

STAFF REPORT
March 10, 2011

No. 05TI020 - Resolution Dissolving Tax Increment District No. 59

ITEM 2

GENERAL INFORMATION:

APPLICANT	City of Rapid City
PROPERTY OWNER	Multiple Property Owners
REQUEST	No. 05TI020 - Resolution Dissolving Tax Increment District No. 59
EXISTING LEGAL DESCRIPTION	A portion of land located in the NE1/4 of the SE1/4 of Section 16, including Lots 1 and 2 of Block 1, Lot 1 of Block 4 and Lot 1 of Block 5, and all rights-of-way all located in Farrar Business Park; and that portion of the NW1/4 of the SE1/4 of Section 16 lying north and east of the right-of-way of Interstate 90; all located in the N1/2 of the SE1/4 of Section 16, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 50.44 Acres
LOCATION	Between Interstate 90 and Deadwood Avenue
DATE OF APPLICATION	2/14/2011
REVIEWED BY	Karen Bulman / Brandon Quiett

RECOMMENDATION:

Staff recommends that the Resolution Dissolving Tax Increment District No. 59 be approved.

GENERAL COMMENTS: The resolutions creating Tax Increment District #59 and the Project Plan for Tax Increment District #59 were approved by the City Council on February 6, 2006. Tax Increment District #59 was established to assist in the development of the Deadwood Avenue water supply. The Tax Increment Funds were to be utilized for the construction of a well and oversizing costs for water transmission mains. The Tax Increment District was anticipated to be paid off by December 2012.

The base valuation of the property in 2006 was \$1,225,900.00. The property now has an assessed valuation of \$766,501.00, for a decrease of \$459,399.00.

According to SDCL 11-9-13 (5), no expenditure may be provided for in the project plan more than five years from the date the district was created. To date, a Developer's Agreement has not been approved by the City Council. The City Finance Office has indicated that there have been no expenditures and no outstanding financial obligations of the Tax Increment District. Therefore, as five years has passed since the creation of this district, Tax Increment District #59 is to be dissolved. The original Tax Increment District applicant has been notified of the dissolution.

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STAFF REVIEW: Staff has reviewed this proposed Resolution Dissolving Tax Increment District #59 and is recommending approval of the resolution dissolving the Tax Increment District.