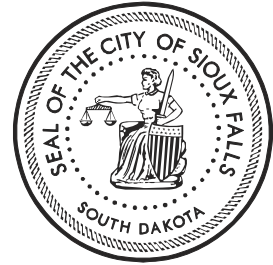


MINUTES

Monday, March 3, 2008



Fiscal Committee

5:45 p.m.
Carnegie Town Hall
235 W. 10th Street

Members Present: Committee Chair – J. Pat Costello, Gerald Beninga, Vernon Brown, Kevin Kavanaugh

Staff Present: Jamie L. Palmer, Assistant City Clerk

Guests: Eugene Rowenhorst, Director of Finance; De Knudson, Council Chair; Mike Cooper, Director of Planning; Mark Cotter, Director of Public Works; Bob Jamison, Council Member; Jonathan Ellis, Argus Leader; Gary Colwill, City Attorney; Greg Jamison, City Council Candidate; and Kermit Stagers, Council Member

1. Call To Order

Committee Chair Costello called the meeting to order at 5:45 p.m.

2. Approval of Minutes

A motion was made by Beninga and seconded by Kavanaugh to approve the meeting minutes of February 4, 2008 as written. Costello called for a voice vote on the motion. All members voted yes. Motion carried.

3. Reports and Updates

A. Current Alternative Financing Infrastructure (AFI) Proposal

Mark Cotter, Director of Public Works

Mike Cooper, Director of Planning & Building Services

Cotter shared copies of an Infrastructure Fee Comparison for surrounding cities. The document outlines current and proposed Infrastructure Fees for Sioux Falls. Cotter stated that the funding programs in other cities are very different so it is very difficult to compare. Cooper stated that there may be some correlation between rate of growth and the amount of development fees that are charged. Therefore, communities that are growing at a faster population rate tend to have higher development costs. A separate information sheet was prepared for Fargo, North Dakota.

Currently in Sioux Falls, we have fees for sewer (cost recovery) and drainage (DSCR & RDC). The AFI Committee is proposing to add fees for water and transportation. The document outlines the increase in platting costs for single-family, multi-family, industrial and commercial. The AFI Committee would like to request that an Access Management policy be adopted in conjunction with this proposed program.

Knudson asked if there has been any thought to providing an inflationary factor each year as opposed to a number amount. Cotter replied that the Council prefers to have justification for fee increases as opposed to automatic escalators. This allows administration to give more timely updates to the Council.

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Cotter further discussed the comparison document and stated that they did not do an analysis of taxing structures or participation rates so it is difficult to compare to Sioux Falls. Costello asked for clarification in that the proposed fees are fees that the developer will pay. Cotter replied yes. Costello pointed out that other cities may have other income sources and Sioux Falls doesn't. Sioux Falls is still relatively inexpensive compared to those listed.

Cooper covered the information at the bottom of the comparison document that outlines a comparison of single family permits and total housing permits and total construction values. He stated that many cities place the financial burden on the future developer as opposed to sharing it with the existing developer.

Discussion occurred regarding the next step needed to keep this process moving forward. Cotter stated that the committee isn't recommending any changes to the proposal at this point. Cotter stated that there will not be another update of information until sometime after May. The tentative target date for implementation of this proposed program is January 2009 or later.

B. Committee Discussion of tax abatement program and reporting mechanism Mike Cooper, Director of Planning & Building Services

Costello read the language for the proposed amendment to the Tax Abatement Program Ordinance which is Item 7 on the City Council agenda this evening. The amendment will provide a list of specific properties with a short description of location and what the amount of discretionary loss (abatement of value). To calculate the value, you can then apply the levy and calculate the amount of reduction. Cooper stated that this amendment doesn't change anything with the program just to the reporting mechanism. This new reporting mechanism will provide more up to date and accurate information.

4. Open Discussion

Costello stated that he recently sent an email to Eugene Rowenhorst, Mayor Munson and the City Council asking what amount of the second penny sales tax will be used for debt service. Rowenhorst stated that the administration is currently having discussions regarding this issue and that information will be brought forward at a later date.

Jamison stated that he attended a presentation called A Tale of Two Cities. He stated that the presenter would be interested in presenting it to the Council. Costello suggested that it be brought forward at an Informational meeting.

5. Adjournment at 6:45 p.m.

A motion was made by Kavanaugh and seconded by Beninga to adjourn the meeting at 6:45 p.m. Costello called for a voice vote on the motion. All members voted yes. Motion carried.

Jamie L. Palmer
Assistant City Clerk