

STAFF REPORT  
September 21, 2006

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**No. 06TI004 - Resolution Creating Tax Increment District No. 61**      **ITEM 40**  
**Villaggio**

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GENERAL INFORMATION:

PETITIONER	Signature Development
REQUEST	<b>No. 06TI004 - Resolution Creating Tax Increment District No. 61 Villaggio</b>
EXISTING LEGAL DESCRIPTION	Lot 1, Stoney Creek South #2 Subdivision; Unplatted portion of E1/2 NW1/4 SE1/4; NE1/4 SW1/4 SE1/4 and Golden Eagle Drive located in the NE1/4 SW1/4 SE1/4 including Lots H3 and H4; Lot H1 in the SE1/4 SW1/4 SE1/4; Lot H2 in the SW1/4; Lot H2 in the SW1/4 NW1/4 SE1/4 and the NW1/4 SW1/4 SE1/4; W1/2 NW1/4 SE1/4 less Springbrook Acres Subdivision and Less Lot H2; NW1/4 SW1/4 SE1/4 less Lot H2; S495 feet of NE1/4 SE1/4 less Lot 1; SE1/4 SE1/4; Lot 1, Bendert Subdivision; all located in Section 22, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and, Lots 4 and 5, Owen Hibbard Subdivision, Section 23, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 156.858 acres
LOCATION	Between Sheridan Lake Road and South Highway 16 and adjacent to Catron Boulevard
EXISTING ZONING	Medium Density Residential District (PRD), Low Density Residential (PRD), General Commercial District (PCD), Public District, General Agriculture District, Office Commerical District (PCD)
SURROUNDING ZONING	
North:	Park Forest District, Park Forest District (PRD), Public District, General Commerical District (PCD), Low Density Residential District (PRD)
South:	General Agriculture District, Park Forest District, General Commercial District (Planned Commercial Development)
East:	General Commercial District (Planned Commercial Development), Public District
West:	Low Density Residential District (Planned Residential Development), General Agriculture District
PUBLIC UTILITIES	City Sewer and Water

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DATE OF APPLICATION                      9/6/2006

REVIEWED BY                                Karen Bulman / Not Assigned

RECOMMENDATION: The Tax Increment Financing Committee recommends that the Resolution Creating Tax Increment District No. 61 Villaggio be approved.

GENERAL COMMENTS: The applicant has requested the creation of a Tax Increment District to assist in the development of infrastructure adjacent to the Villaggio at Golden Eagle. The Tax Increment funds are to be utilized for Vineyard Lane and Golden Eagle Drive and the extension of water, sewer sidewalks, storm sewer and a detention cell and sewer lift station. Based on the allocation of costs for Phase I, the developer would fund 87% of the costs and the City would fund 13% of the costs.

This Tax Increment District is an Economic Development Tax Increment District and will therefore not require an additional levy to make up for the School District's share of the property taxes included in the Tax Increment. The public improvements will enhance the ability for new development to occur and increase the community's economic vitality and expand the City's property tax base.

The proposed District boundaries incorporate approximately 156.858 acres located adjacent to Catron Boulevard, east of Sheridan Lake Road and west of US Highway 16.

STAFF REVIEW: The Tax Increment Financing Review Committee reviewed this proposal on September 1, 2006 and recommended approval of the creation of Tax Increment District #61.

The applicant has indicated 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 applicant indicated 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 #2:     The project will eliminate actual or potential hazard to the public.
- 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

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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 creation of Tax Increment District #61 Villaggio.