

STAFF REPORT
January 6, 2005

No. 04TI012 - Tax Increment District #49 - Project Plan

ITEM 57

GENERAL INFORMATION:

PETITIONER	Centerline
REQUEST	No. 04TI012 - Tax Increment District #49 - Project Plan
EXISTING LEGAL DESCRIPTION	Lot 1 – 28 and all adjacent rights-of-way, Block 11, Plainview #2, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 1 – 14 and all adjacent rights-of-way, Tract A (formerly lots 15A thru 25A) and all adjacent rights-of-way, Lot 15-28 less lot 15A -25A and all adjacent rights-of-way, all located in Block 12, Plainview #2, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Unplatted balance of SW1/4SE1/4 and the unplatted balance of SE1/4SE1/4 and all adjacent rights-of-way, all located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 3 and Lot 4 and all adjacent rights-of-way, Tract A & S1/2 vacated part of alley adjacent to Tract A and all adjacent rights-of-way, Lot A of Lot 1, Lot 2 and the S1/2 vacated Watertown St adjacent to said lot, Lot B of Lot 1, all located in Block 2, Feigels Subdivision, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract I and the N1/2 vacated portion of alley adjacent to Tract I and the S1/2 vacated Watertown St adjacent to Tract I and all adjacent rights-of-way, Block 2, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, All Block 3 and W375' of N1/2 vacated Watertown Street adjacent to Block 3 less W150' & less Lot 1-2 and the S1/2 vacated Madison Street adjacent to E475' Block 3 and the vacated alley in Block 3 less portion between Lots 1 & 2 and all adjacent rights-of-way, all located in Block 3, Feigels Subdivision, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 1-2 and the S1/2 vacated Madison St adjacent to Lot 1 and the N1/2 vacated Watertown Street adjacent to Lot 2 and the vacated alley between Lots 1-2, Block 3 and all adjacent rights-of-way, all located in Feigels Subdivision, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, All of Block 1 and all adjacent rights-of-way, Feigels Addition, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 1 -2 and the balance of Block 4 and all adjacent rights-of-way, all located in Block 4, Feigels Subdivision, Section

STAFF REPORT
January 6, 2005

No. 04TI012 - Tax Increment District #49 - Project Plan

ITEM 57

31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, SE1/4NE1/4 including Meadowlark Hills Sub & all adjacent rights-of-way, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract A & E1/2 vacated Cherry Ave of NE1/4NE1/4 and all adjacent rights-of-way, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract B, C, D, F, G, and H and all adjacent rights-of-way, all of Block 1, Feigels Subdivision, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract E & E15' of vacated Cherry St adjacent to said Tract E, Block 1 and all adjacent rights-of-way, Feigels Subdivision, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, E100' of Tract A, Block 1 and adjacent right-of-way, Feigels Subdivision, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract A less the E100' and the E15' of vacated Cherry St adjacent to said Tract A and adjacent right-of-way, Block 1, Feigels Subdivision, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, All of the 90' wide East Anamosa Street right-of-way located in the NE1/4 of Section 31 and the SE1/4 of Section 30, and the East Anamosa Street right-of-way located in the NW1/4 of Section 31 and the SW1/4 of Section 30 all adjacent to LaCrosse Street, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, All Railroad Right-of-Way located in the NE1/4 of Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot A and Lot B and all adjacent rights-of-way, West Century Sub, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, N170' of S313.96' of Lot 2 and adjacent right-of-way, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 1 and Lot 2 and all adjacent rights-of-way, Buckingham Rental Subdivision, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot B of Lot 1 of SW1/4NW1/4 and all adjacent rights-of-way, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot A, B, C, and D of Lot 1 of NW1/4SW1/4 and all adjacent rights-of-way, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract 1, Century "21" and all adjacent rights-of-way, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract A in NE1/4NW1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract D in NE1/4NW1/4

STAFF REPORT
January 6, 2005

No. 04TI012 - Tax Increment District #49 - Project Plan

ITEM 57

including Lot 1 of Tract D of Heubner Subdivision and all adjacent rights-of-way, all located in Heubner Subdivision, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, N16.04' of Lot 2 of SW1/4NW1/4 and adjacent right-of-way, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lots H2 and Lot H3 of the SW1/4NW1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lots H3 and H4 of the SE1/4NW1/4, Lot H1 of Lot A of the SE1/4NW1/4, Lot H2 of the SE1/4NW1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H1 of the S1/2NW1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H2 of the N1/2NE1/4 as recorded on Plat of Lot H1 of the N1/2NE1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H2 in the NW1/4NE1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H2 of Lot B of Lot 1 in the NW1/4SW1/4, Lot H1 of Lot B of Lot 1 of the NW1/4SW1/4, Lot 2 of the NW1/4SW1/4, Lot H1 of Lots 7 & 8 of the NW1/4SW1/4, Lot H1 of Lots 3,4, 5 & 6 of the NW1/4SW1/4, Lot H1 and Lot H2 of the NW1/4SW1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota.

PARCEL ACREAGE	Approximately 150 acres
LOCATION	West of Century Road, east of LaCrosse Street and south of US I-90
EXISTING ZONING	General Commercial District/General Agriculture District/Medium Density Residential District/Light Industrial District
SURROUNDING ZONING	
North:	General Commercial District/General Agriculture District
South:	General Commercial District/Light Industry District
East:	General Commercial District/Light Industry District
West:	General Commercial District/Medium Density Residential District/Light Industry District
PUBLIC UTILITIES	To be extended
DATE OF APPLICATION	12/10/2004
REVIEWED BY	Karen Bulman /David Johnson

STAFF REPORT
January 6, 2005

No. 04TI012 - Tax Increment District #49 - Project Plan

ITEM 57

RECOMMENDATION: The Tax Increment Financing Committee recommends that the Project Plan for Tax Increment District #49 be approved for the oversize costs by the City for a three lane facility and that alternative funding sources be sought for the Developer costs.

GENERAL COMMENTS: The applicant has requested the creation of a Tax Increment District to assist in the cost of construction of a three lane extension of East Anamosa Street from Century Road to Lacrosse Street. The public infrastructure improvements for East Anamosa Street include the oversizing costs of grading, paving, utilities, storm sewers, and lighting, and the costs of street signals and a bridge over the railroad. The applicant has requested that the City finance the estimated \$3,700,000 cost of this Tax Increment District at a 6% interest rate. A funding source for the City's costs has not been identified; however, the applicant has requested funding from the 2012 Fund. 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 150 acres located west of Century Road, east of LaCrosse Street and south of US 1-90.

The proposed Tax Increment District overlaps Tax Increment District #39 for East Rapid Plaza. Any tax increment payments received after Tax Increment District #39 is paid off will be used to make loan payments for the current Tax Increment District #49. It is projected that Tax Increment District #39 will be paid off in December 2017.

STAFF REVIEW: The Tax Increment Financing Review Committee reviewed this proposal on October 22, 2004 and on November 10, 2004 and found 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 Committee found 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 #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 vehicular circulation improvements, etc.)

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

STAFF REPORT
January 6, 2005

No. 04TI012 - Tax Increment District #49 - Project Plan

ITEM 57

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Project Plan for Tax Increment District #49 for the oversize costs by the City for a three lane facility and that alternative funding sources be sought for the Developer costs, with the understanding that a funding source has not been identified.