

STAFF REPORT
November 10, 2005

No. 05TI015 - Resolution Creating Tax Increment District No. 57

ITEM 27

GENERAL INFORMATION:

PETITIONER	Centerline
REQUEST	No. 05TI015 - Resolution Creating Tax Increment District No. 57
EXISTING LEGAL DESCRIPTION	W1/2 SW1/4, less Plum Creek Subdivision and including Elk Vale Road right-of-way, Section 16, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately .67 acres
LOCATION	At the southern terminus of South Valley Drive
EXISTING ZONING	General Agriculture District - Low Density Residential II (Planned Residential Development) - Office Commercial District (Planned Commercial Development) - General Commercial District (Planned Commercial Development)
SURROUNDING ZONING	
North:	Limited Agriculture District - Suburban Residential District (Pennington County)
South:	Limited Agriculture District (Pennington County)
East:	Low Density Residential District - Low Density Residential District II (Planned Residential District)
West:	Limited Agriculture District (Pennington County) - General Agriculture District
PUBLIC UTILITIES	To be extended
DATE OF APPLICATION	10/20/2005
REVIEWED BY	Karen Bulman

RECOMMENDATION: The Tax Increment Financing Committee recommends that the Resolution Creating Tax Increment District No. 57 be denied.

GENERAL COMMENTS: The applicant has requested the creation of a Tax Increment District to assist in the development of public improvements for grading and storm drainage improvements adjacent to Plum Creek Subdivision. These improvements will enhance the ability of new development to occur in this area and increase the community's economic vitality and expand the City's property tax base.

The proposed Tax Increment District boundaries are located at the southern terminus of South Valley Drive.

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It is anticipated that one or more of the properties in this proposed Tax Increment District will be used for commercial purposes. As such, the creation of this Tax Increment District will be an Economic Development Tax Increment District and will not require an additional levy to make up for the School District's share of the property taxes included in the Tax Increment District.

STAFF REVIEW: The Tax Increment Financing Review Committee reviewed this proposal on September 29, 2005 and on October 14, 2005 and recommended denial of the financing request. The applicant has indicated 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 applicant indicated 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 applicant states that the following discretionary criteria will be met:

Criteria #2: All TIF 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.

The Tax Increment Financing Committee reviewed the information presented, including the elevation distance between the Southeast Connector and the proposed service roads, the grading and drainage improvements needed in the area and the funding provided by the South Dakota Department of Transportation.

The Tax Increment Financing Project Review Committee recommends the attached resolution approving the creation of Tax Increment District #57 be denied.