

STAFF REPORT

December 6, 2001

No. 01TI009 - Tax Increment District No. 34 Project Plan

ITEM 31

GENERAL INFORMATION:

PETITIONER	Black Hills Harley Davidson/Buell
REQUEST	No. 01TI009 - Tax Increment District No. 34 Project Plan
LEGAL DESCRIPTION	Lots 1, 2 and 3, R & L Subdivision, Lot Z, and the Lange Road right-of-way lying adjacent and parallel to the north side of US Interstate 90 and along Lot B of W1/2 SW1/4 and along R & L Subdivision Lots 1, 2, and 3, all located in Section 22, T2N, R7E, BHM, Rapid City, South Dakota, and Lot 1 of Lot A and Lot A of the SW1/4 SW1/4 of Section 22, T2N, R7E, BHM, Rapid City, South Dakota, and Lot H1 of the SW1/4, Lot H1 of Lot Y of Lot H2, Lot H1 of Lot X of Lot H2, all located in Section 22, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota, and Lot H1 of the NE1/4 SE1/4, and Lot H1 of the SE1/4 SE1/4, all located in Section 21, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 14.33 acres
LOCATION	North of Lange Road and U.S. Interstate 90
EXISTING ZONING	Light Industrial District
SURROUNDING ZONING	
North:	Heavy Industrial District/General Agriculture District (County)
South:	Right-of-way/General Commercial District/Light Industrial District/ (City)
East:	General Agriculture District (County)
West:	Right-of-way/General Commercial District (City)/Light Industrial District (County)
PUBLIC UTILITIES	City water to be extended and on-site wastewater disposal system
REPORT BY	Karen Bulman

RECOMMENDATION: The Tax Increment Financing Review Committee recommends that the Planning Commission recommend approval of the Tax Increment District #34 Project Plan and attached resolution.

GENERAL COMMENTS: The applicant has requested the creation of a Tax Increment District to assist in funding the extension of City water underneath U.S. Interstate 90 to serve the

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commercial/light industrial development in the Deadwood Avenue area north of the Interstate Highway. The project will facilitate the relocation and expansion of Black Hills Harley-Davidson/Buell. The estimated cost of the improvements is \$250,000.

Private financing will be obtained to fund the extension of water underneath U.S. Interstate 90, and will be repaid by the Tax Increment District. The applicant will be responsible for any shortfall in funding. It is anticipated that the proposed district will run for six years; however, the district may run up to 20 years to insure repayment of all project costs. The anticipated increment associated with the project is \$441,060.

STAFF REVIEW: Pursuant to the adopted Tax Increment Policy, the Tax Increment Financing Review Committee found that the proposed project complied with all applicable statutory requirements as well as the City's adopted Tax Increment Policy. Specifically, the Committee found that in addition to the mandatory criteria, the proposal met the following two optional criteria:

Criteria #1: The project must demonstrate that it is not economically feasible without the use of Tax Increment Financing.

Criteria #3: The project will not provide direct or indirect assistance to retail or service businesses competing with existing businesses in the Rapid City trade area.

Additionally, the following discretionary criteria is met:

Criteria #2: All TIF proceeds are used for the construction of public improvements.

Criteria #7: The project involves the expansion of an existing business located within Rapid City.

Criteria #9: The project costs are limited to those specific costs associated with a site that exceed the typical or average construction costs.

Copies of the adopted Tax Increment Financing Policy are attached for your reference.

Based on the Tax Increment Financing Review Committee's recommendation, Staff recommends approval of the attached resolution approving the Project Plan for Tax Increment District Number Thirty-Four.