

STAFF REPORT

October 25, 2001

No. 01TI004 - Resolution Creating Tax Increment District No. 32

ITEM 30

GENERAL INFORMATION:

PETITIONER	City of Rapid City
REQUEST	No. 01TI004 - Resolution Creating Tax Increment District No. 32
LEGAL DESCRIPTION	Lots 1-11, Block 1, Lots 1-19, Block 2, Lots 1-3, Block 3, Lot 1, Block 4, Lot 1, Block 5, Outlot 1, and dedicated streets, all in Red Rock Estates, Section 29, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; Lot 1, 2, 3A, 3B, 4A, and 4B, Block 6, Red Rock Estates Phase 1A, Section 29, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; Lots 4-16, Block 3, Lot 2 and Lot 3, Block 4, Lots 1-6, Block 7, Lots 1-3, Block 8, all in Red Rock Estates Phase 2, Section 29, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; Outlot A of Tract A, Countryside Sub, Section 29, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; Well Lot, and Balance of Picardi Ranch Road, and Balance of Tract 1 (Less Red Rock Estates and Less ROW), all in Red Ridge Ranch, Section 29, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and Unplatted W1/2 NW1/4 NE1/4 less Red Ridge Ranch, Section 29, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; Unplatted E1/2 NW1/4 NE1/4 less Red Ridge Ranch and ROW, SW1/4 NE1/4 less Red Ridge Ranch, less Red Rock Estates, less Red Rock Estate Phase 1A, and Less Row, E1/2 NW1/4 less Red Rock Estates and Less ROW, Section 29, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; Unplatted N1/2 NW1/4 SW1/4 less Red Rock Estates and less Countryside Sub; N1/2 NE1/4 SW1/4 less Red Rock Estates & Less Countryside Sub; E1/2 NE1/4, and W1/2 NW1/4, Section 29, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota;
PARCEL ACREAGE	Approximately 360 Acres
LOCATION	North of the intersection of Sheridan Lake Road and Muirfield Drive
EXISTING ZONING	Low Density Residential District
SURROUNDING ZONING	
North:	General Agriculture District (County)
South:	Suburban Residential District (PUD) (County)

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East: Suburban Residential District (County)
West: General Agriculture District (County)

PUBLIC UTILITIES City sewer and water

REPORT BY Karen Bulman

RECOMMENDATION: The Tax Increment Financing Committee recommends that the Planning Commission recommend approval of the resolution creating Tax Increment District No. 32.

GENERAL COMMENTS: The City Staff has requested the creation of a Tax Increment District to assist in the development of additional water system improvements in Red Rocks Estates. This 360-acre parcel is projected to have approximately 350 homes and an 18-hole golf course, currently under construction.

The purpose of this Tax Increment District is to fund the construction of a water storage facility and a water main extension from the Carriage Hills area to eliminate a pressure pump so that the area can maintain water pressure when the power goes off. The estimated cost of the improvements is \$3,360,000. In addition, funding is requested in the amount of \$475,000 for the location of a storm water detention facility to improve the drainage in the area.

Staff has identified several sources of funding for these projects. Funding of the storm water detention facility will come from Capital Improvement Program funds. The first phase of the booster station project will be partially funded with Infrastructure Development Partnership Funds loaned to BGW developers. This cost will not be reimbursed by the Tax Increment District. The balance of the booster station project and the cost of the water storage facility will be funded by a loan from the Drinking Water State Revolving Fund, guaranteed by water rate user fees.

STAFF REVIEW: Pursuant to the adopted Tax Increment Policy, the Tax Increment Financing 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 #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 is 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.

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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 resolution approving the creation of Tax Increment District Number Thirty-Two.