

MINUTES
TAX INCREMENT FINANCE PROJECT REVIEW COMMITTEE
March 29, 2016

MEMBERS PRESENT: David Hillard, Steve Laurenti, Lyndell Petersen, David Janek and Amanda Scott

MEMBERS ABSENT: Steve Rolinger, Ron Buskerud and Alternate Andy Scull

OTHERS PRESENT: Patsy Horton, Jeanne Nicholson, Pauline Sumption, Kent Hagg, Dale Tech, Ted Johnson, Karen Bulman, Sarah Hanzel and Dan Godfrey

Call to Order

Scott called the meeting to order at 8:03 a.m.

Approve Minutes

Motion by Janek, seconded by Laurenti and carried unanimously to approve the minutes of the March 2, 2016 meeting.

South Highway 16 Sanitary Sewer Project Plan Amendment (16TIF001)

Horton reminded the Committee that the amendment for Tax Increment Financing District 70 is to reallocate costs and to add a line item for the construction of two regional detention ponds. She briefly reviewed the district boundaries, the original Project Plan, the Public Improvement Map and photographs of the improvements made to date.

Horton explained that the reallocation of costs would be to match more closely with the actual costs for the construction of the sewer line, Moon Meadows Drive and US 16 lane improvements. She identified the location of the proposed regional detention ponds. She reviewed the proposed creation of the Buffalo Crossing and the Black Hills Corporation tax increment financing districts and the payoff process for tax increment financing districts.

Horton reviewed the history and generated revenues of the adopted active and inactive tax increment financing districts and noted that the City meets the State requirements for tax increment financing districts. She noted that in the past, project plans for tax increment financing districts have been amended to include additional costs.

Horton reviewed the options available for the continuation, approval or denial of the proposed amendment.

Kent Hagg, president of Alta Terra Development, LLC, stated that Tax Increment Financing District 70 is doing well. He advised that he has visited with principals from the Black Hills Corporation and Buffalo Crossing tax increment financing districts and Black Hills Orthopedics and stated that they all support the regional detention ponds. He added that the reallocation of costs is to cover the actual costs for grading, lighting, road construction and the traffic signal. He commented that the budget for the tax increment financing district will not change because of the amendment and that the creation of the neighboring districts will assist in paying off this district faster.

Hagg expressed his opinion that it would be more economical to build the regional detention ponds sooner than later because a lot of the dirt removal has already occurred and that the culvert system is already in place. He added that the City Comprehensive Drainage Plan identifies the need for future detention ponds in this area. Hagg noted that storm water quality is also a major factor and that the proposed detention ponds and metering mechanisms would retain the quality of storm water. He stated that the maintenance for two regional detention ponds would be easier and less costly than the small detention ponds on each parcel.

Hagg requested the Committee to approve the amendment to reallocate costs and to add a line item to fund the construction of two regional detention ponds.

Dan Godfrey, resident, expressed concern about taxpayers not being properly notified about the creation of tax increment financing districts.

Janek expressed his opinion that the original project plan should have identified the regional detention ponds. He added that he does not have a problem reallocating funds and adding the line item and expressed his support for the amendment. He stated that the applicant will be building the regional detention ponds at a lower cost than the City will have to pay in the future for the detention ponds. He added that support from the Black Hills Corporation and Buffalo Crossing tax increment financing districts will assist in paying off Tax Increment Financing District 70 early.

In response to a question from Laurenti, Horton advised that detention ponds will be required on each parcel of this development if the regional detention ponds are not constructed.

Laurenti inquired as to whether the regional detention ponds will need to be constructed for this development even if the detention ponds are built on each parcel and if so, who is responsible for the costs.

Tech responded that the costs for regional storm water facilities constructed before development occurs are shared between the property owner and/or developer and the City. A brief discussion followed.

Hillard expressed his opinion that the reallocation of costs is sometimes necessary because actual costs are higher than projected costs. He concurred that it would be cost effective to construct the regional detention ponds instead of constructing individual drainage ponds on each parcel. He added that Tech indicated that the City is not requiring the regional detention ponds but the developer is requesting the funding to construct them before development occurs on the property. He added that the creation of the Black Hills Corporation and Buffalo Crossing tax increment financing districts will help in paying off this tax increment district faster. He expressed his support for the amendment.

Janek moved to recommend approval of the amendment for the reallocation of costs and for the addition of a line item for the construction of two regional detention ponds. The motion was seconded by Hillard.

Scott responded to Godfrey's comment and explained the approval or denial process of the amendment to the Project Plan for Tax Increment Financing District 70.

Scott expressed her support for the reallocation of costs but that she has concerns about the additional costs for regional detention ponds. She stated that the City is not requesting the developer to install the regional detention ponds and that the developer should have included the regional detention ponds in the original Project Plan.

The motion to recommend approval of the amendment for the reallocation of costs and for the addition of a line item for the construction of two regional detention ponds failed with Scott, Laurenti and Petersen voting no and Janek and Hillard voting yes. (3 to 2)

There being no further business to come before the committee, Laurenti moved, Janek seconded and motion carried unanimously to adjourn the meeting at 8:46 a.m.