

MINUTES OF THE
RAPID CITY PLANNING COMMISSION
November 23, 2016

MEMBERS PRESENT: John Brewer, Karen Bulman, Mike Golliher, Galen Hoogestraat, Curt Huus, Mike Quasney, Kimberly Schmidt and Gerald Sullivan.

MEMBERS ABSENT: Erik Braun, John Herr and Steve Rolinger. Darla Drew, Council Liaison was also absent.

STAFF PRESENT: Vicki Fisher, Fletcher Lacock, Robert Laroco, Patsy Horton, Tim Behlings, Dale Tech, Ted Johnson, Carla Cushman and Andrea Wolff.

Bulman called the meeting to order at 7:04 a.m.

- 15 No. 16TIF003 – Heartland Retail Center
Appeal Tax Increment Committee's denial of Heartland Retail Center's application to amend Tax Increment District#38 Project Plan by reallocating costs

Bulman stated that she is working for the City as a Tax Increment Planner on a temporary basis and is therefore involved with this item and recused herself. Bulman turned the gavel over to Brewer and left the dais at this time.

Brewer reviewed a few basic of Tax Increment Districts for the new Planning Commissioners.

Horton stated that Tax Increment District 38 was approved in 2003 and reviewed some of the public improvements of this Tax Increment District such as the construction of Eglin Street/Cheyenne Boulevard, sewer and water main and gravity sewer. Horton noted that this is an amendment to this Tax Increment District. Horton reviewed basic structure of Tax Increment Financing. Horton reviewed the Tax Increment District area as it was before the Tax Increment District was created and the Tax Increment District area as it is now noting all the development that has occurred and the public improvements that have been completed as per the original Tax Increment District. She then identified the changes since the initial approval. Horton reviewed how estimates provided at the time of the initial project plan are being requested to be changed as actual costs are now known and these changes require an amendment. Horton noted that the initial payoff date was identified as 2015 and the new payoff date is anticipated to be 2021 but that might be earlier. Horton reviewed the number of current Tax Increment Districts stating that the City is currently at 3% of the taxable base which is well below the allowable 10%. Horton reviewed the Planning Commission's options.

In response to question from Quasney regarding conflict of interest, Cushman stated that the level of the interest or involvement was dependent on the facts of the situation, but if the Commissioner feels they had a conflict of interest they should abstain. Quasney stated that he would be abstaining from this item due to a conflict of interest.

Scott Sumner, 402 St. Joseph Street, attorney representing the applicant clarified

that the request is for reallocation of existing funds and the payoff date. Sumner stated that there are no new requests but that actual costs were more than anticipated costs noting that the construction of the elements were done in the required time. In response to a comment made by Brewer, Sumner confirmed that the Tax Increment District improvements are drainage improvements and streets not the building of the businesses or buildings within the Tax Increment District boundary.

Katherine Johnson, 24054 Palmer Gulch Road, owner of Heartland LLC, reviewed the Tax Increment District history and the amendments noting that the final certification request was submitted to Finance which lead to this request for the reallocation of funds. Johnson reviewed the elements of Tax Increment District including the water main, street construction, signal installation and drainage structures and reiterated that there is no increase in requested funds only transfer of funds between specified line items.

Hani Shafai, 528 Kansas City Street, Dream Design International, Inc., reviewed again that the actual cost were different than estimated costs. Shafai stated that the Tax Increment District improvements have benefited the area in numerous ways including the 16-inch water line, which was not included in the initial project estimates. He stated that the improvements made by the Tax Increment District are not solely for the Tax Increment District but for the region. Shafai reviewed the denial by the Tax Increment Finance Committee.

Huus spoke to his support of the benefit of the Tax Increment District but that he had questions on the fund reallocation. Horton clarified that the changes to the Lift Station and forced main were removed from the plan because of other area improvements.

Brewer reviewed the structure of the Tax Increment Finance Committee and the effect the change to that structure created in the Tax Increment Finance actions.

In response to Schmidt's question, Horton confirmed that the development has been completed, there are no expected additional costs and that this allows the applicant to certify the expenses thus beginning the payoff and subsequent dissolution of the Tax Increment District.

Hoogestraat moved, Sullivan seconded to overturn the denial (6 to 0 to 2 with Brewer, Golliher, Hoogestraat, Huus, Schmidt and Sullivan voting yes and none voting no and Bulman and Quasney abstaining)