

STAFF REPORT
April 21, 2005

No. 05TI002 - Tax Increment District No. 52 – Project Plan

ITEM 43

GENERAL INFORMATION:

PETITIONER	Jim Letner
REQUEST	No. 05TI002 - Tax Increment District No. 52 Project Plan
EXISTING LEGAL DESCRIPTION	Tract 1, Shamrock Subdivision, Section 5, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract C, Section 5, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lot B of Lot 3 of Tract D, Section 5, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, the 60 foot East St. Charles Street right-of-way located between Cambell Street and Creek Drive, and the 66 foot Creek Drive right-of-way located between East St. Patrick Street on the south and Rapid Creek on the north, all located in Section 5, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 26.2 Acres
LOCATION	North of East St. Patrick Street, East of Cambell Street and west of Creek Drive
EXISTING ZONING	General Commercial District - Light Industrial District - Public District
SURROUNDING ZONING	
North:	Flood Hazard District
South:	General Commercial District
East:	Light Industrial District
West:	General Commercial District
PUBLIC UTILITIES	To be extended
DATE OF APPLICATION	3/18/2005
REVIEWED BY	Karen Bulman / Bob Dominicak

RECOMMENDATION: The Tax Increment Financing Committee recommends that the Project Plan for Tax Increment District #52 be approved.

GENERAL COMMENTS: The applicant has requested the creation of a Tax Increment District to assist in the development of property adjacent to East St. Charles Street through the extension of E. St. Charles Street, the development of drainage improvements and the reclamation of a City snow dump site. The extension of East St. Charles Street will provide for the completion of a road network from Cambell Street to Creek Drive. The applicant will

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finance the estimated \$595,000 cost of improvements. The street and public improvements will enhance the ability of new development to occur and will, therefore, increase the community's economic vitality and expand the City's property tax base.

The proposed District boundaries incorporate approximately 26.2 acres located north of East St. Patrick Street, west of Creek Drive and east of Cambell Street.

It is anticipated that one or more of the properties in this proposed Tax Increment District will be used for commercial purposes. As such, the creation of this Tax Increment District would be an Economic Development Tax Increment District and will not require an additional levy to make up for the School District's share of the property taxes included in the Tax Increment District.

STAFF REVIEW: The Tax Increment Financing Review Committee reviewed this proposal on March 7, 2005 and found that the proposed project complies with all applicable statutory requirements as well as the City's adopted Tax Increment Policy. In addition to the mandatory criteria, the Committee found that 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 are met:

- Criteria #2: All Tax Increment Fund proceeds are used for the construction of public improvements.
- Criteria #9: The project costs are limited to those specific costs associated with a site that exceed the typical or average construction costs (i.e. excessive fill, relocation costs, additional foundation requirements associated with unusual soil conditions, extension of sewer or water mains, on-site or off-site vehicular circulation improvements, etc.).

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

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Project Plan for Tax Increment District #52.