

MINUTES
TAX INCREMENT FINANCE PROJECT REVIEW COMMITTEE
July 17, 2024

MEMBERS PRESENT: Laura Jones, Karen Bulman, Lindsey Seachris, Gary Drewes and Deb Hadcock

MEMBERS ABSENT: John Roberts and Coy Sasse

OTHERS PRESENT: Vicki Fisher, Sarah Hanzel, Mike Dugan, Melissa Bloomberg, Kinsley Groote, Daniel Ainslie, Roger Hall, Todd Peckosh, Hani Shafai, Renee Catron, Mike Stanley, Jim Scull, Mike Towey, Toby Morris, Quinn Reimers and Daene Boomsma

Called to Order

Bulman called the meeting to order at 7:06 a.m.

Approve Minutes

Motion by Hadcock, seconded by Jones and carried unanimously to approve the minutes of the April 11, 2024 meeting.

24TIF002 – Proposed Tax Increment District #84 Amendment #2 to Project Plan for East Anamosa Street Water Main Extension

Applicant: Yasmeen Dream, LLC

Agent: Dream Design International

Dugan gave an overview of the Tax Increment District #84 for East Anamosa. This district is to assist the development of commercial, industrial and residential property located between E North Street and Elk Vale Road north of Omaha Street (SD Highway 44). This second Amendment will strike out the verbiage only allowing up to 300 feet from center line for grading costs associated with North valley Drive, to all grading costs completed on North Valley Drive to be TID eligible. Shafai gave an additional brief presentation. Fisher noted that this amendment is not increasing the TID costs, just making more expenditures eligible which help completion in a timely matter. Hadcock agreed with the TID and infrastructure improvement that ultimately saves money.

Seachris moved to recommend approval of 24TIF002 - Proposed Tax Increment District #84 Amendment #2 to Project Plan for East Anamosa Street Water Main Extension. The motion was seconded by Hadcock and carried unanimously.

24TIF003 – Proposed Tax Increment District for Ennen Development

Applicant: Ennen Development, LLC.

Agent: Tobin Morris

Dugan gave an overview of Proposed tax Increment District for Ennen Development. The proposed TID boundary is made up of the Hillsvie Estates, future Hillsvie, and future Ennen Subdivisions. There are 211 new lots proposed within the TID boundary, 156 of which are associated with the future Ennen Subdivision. The development within the Ennen Subdivision will consist of 156 total lots comprised of 74 single family homes and 82 “scaled down” homes. This proposed development is anticipated to be classified as an Affordable Housing District by the Department of Revenue, with the max selling price of single family homes below the South Dakota Housing Development Authority’s first-time home buyer max purchase price. The purpose of this proposed TID is to complete Reservoir Road, which will connect to the future E. Anamosa Street. The tax increment that the homes produce will be used to offset project costs associated with Reservoir Road and a critical component to success of the Ennen Housing Development. Drewes inquired about including the County administrative fees within the TID. Morris advised that prior to moving forward to Planning Commission, they can build in the administrative fees for

Pennington County in the Project Plan. Hadcock voiced concerns over the drainage and flooding issues in the county in the southern part of this developmental area, and would like the drainage concerns addressed prior to moving this TID forward. Towey provided information on the infrastructure and costs. Fisher advised that when a development application is submitted, the Public Works/Engineering Department reviews to ensure drainage is addressed. Hall and Peckosh advised the process that Public Works/Engineering Department works with Pennington County to address drainage. Peckosh added that the water flow does show the same pre-existing conditions within the project. Seachris commented that she wants to see this TID move forward, and Rapid City and Pennington County work together on drainage issues.

Seachris moved to recommend approval of 24TIF003 - Proposed Tax Increment District for Ennen Development with consideration for reimbursement for Pennington County administrative fees. The motion was seconded by Jones and motion passed 4-1, with Hadcock voting no.

24TIF004 – Proposed Tax Increment District #88 Amendment #1 to Project Plan for County Road West Extension

Applicant: Eastern slope Land Corp.

Agent: Indigo Design, LLC

Dugan gave an overview of the Tax Increment District #88 for Country Road West Extension. The purpose of this district was to construct a collector street at the current terminus of County Road. The district is to support development of residential lots comprised of (7) 2-unit lots, (33) single family lots, and (72) multi-family units. This is classified as a local Tax Increment District. Amendment #1 to the Project Plan will increase project costs by 33% from \$1,332,000.29 to \$1,773,086.10. South Dakota Codified Law 11-9-23 provides for plan amendment, including additional projects costs, provided the proposal does not exceed thirty-five percent of the original project plan costs and the additional project costs are incurred before the five-year time limit. The applicant intends to use most of the 35% allowable increase for increasing contingency costs and interest expense. Jones inquired about the impact of the local TID on property taxes. Hanzel advised they could provide those numbers to the Planning Commission. Drewes also advised to include reasonable reimbursable administrative fees for Pennington County.

Seachris moved to recommend approval of 24TIF004 - Proposed Tax Increment District #88 Amendment #1 to Project Plan for County Road West Extension with the inclusion of Administrative fees included to increase the Project Plan no more than the 35% allowable costs by SDCL. The motion was seconded by Drewes and carried unanimously.

There being no further business to come before the Committee, Motion by Seachris, seconded by Drewes and carried unanimously to adjourn the meeting at 8:23 a.m.