

STAFF REPORT
April 20, 2006

No. 06TI003 - Tax Increment District No. 47 Project Plan

ITEM 37

GENERAL INFORMATION:

PETITIONER	Wyss Associates for Web Real Estate Holding Co., LLC
REQUEST	No. 06TI003 - Tax Increment District No. 47 Project Plan
EXISTING LEGAL DESCRIPTION	Lot H1 of the SW1/4, Lot 1 of the SE1/4 SW1/4, the eastern most 402.4 feet of section line right-of-way in the SW1/4, all located in the SW1/4 of Section 11, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; the N1/2 SE1/4 less Walpole Heights Subdivision less Lot AB of the E1/2 SE1/4 and less Fairmont Boulevard dedicated right-of-way, Lots H1 and H2 of the SE1/4, Lots B and C of the SW1/4SE1/4, Lots A and B of the SE1/4 SE1/4, Lots H3, H4, H5, H6, H7 and H8 of the E1/2 SE1/4, and all of the section line right-of-way in the SE1/4 less that portion of section line right-of-way abandoned as recorded in Miscellaneous Book 54, Page 1976, all located in the SE1/4 of Section 11, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and Lot H2 of the W1/2 SW1/4 less Lot X of the W1/2SW1/4, Lot H4 of the W1/2 SW1/4, and that portion of a 60 foot dedicated public right-of-way located between Tract 3R and 4R of Arches Addition in the SW1/4, all located in the SW1/4 of Section 12, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.
PARCEL ACREAGE	Approximately 122.0 acres
EXISTING ZONING	Right-of-way - Low Density Residential District II (Planned Residential Development) - Office Commercial District (Planned Commercial Development) - General Commercial District (Planned Commercial District)
SURROUNDING ZONING	
North:	Park Forest District - Low Density Residential District - General Commercial District (Planned Commercial District)
South:	Park Forest District
East:	General Commercial District
West:	Park Forest District - General Agriculture District
PUBLIC UTILITIES	To be extended
DATE OF APPLICATION	3/24/2006

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REVIEWED BY

Karen Bulman / Bob Dominicak

RECOMMENDATION: The Tax Increment Financing Committee recommends that the Project Plan for Tax Increment District #47 be approved.

GENERAL COMMENTS: Tax Increment District #47 was created on October 4, 2004. The Project Plan submitted at that time indicated that the City would finance the project; however, the plan was tabled until funding was identified. The applicant is now requesting the approval of this Project Plan for Tax Increment District #47 to assist in funding the reconstruction of Tower Road and public infrastructure improvements. The applicant will finance the estimated \$2,679,657 cost of the 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 122 acres located along Tower Road west of U.S. Highway 16.

STAFF REVIEW: The Tax Increment Financing Review Committee reviewed the initial proposal on August 24, 2004 and found that the proposed project complied with all applicable statutory requirements as well as the City's adopted Tax Increment Policy. However, the Project Plan was tabled at the September 28, 2004 Legal and Finance Committee meeting in order to secure a funding source. The Tax Increment Financing Review Committee reviewed this current proposal on March 26, 2006, 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 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 #2: The project will eliminate actual or potential hazard to the public. Hazards may include condemned or unsafe buildings, sites, or structures.

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.

PUBLIC BENEFIT: Tax Increment District #47 has significant public benefit through the relocation and reconstruction, paving, sidewalks and associated public infrastructure

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improvements for Tower Road. The \$1,779,657 cost of the improvements will be financed by the applicant. In addition, approximately \$900,000 in earthwork for the partial grading of a proposed connection between Fairmont Boulevard and Tower Road is included in the Project Plan and will be financed by the applicant.

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Project Plan for Tax Increment District #47.