

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
AUGUST 23, 2007**

Mayor Harold D. Stickney called to order the special meeting of the Common Council for the month of August, 2007 at 2:00 p.m. at Coldwell Banker.

PAMIDA SURVEY

Bob Pelshaw and Dave Starakova, Pelstar Development, LLC, introduced themselves and stated that they would like to be part of the community by developing a Pamida site; Bob stated they want to be a good neighbor. The Mayor thanked them for coming and discussed welcoming new business to the community for growth and progress. The Mayor discussed the Pamida Survey, the letters received along with the surveys, and that the final count came in at 338 For and 11 Against. Bob stated this development would work by having a public/private partnership and the projected sales of \$3 million would bring an immediate \$60,000 in sales tax to the Community. He also discussed the need for a TIF in the amount of \$600,000 which would generate \$45,000 in tax payment which in turn would cover the TIF payment. Their start-up costs are higher due to the property prices, the site work, and the additional infrastructure to meet the needs of the City. Terry Reitz questioned what they really want; Bob stated they just want the TIF amount in order to have a feasible project. Paul LeClair and Jason Petik questioned the TIF covering 65% of site work and the City requested infrastructure or buildings; Bob stated yes, it will go for site work. Councilperson Boyer wondered if the parking lot would be included in that infrastructure; Bob stated it might be and Rex stated that some of the design would be to handle the drainage issues that occur in area. Bob discussed that when they request \$600,000, the net amount is only around \$300,000. Discussion was held on the TIF being based on the property value, no adjustment room. Bob stated that if there was an advantage after November 1st, that might be able to be worked out. Discussion was held on the interest rate projection and other options; Bob stated that they have a rate around 6% and that SBA is not usually an option due to the timeline. Terry stated that the sales tax and new jobs helps to keep the money flowing at home. Discussion was held on the \$3 million projection which Bob stated is on the low side. Paul wondered about the number of stores this size; Bob stated there have been around 4 developed. Councilperson Boyer questioned the commitment; Bob stated they have 15 year lease with a 35 year commitment. Discussion was also held on TIF capacity which was stated that is around \$700,000 at present. Dave Ressler wanted to know about the project being in the spring versus the fall; Bob stated that Pamida wants to go this year and if it's put off too long, then it would likely be 2009 before reconsideration due to the other projects already scheduled. Discussion was turned to the schedule for the City and in what order the meetings and agendas would have to be pursued. Bob wondered if they could get a Resolution of Support for the project which no one objected. Bob stated that if everything falls in, then construction would start with site prep somewhere between October 1st and October 15th. Terry stated that he thought this would be good for Custer and it will be interesting to see how the elected officials handle this with 338 to 11.

ADJOURNMENT

With no further business, the meeting adjourned at 3:00 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor