DeMerssemen and carried to approve an incentive grant in the amount of $55,000 to Property Meld upon substantial completion of the project. The MOU will include standard stipulations and a clawback provision for distribution of this grant.

The committee reviewed the request from Elevate Rapid City on behalf of Nanopareil in the amount of $120,000 from the Opportunity Capture Fund to assist with fixed assets, equipment, and/or building least costs and or leasehold improvements. Nanopareil projects 33 employees total by 2023, with an average salary of $77,000 upon building completion, and $78,000 by EOY 2023. The incubator has committed $60,000 to this build, and the company is currently in the B9 Creations space. Both the Angel Fund and SD Equity have invested in Nanopareil. Motion by DeMerssemen, second by Cappa and carried to approve an incentive grant in the amount of $120,000 with the standard clawback provisions outlined in the MOU. Of the $120,000, $40,000 will be given to Nanopareil upfront to complete the project build, $50,000 will be given to the incubator/Ascent for HVAC repairs, and the remaining $30,000 will be given to Nanopareil after the company has achieved growth of 12 additional employees.

The committee reviewed the request from Elevate Rapid City on behalf of UPS to amend the dates established in the original MOU with the Opportunity Capture Fund. The original date range spanned from 2019-2021, with the request to amend the date range to 2020-2023. The groundbreaking is now anticipated for April of 2020. Motion by Johnson, second by Cappa, carried to approve MOU amendment for the date range of 2020-2023. Haverly will draft the revision.
The Opportunity Capture Fund By-laws were presented for discussion and ratification. A motion to ratify by Johnson, second by DeMersseman and carried to approve and ratify the By-laws as presented.

The status of existing MOU’s was continued to the next meeting.

Members presented discussed City Ordinance Chapter 3.22 for clarification on quorum and voting members.

The membership of the Board shall be as follows:
A. The Mayor;
B. The President of the Common Council (Laura Armstrong);
C. The Council’s liaison to the Economic Development Board (Chad Lewis);
D. A designee from the Rapid City Economic Development Corporation; and
E. Two private business people.

*Pauline is bringing forth an ordinance revision for the August 19th City Council meeting to reflect Elevate Rapid City, as opposed to the Rapid City Economic Development Corporation.

There being no further business to come before the committee, Mayor Allender adjourned the meeting at noon after a motion by Johnson and a second by DeMersseman.

Respectfully Submitted,

Kelsey Sakos
Mayor’s Office Project Manager