



STAFF REPORT

March 13, 2002

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**No. 02TI001 - Resolution creating Tax Increment District #35**

**ITEM**

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Pennington County, South Dakota; Shadow Drive and Inca Drive rights-of-way in Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota, and Jolly Lane Road right-of-way in Section 4, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota

PARCEL ACREAGE                      Approximately 65.58 acres

LOCATION                                      West of Elk Vale Road and north of SD Highway 44 East

EXISTING ZONING                      General Commercial District/Low Density Residential District with a PDD/Light Industrial District with a PLID

SURROUNDING ZONING

    North:                                      Light Industrial District

    South:                                      Suburban Residential District (County)

    East:                                        General Agriculture District (County)/Suburban Residential District (County)

    West:                                        General Commercial (County)

PUBLIC UTILITIES

DATE OF APPLICATION              02/19/2002

REPORT BY                                      Karen Bulman

**RECOMMENDATION:** The Tax Increment Financing Review Committee recommends that the Planning Commission recommend approval of the attached Resolution creating Tax Increment District #35.

**GENERAL COMMENTS:** Doyle Estes has requested the creation of a Tax Increment District to assist in the development of his property located east of Elk Vale Road. The property is the site of the Children's Home Society foster care facility.

On August 6, 2001, Tax Increment District #31 was approved by the City Council. This district was created to fund drainage improvements in the Race Track Drainage Basin. The Economic Development Corporation requested a review of the district boundaries by the Tax Increment Financing Review Committee to see if the Industrial Park could be removed from the boundaries of Tax Increment District #31. The Committee agreed and requested dissolution of Tax Increment District #31 and recommended approval of a revised district and project plan. The purpose of the now revised Tax Increment District #35 is to fund the drainage pipe improvement located in the new boundary. The estimated cost of the construction of the storm drainage pipe is \$250,000. This improvement will transport the storm drainage from a detention cell located in Pennington County, which was built through funding by a Tax Increment District created by Pennington County.

Mr. Estes has proposed to obtain private financing for the project costs. He would be

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reimbursed from any tax increment revenues. The City will only be responsible for passing on any revenues received.

STAFF REVIEW: The Staff met with the applicant and reviewed the proposal to dissolve Tax Increment District #31 and create a new Tax Increment District. The 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 #2 – The project will eliminate an actual or potential hazard to the public; and,  
Criteria #4 – The project will bring new or expanded employment opportunities.

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

The Tax Increment Financing Review Committee recommends approval of the attached resolution approving the creation of Tax Increment District Number Thirty-five.