

MINUTES  
TAX INCREMENT FINANCE PROJECT REVIEW COMMITTEE  
July 13, 2017

MEMBERS PRESENT: Steve Rolinger, Lloyd LaCroix, John Roberts and Steve Laurenti

MEMBERS ABSENT: Ron Buskerud and David Janak

OTHERS PRESENT: Patsy Horton, Jeanne Nicholson, Ted Johnson, Carla Cushman, Pauline Sumption, Erik Braun and Jim Letner

Called to Order

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

Approve Minutes

**Motion by Roberts, seconded by LaCroix and carried unanimously to approve the minutes of the March 29, 2017 and June 27, 2017 meetings.**

E. St. Charles Street/Creek Drive Workforce Housing Project (17TIF003)

Horton informed the Committee that the request is to create a tax increment district for a workforce housing project at the northwest quadrant of the Creek Drive and E. St. Patrick Street intersection. She reviewed the application, proposed district boundary, vicinity map, master plan, project costs and photographs. She noted that Tax Increment District 52, an underlying district, was approved to allow for the construction of E. St. Charles Street and to provide public improvements on the property. She added that the Committee needs to consider whether the intent of the district meets the criteria for blight and economic development. Horton also reviewed the check list, property valuations, revenue projections and amortization schedule. She noted that the proposed plat request requires the applicant to install a new water main and to reconstruct Creek Drive to arterial street standards. She added that the applicant has requested an exception to these requirements which will be going before the City Council for their consideration. Horton reviewed the proposed layout of the apartments as identified on the master plan and noted that each unit will have a washer and dryer. She reviewed the projected rental rates of \$619 for the one bedroom units and \$823 for the two bedroom units and the targeted annual income statistics for the units.

A brief discussion followed regarding the need for affordable housing units within the City.

In response to a question from Laurenti, Horton advised that Tax Increment Financing District 52 was created in May, 2005 and was for 20 years. She reviewed the payoff dates and dollar amounts.

In response to Laurenti's question, Horton stated that the proposed payoff for the proposed tax increment financing district would be in 2032, approximately 15 years.

Roberts commented that there is a huge demand for apartments in this price range and that the proposed project will help fill in the gap for affordable housing.

In response to a question from Rolinger, Horton advised that the projects completed in Tax Increment District 52 were the construction of E. Start Charles Street from the hardware store to

Creek Drive, drainage improvements and grading and fencing on the City lot in the northern portion of this district. She reviewed the boundary for Tax Increment District 52.

In response to Rolinger's question, Horton advised that one structure was built in the boundary of Tax Increment District 52 which generated some revenue. She added that the property located in Tax Increment District 52 and the proposed district is owned by the same individual. She explained that the reconstruction of Creek Drive, installation of the water main and right-of-way are issues for both districts.

LaCroix applauded the developer for the proposed project but struggles with the proposal to add more development along Creek Drive without making the necessary improvements to the road and realigning the intersection.

Braun reviewed the anticipated building costs for the proposed project and noted that the rental rates will be based on the actual building costs. He added that the issue with Creek Drive is the misalignment of the intersection, not the requirement to build the road to arterial street standards. He added that we, as the developers, and the City, need to work together to come up with a solution for the alignment of the intersection prior to major improvements being made to the roadway. Additional discussion followed.

In response to a question from Roberts, Braun advised that the proposal is for 48 two bedroom units and 43 one bedroom units.

In response to a question from LaCroix, Braun advised that the rezoning, right-of-way and requirements for road improvements were issues of the previous plat request. He added that the rezone request was approved but the applicant withdrew the plat request.

Letner informed the Committee that he signed a Waiver of Right to Protest for Creek Drive 10 years ago. He added that he paid for half of the construction of E. St. Charles Street because Tax Increment District 52 paid for only half of the road construction project. He added that drainage improvements were made to the site and one building was constructed. He explained that the entire lot was zoned General Commercial and in 2008, the north half was rezoned to Light Industrial to allow storage units. He added that he did not move forward with the storage units. He noted that due to the need for affordable housing in Rapid City, we thought that this would be a good area for this type of project. He added that they are working with the State on Affordable Housing Programs funding. A brief discussion followed regarding the Waiver of Right to Protest process.

Laurenti stated that he could support the proposed tax increment district if the term is changed from 20 years to 15 years.

**Roberts moved to recommend approval of the creation of a tax increment district and a project plan. The motion was seconded by Rolinger.**

LaCroix expressed his support for the project but could not support not reconstructing Creek Drive and not coming to a solution about the alignment of the intersection.

Roberts expressed his opinion that the request should move forward to the Planning Commission for consideration. He added that the City Council will address the exception for the waiver for the road improvements to Creek Drive.

A brief discussion followed regarding agreements for deferred improvements.

Letner expressed his opinion that the plat and the tax increment district requests are going in two different directions and that he understands the need for the improvements to the infrastructure. He noted that his concern is with requiring improvements to Creek Drive when the City has no solution to the alignment of the intersection. He added that they would be willing to work with the City and do the improvements to Creek Drive in conjunction with the realignment of the intersection.

Rolinger stated that he agrees that the time frame for some tax increment districts is too long and that Creek Drive is in terrible condition but that this request should move forward to Planning Commission for further consideration.

LaCroix expressed his opinion that further discussion needs to occur on the improvements to Creek Drive and the alignment of the intersection before this project moves forward to Planning Commission for further consideration. He added that he would like to see other entities and property owners collaborate on the costs for the improvements and realignment.

Horton advised that Creek Drive is currently not on the City's CIP project list.

**Laurenti moved to amend the request to change the time frame for the proposed tax increment district from 20 years to 15 years. The motion was seconded by LaCroix and carried unanimously.**

Roberts stated that the proposed tax increment district would not payoff if the road improvements were added to the request.

**Roberts moved to amend the motion to recommend approval of the creation of a tax increment district and a project plan with the stipulation that the time frame for the district be changed from 20 years to 15 years. The motion was seconded by LaCroix and carried unanimously.**

**There being no further business to come before the committee, Roberts moved, Laurenti seconded and motion carried unanimously to adjourn the meeting at 7:52 a.m.**