No. 07TI013 - A Revision to the Tax Increment District No. 39 ITEM 58 Project Plan

GENERAL INFORMATION:

PETITIONER

Centerline for A/R Group

REQUEST

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EXISTING LEGAL DESCRIPTION

Tract 1 of Century "21" Subdivision, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota: and. Lots H2 of Lot 3 & Lot H3 of Lot 3 all 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, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H1 of Lot A of the SE1/4NW1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, 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 H7 of the S1/2NW1/4 located south and east of the highway excepting therefrom Lot A of the SE1/4NW1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H8 and the balance of Lot H5 all located in the SE1/4NW1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H1 of Tract A of the SE1/4NW1/4 and SW1/4NE1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H1 and Lot H2 of the NE1/4NW1/4, 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 "Z" showing a tract of land to be abandoned in a portion of Lot H3 in the N1/2NE1/4, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H3 in the N1/2NE1/4 of Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota

PROPOSED LEGAL DESCRIPTION

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PARCEL ACREAGE Approximately 68.87 acres

LOCATION East of Century Road, north and west of E. North Street

and south of the railroad right-of-way and I-90 Exit 60

EXISTING ZONING General Commercial District

SURROUNDING ZONING

North: General Commercial District - General Commercial

District (Planned Commercial Development)

South: General Commercial District

East: General Commercial District (Planned Commercial

Development) - Light Industrial District

West: General Commercial District

PUBLIC UTILITIES City water and sewer

DATE OF APPLICATION 6/29/2007

REVIEWED BY Karen Bulman / Mary Bosworth

<u>RECOMMENDATION</u>: The Tax Increment Financing Committee recommends that the Second Revision to Tax Increment District No. 39 Project Plan be approved.

GENERAL COMMENTS: Tax Increment District #39 was created April 21, 2003 to assist in the development of East Rapid Plaza located east of Century Road, north and west of East North Street and generally south of the railroad right-of-way and I-90 Exit 60. A Revised Project Plan was approved by the City Council in June 2006 to reallocate money from the contingency costs to the extension of water and sewer lines costs. The funds were to relocate Western Area Power Administration power lines that cross the site, extend existing water and sewer to the site, construct traffic signals and turn lanes on East North Street and oversizing costs for Anamosa Street including acquiring right-of-way.

The applicant has requested the approval of the Second Revised Tax Increment District Project Plan to allow the City to recapture additional costs for the oversizing of Anamosa Street due to increased construction costs.

The applicants and the City will fund the project costs of the Tax Increment District at 9% interest and 6% respectively.

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.

<u>STAFF REVIEW</u>: The developer is requesting a reallocation of the costs of the previously approved Revised Project Plan costs. The costs for the construction of Anamosa Street

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have increased. The applicant is requesting that \$100,000 of contingency costs under the Other Necessary and Convenient Costs, \$30,000 from the WAPA power line costs, and \$212,119.65 from the financing costs from the developer be reallocated to the City's oversize cost for Anamosa Street and additional financing costs. In addition, the applicant is requesting that \$100,000 of contingency costs under the Other Necessary and Convenient Costs for the City be reallocated to the City's oversize cost for Anamosa Street and financing costs. The contingency line items for both the Developer and the City will be reduced to zero. The line item for the WAPA power lines will be reduced to \$270,000. The costs for oversizing the construction of Anamosa Street will be increased to \$841,144.31. The financing costs for the developer will be \$1,006,273.66 and the financing costs for the City will be \$904,244.08. All other costs remain the same and the tax increment base will not be re-established.

The Public Works/Engineering Division staff has reviewed the oversizing costs and is in agreement with the reallocation of the funding.

The Tax Increment Financing Review Committee reviewed this revised Project Plan on June 29, 2007 and recommended approval of the attached resolution approving the Second Revised Project Plan for Tax Increment District #39.