

MINUTES
TAX INCREMENT FINANCE PROJECT REVIEW COMMITTEE
March 11, 2020

MEMBERS PRESENT: Ritchie Nordstrom, Ron Rossknecht, Rachel Caesar, Lloyd LaCroix and Tom Johnson

MEMBERS ABSENT: Coy Sasse and John Roberts

OTHERS PRESENT: Patsy Horton, Jeanne Nicholson, Wade Nyberg, John Gomez, Ted Johnson and Kent Hagg

Called to Order

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

Approve Minutes

Motion by Nordstrom, seconded by Caesar and carried unanimously to approve the minutes of the February 4, 2020 meeting.

TID #70 – Highway 16 Sewer – Reallocation Amendment #2 (20TIF003)

Applicant: Alta Terra Development LLC

Agent: John P. Gomez

Horton advised that the tax increment district was created in 2008 and an amendment was done in 2016 to reallocate anticipated projected expenditures. She reviewed the aerial map and the boundaries of tax increment districts 70, 76, 77 and 80. She explained the public improvements that have been made to the sewer line, Moon Meadows Road and the traffic signal. Horton also reviewed the Summary of TID #70 Project Plan and Developer Costs, the boundaries for the tax increment districts and the master plan for Moon Meadows Living Apartments. She identified the photographs of the improvements that have been made in the tax increment district and neighboring tax increment districts. Horton explained the revenue projections. She briefly reviewed the State statutes as they relate to tax increment districts.

Horton advised that staff is recommending approval of portions of the reallocation amendment and denying that portion of the amendment associated with the professional fees (\$6,147.36) incurred beyond the five year timeline specified in SDCL 11-6-13.

Gomez commented that the \$6,147.36 has to do with design and professional services that were completed and billed in 2015/2016.

Hagg reviewed the history of the tax increment district which stalled in 2008 due to the recession and started back up in 2011. He added that a project plan was completed in 2013 and that an amendment was done in 2016 to reallocate anticipated project expenditures. He noted that the \$6,147.36 are true and actual costs incurred for the design, redesign and installation of the traffic signal. Additional discussion followed.

Hagg advised that a project plan can be amended up to the end of the project plan. He added that these were unidentified engineering costs.

In response to a question from Nordstrom, Horton reviewed the timeline for the creation of the district and Amendment #1.

Horton advised that several discussions were held between the city, state and the developer about the traffic signal. Additional discussion followed.

Rossknecht expressed his support for the amendment to allow the reallocation of project costs.

In response to a comment from Caesar, Hagg advised that the design of the traffic signal was reviewed several times and that the inclusion of fiber optic could have been a component in the delay of the approval process.

Caesar stated that because of the five year timeline included in the State statute, she cannot support the amendment.

Hagg noted that State statute allows a project plan to be amended at any time.

LaCroix expressed his opinion that the five year time line helps to get projects done in a timely manner.

Rossknecht moved to recommend approval of Amendment #2 to reallocate project costs of \$47,587.38. The motion was seconded by Nordstrom.

In response to a question from Caesar, Hagg advised that an amendment can be submitted anytime within the 20 year timeline. He added that the amendment is not increasing the total project costs but reallocating money from one line item to another. Discussion followed.

Nordstrom commented that due to no fault of the developer, the additional expenses were incurred because of the review process for the design of the traffic signals.

Nyberg explained that State statute allows for the reallocation of costs at any time and the State statute is unclear as it relates to the five year timeline. He added that in the past, if the project costs were under contract within the five year time line, the committee would support the amendment.

Caesar advised that she can support the amendment because the Tax Increment District Project Review Committee will be making a recommendation to the Planning Commission.

The motion to recommend approval of Amendment #2 to reallocate project costs of \$47,587.38 carried unanimously.

There being no further business to come before the Committee, Nordstrom moved, Caesar seconded and motion carried unanimously to adjourn the meeting at 7:48 a.m.