

STAFF REPORT

July 25, 2002

No. 02TI006 - Tax Increment District No. 37 Project Plan

ITEM 47

GENERAL INFORMATION:

PETITIONER	City of Rapid City
REQUEST	No. 02TI006 - Tax Increment District No. 37 Project Plan
EXISTING LEGAL DESCRIPTION	E1/2 of the NE1/4 of Section 16, T1N, R7E, BHM, Pennington County, South Dakota; That portion of the E1/2 of the SE1/4 of Section 16 lying north of the Corral Drive right-of-way less Lots 1, 2 and 3 of Corral Drive Subdivision and less Lot 1 of the SE1/4 of SE1/4 of Section 16, T1N, R7E, BHM, Pennington County, South Dakota; Tract 2 and Tract 4 of Pine View Terrace located in the W1/2 of the SE1/4 of Section 16, T1N, R7E, BHM, Pennington County, South Dakota; Lot 1 of Valley Tract, located in the W1/2 of the NW1/4 of Section 15, T1N, R7E, BHM, Pennington County, South Dakota; All of Arrowhead Hills Subdivision, Heidiway Lane and Heidiway Court, located in the W1/2 of the SW1/4 of Section 15, T1N, R7E, BHM, Pennington County, South Dakota; Lot H1 and H2 of Lot 1, Lot H1 of Lot 8, Lot H1 of Lot 9 and Lot H1 and DE1 of Lot 15 of Arrowhead Hills Subdivision, located in Section 15, T1N, R7E, BHM, Pennington County, South Dakota; The unplatted portion of the NW1/4 SW1/4 of Section 15 lying west of Heidiway Lane, T1N, R7E, BHM, Pennington County, South Dakota; and, That portion of Sheridan Lake Road right-of-way located in Sections 15 and 16, all located in T1N, R7E, BHM, Pennington County, South Dakota
PARCEL ACREAGE	224.16 acres
LOCATION	Nicklaus Drive to the north, Park Drive to the west, Corral Drive to the south and Sheridan Lake Road to the east
EXISTING ZONING	General Agriculture District/Low Density Residential District/Medium Density Residential District
SURROUNDING ZONING	
North:	Low Density Residential District/Park Forest District
South:	Medium Density Residential District/Low Density Residential District
East:	Park Forest/ Medium Density Residential District/Low

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West:	Density Residential District Low Density Residential District/Public District
PUBLIC UTILITIES	To be extended
DATE OF APPLICATION	7-2-02
REPORT BY	Karen Bulman

RECOMMENDATION: The Tax Increment Financing Review Committee recommends that the Planning Commission recommend approval of the Tax Increment District #37 Project Plan and attached resolution with the following stipulations:

Tax Increment Finance Committee recommendation:

1. Prior to Council approval, a minimum access connection to Heidiway Lane for emergency and secondary access must be addressed; and
2. Prior to Council approval, right-of-way issues across the Letner property must be addressed.

GENERAL COMMENTS: The City of Rapid City has requested the creation of a Tax Increment District to construct the extension of Severson Drive, including grading, storm sewer, curb and gutter, and asphalt surfacing.

The proposed district would incorporate the areas planned for development known as Dunham Estates, as well as land included in a Layout Plat know as Severson Subdivision. Adjacent undeveloped land to the south would be included to facilitate the extension of Severson Drive, along with the Arrowhead Hills Subdivision through which Heidiway Lane crosses.

The proposed district will run for 15 years. The anticipated increment associated with the project is \$ 339,391. A funding source has not been identified for this Tax Increment District, but the Tax Increment Finance Committee recommended that the Infrastructure Development Partnership fund be reviewed as a possible funding source.

STAFF REVIEW: The Tax Increment Financing Committee reviewed the proposal to create a Tax Increment District. The Review Committee found that the proposed project complied with all applicable statutory requirements as well as the City's adopted Tax Increment Policy. Specifically, the Committee found that in addition to the mandatory criteria, the proposal met the following two optional criteria:

- Criteria #2 – The project will eliminate an actual or potential hazard to the public; and,
- 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:

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Criteria #2 – All Tax Increment Financing 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, specifically on-site or off-site vehicular circulation improvements.

Copies of the adopted Tax Increment Financing Policy are attached for your reference.

Based on the Tax Increment Financing Review Committee's recommendation, staff recommends approval of the attached resolution approving the Project Plan for Tax Increment District Number Thirty-seven.