STAFF REPORT

March 13, 2002

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

ITEM

GENERAL INFORMATION:

PETITIONER

City of Rapid City

REQUEST

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

EXISTING LEGAL DESCRIPTION

The west 340 feet of the unplatted portion of the S1/2 NW1/4 SW1/4, Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lot A of NE1/4 NW1/4 & NW1/4 NE1/4, Lots A and B of Lot 1 of Lot D of NW1/4 NE1/4, Lot B of NW1/4 NE1/4, Lot 2 of Lot D of NW1/4 NE1/4, Lot C of NW1/4 NE1/4, Lot 1 less Lot H1 in Block 1, Lots 2-4 less Lot H1 in Lot 4 in Block 1, Lot 9 less Lot H1 in Block 1, Lots 6-8 less Lot H1 of Lot 6 in Block 1, Lot 1 less Lot H1 in Block 2, Lot 2 in Block 2, Lot 3 less Lot H1 in Block 2, all located in Johnson School Subdivision, Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; School Lot & Lot "RS" in NW1/4 NE1/4, Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; the balance of SE1/4 less Lot H1, less Lot H3 of W1/2 SE1/4 & less Lots H3 & H4 of E1/2 SE1/4, Section 4, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lot H6 in the Hawthorne Ditch located in the NE1/4 NW1/4 of Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lot H1 in the east 88 feet of Lot D of the NE1/4 NW1/4 of Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lots H1 in Lots 6, 7, & 8 in Block 2. Lot H1 in Lot 6 in Block 1. Lots H1 in Lots 4 & 5 in Block 1, and Lots H1 in Lots 3, 4, & 5 in Block 2, all located in the Johnson School Subdivision of the NW1/4 NE1/4 of Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lots H1 in Lots A & B of the Johnson School Subdivision in the NE1/4 NW1/4 and Lot A of the Johnson School Subdivision in the NW1/4 NE1/4, all in Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; School Drive right-of-way south of Lot H1 in the east 88 feet of Lot D of the NE1/4 NW1/4 and south of Lot H1 in Lot 8 in Block 2 of the Johnson School Subdivision of the NW1/4 NE1/4 and south of Inca Drive right-of-way, and the vacated School Drive right-of-way south of Lot C of NW1/4 NE1/4 and south of School Lot & Lot "RS" in NW1/4 NE1/4, all located in Section 9, T1N, R8E, BHM, Rapid City,

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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

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

<u>GENERAL COMMENTS</u>: 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.