

STAFF REPORT
November 20, 2008

No. 08TI012 - Second Revised Project Plan for Tax Increment ITEM 69
District No. 55 - Mall Ridge Lift Station

GENERAL INFORMATION:

APPLICANT/AGENT	Dream Design International, Inc.
PROPERTY OWNER	Multiple property owners
REQUEST	No. 08TI012 - Second Revised Project Plan for Tax Increment District No. 55 - Mall Ridge Lift Station
EXISTING LEGAL DESCRIPTION	Lot 1, Mailloux Subdivision; Government Lot 4; the unplatted balance of the SE1/4 SW1/4 and the unplatted balance of the S1/2 SE1/4 all located in Section 18, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; NE1/4 NW1/4 Section 19, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 7R, Madisons Subdivision; Outlots A, B and C and all of Block 6 of Auburn Hills Subdivision and the Auburn Drive right of way lying adjacent to said lots; NE1/4 SE1/4; S1/2 SE1/4; SE1/4 SW1/4 less Lot 7R, Madisons Subdivision; N1/2 SW1/4 SW1/4; NW1/4 SW1/4; SW1/4 NW1/4; all located in Section 13, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota
LOCATION	Extending from the western boundary of Auburn Hills Subdivision, along Country Road to 143rd Avenue
EXISTING ZONING	Medium Density Residential Dist (PRD) - Low Density Residential Dist. (PRD) - Neighborhood Commercial Dist. - General Agriculture Dist. - Public Dist. - Low Density Residential Dist. II - Low Density Residential Dist. - Medium Density Residential Dist.
SURROUNDING ZONING	
North:	General Agriculture District (Pennington County) - Low Density Residential District (Pennington County)
South:	General Agriculture Dist. - Low Density Residential Dist. - Medium Density Residential Dist. - General Agriculture Dist. (Pennington County) - Light Industrial Dist. (Pennington County) - General Commercial Dist (Pennington County) - Suburban Residential
East:	Limited Agriculture District (Pennington County)
West:	Low Density Residential District (PRD) - General Agriculture District - General Agriculture District (Pennington County)

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PUBLIC UTILITIES	City sewer and water
DATE OF APPLICATION	10/24/2008
REVIEWED BY	Karen Bulman / Ted Johnson

RECOMMENDATION: The Tax Increment Financing Review Committee recommends that the Second Revised Project Plan for Tax Increment District No. 55 – Mall Ridge Lift Station be approved.

GENERAL COMMENTS: Tax Increment District #55 was approved by the City Council in September 2005. Revisions to the Project Plan were approved July 17, 2006. The Tax Increment District was created to assist in the development of public improvements for a lift station to serve Freeland Meadows Subdivision and other areas of development.

The District boundaries extend from the western boundary of Auburn Hills Subdivision along Country Road to 143rd Avenue.

The applicant is requesting reallocation of funds for the City and the Developer due to increased lift station costs. The Developer is requesting reallocation of funds from the Necessary and Convenient costs for Freeland Meadows force main, Freeland Meadows gravity sewer, Pumping Brookfield Holding Tank, and from Other Necessary and Convenient cost line items to fund additional costs for the Lift Station, Necessary and Convenient costs for the design and maintenance of the lift station, Brookfield force main construction and holding tank construction.

STAFF REVIEW: On October 24, 2008, the Tax Increment Financing Review Committee reviewed the Developer's request for the changes to reallocate the costs within the Project Plan. The proposed change would reallocate the project costs for the City, removing \$32,080 from Pumping Brookfield Holding Tank and \$35,168.53 from the Necessary and Convenient Cost line items and adding \$619.47 to the Lift Station, \$42,260.00 to the Design and Construction Maintenance of the Lift Station, and \$18,786.36 to the Brookfield Force Main Construction line items. The change would reallocate the project costs for the Developer, removing \$7,100 from the Freeland Meadows Force Main, \$6,020 from the Freeland Meadows Gravity Sewer, and \$200,853.91 from the Necessary and Convenient Cost line items and adding \$206,201.17 for the Developer's share of the Lift Station in the Project Plan for Tax Increment District #55.

All the revised changes are outlined in the following charts:

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Proposed Project Cost Reallocation:

<u>Project Costs</u>	<u>Approved Costs</u>	<u>Changes</u>	<u>Amended</u>
Capital Costs:			
Lift Station	\$935,600.00	\$206,820.64	\$1,142,420.64
Necessary and Convenient Costs:			
Design & maintenance of			
Lift station	\$110,261.00	\$42,260.00	\$152,521.00
Brookfield force main	\$7,500.00	0	\$7,500.00
Brookfield f. main const	\$83,346.00	\$18,786.36	\$102,132.36
Holding Tank Construction	\$4,000.00	\$13,355.44	\$17,355.44
Freeland Mdows f.Main	\$275,620.00	\$(7,100.00)	\$268,520.00
Freeland Mdows g.sewer	\$473,230.00	\$(6,020.00)	\$467,210.00
Pumping Brookfield Holding tank	\$65,000.00	\$(32,080.00)	\$32,920.00
Other Necessary and Convenient Costs	\$396,573.06	\$(236,022.44)	\$160,550.62
Financing Costs:			
Financing interest	\$1,259,685.44	\$0	\$1,259,685.44
TOTAL	\$3,610,815.50	\$0	\$3,610,815.50

All other costs remain the same. The total costs will not change, so the tax increment base will not be re-established. The revisions are for Developer and City costs as identified below:

CITY FUNDED PROJECT COSTS:

<u>Capital Costs:</u>	<u>Approved Costs</u>	<u>Changes</u>	<u>Amended</u>
Lift Station	\$784,892.50	\$619.47	\$785,511.97
Necessary and Convenient Costs:			
Design & maintenance of			
Lift station	\$110,261.00	\$42,260.00	\$152,521.00
Brookfield force main	\$7,500.00	0	\$7,500.00
Brookfield f. main const	\$83,346.00	\$18,786.36	\$102,132.36
Holding Tank Construction	\$4,000.00	\$13,355.44	\$17,355.44
Pumping Brookfield Holding tank	\$65,000.00	\$(32,080.00)	\$32,920.00
Other Necessary and Convenient Costs	\$35,168.53	\$(35,168.53)	\$0
Financing Costs:			
Financing interest	\$617,469.65	\$0	\$617,469.65

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TOTAL	\$1,707,637.68	\$7,772.74	\$1,715,410.42
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DEVELOPER FUNDED PROJECT COSTS:

<u>Costs_</u>	<u>Approved Costs</u>	<u>Changes</u>	<u>Amended</u>
Capital Costs:			
Lift Station	\$150,707.50	\$206,201.17	\$356,908.67
Necessary and Conv.Costs			
Freeland Mdows f.Main	\$275,620.00	\$(7,100.00)	\$268,520.00
Freeland Mdows g.sewer	\$473,230.00	\$(6,020.00)	\$467,210.00
Other Necessary and Convenient Costs	\$361,404.53	\$(200,853.91)	\$160,550.62
Financing Costs:			
Financing interest	\$642,215.79	\$0	\$642,215.79
TOTAL	\$1,903,177.82	\$(7,772.74)	\$1,895,405.08

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Second Revised Project Plan for Tax Increment District #55.