

STAFF REPORT

March 8, 2007

**No. 07TI002 - Tax Increment District No. 56 Revised Project Plan
(Second Revision)**

ITEM 44

GENERAL INFORMATION:

PETITIONER

Dream Design International, Inc.

REQUEST

**No. 07TI002 - Tax Increment District No. 56 Revised
Project Plan (Second Revision)**

EXISTING

LEGAL DESCRIPTION

That portion of the Interstate 90 right-of-way lying in the SE1/4 NE1/4 and in the NE1/4 SE1/4 of Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Entire Interstate 90 right-of-way located in Section 29, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Entire Interstate 90 right-of-way located in the SW1/4 of Section 28, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract F, Marshall Heights Subdivision No. 2 and the Interstate 90 right-of-way lying south of and adjacent to Tract F, Marshall Heights Subdivision No. 2, all located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, That portion of the East Disk Drive right-of-way lying east of North LaCrosse Street located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot K-4 less Lot H-1, Marshall Heights Tract, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lots 1 and 2 and the south 1/2 of the vacated alley and Pine Street right-of-way adjacent to said lots, Block 2, Rapps Addition, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot M of the NW1/4 SE1/4 of Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Entire Farnwood Avenue right-of-way, entire Spruce Street right-of-way, and entire Rapp Street right-of-way all located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, That portion of the North LaCrosse Street right-of-way lying adjacent to Lot K-4 of Marshall Heights Tract and Lot 1 of Bedco Subdivision and including the entire intersection of North LaCrosse Street and Rapp Street, all located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H1 and Lot H2 located in N1/2 SE1/4 of Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Unplatted portion of the N1/2 SE1/4 lying south of Interstate 90, Section 30, T2N, R8E, BHM, Rapid City, Pennington

STAFF REPORT
March 8, 2007

**No. 07TI002 - Tax Increment District No. 56 Revised Project Plan ITEM 44
(Second Revision)**

will fund the project costs of the Tax Increment District at 9% interest. A second revision has now been requested to amend the Project Plan for additional Sewer Main and Financing/Loan Fee costs.

The proposed District boundaries are located east of LaCrosse Street and south of U.S. Interstate 90.

A portion of the proposed Tax Increment District is located within Tax Increment District No. 49. The Project Plan for Tax Increment District No. 49 was approved by the City Council on October 2, 2006. The incremental taxes for the property located within Tax Increment District No. 49 will go to pay off Tax Increment District No. 49 before it can be applied to the proposed Tax Increment District for Rushmore Crossing. As the applicant has not provided detailed information on the incremental values of the property with reference to the property lying within the overlapping area, staff cannot project the affect on the proposed Rushmore Crossing Tax Increment District.

STAFF REVIEW: The City Council approved the creation of Tax Increment District #56 on November 21, 2005 and approved the Project Plan on February 6, 2006. On October 16, 2006, the City Council approved a Revised Project Plan.

The Tax Increment Financing Review Committee reviewed additional requests for revisions to the approved Project Plan on February 9, 2007 and again on February 22, 2007. The revisions include funding additional financing/loan fees of \$55,700 by reducing the Professional Service Costs by \$15,375 and the Necessary and Convenient Costs by \$40,325. In addition, the revisions include funding additional Sewer Main Costs of \$90,000 by reducing the Necessary and Convenient Costs by \$90,000. The Tax Increment Financing Committee found the proposed changes comply with all applicable statutory requirements as well as the City's adopted Tax Increment Policy.

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Revised Project Plan for Tax Increment District #56.