No. 02TI002 - Tax Increment District #35 Project Plan

ITEM 32

GENERAL INFORMATION:

PETITIONER

City of Rapid City

REQUEST

No. 02TI002 - Tax Increment District #35 Project Plan

EXISTING

LEGAL DESCRIPTION

The west 340 feet of the unplatted portion of the S1/2 NW1/4 SW1/4, Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lot A of NE1/4 NW1/4 & NW1/4 NE1/4, Lots A and B of Lot 1 of Lot D of NW1/4 NE1/4, Lot B of NW1/4 NE1/4, Lot 2 of Lot D of NW1/4 NE1/4, Lot C of NW1/4 NE1/4, Lot 1 less Lot H1 in Block 1, Lots 2-4 less Lot H1 in Lot 4 in Block 1, Lot 9 less Lot H1 in Block 1, Lots 6-8 less Lot H1 of Lot 6 in Block 1, Lot 1 less Lot H1 in Block 2, Lot 2 in Block 2, Lot 3 less Lot H1 in Block 2, all located in Johnson School Subdivision, Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; School Lot & Lot "RS" in NW1/4 NE1/4, Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; the balance of SE1/4 less Lot H1, less Lot H3 of W1/2 SE1/4 & less Lots H3 & H4 of E1/2 SE1/4, Section 4, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lot H6 in the Hawthorne Ditch located in the NE1/4 NW1/4 of Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota: Lot H1 in the east 88 feet of Lot D of the NE1/4 NW1/4 of Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lots H1 in Lots 6, 7, & 8 in Block 2, Lot H1 in Lot 6 in Block 1, Lots H1 in Lots 4 & 5 in Block 1, and Lots H1 in Lots 3, 4, & 5 in Block 2. all located in the Johnson School Subdivision of the NW1/4 NE1/4 of Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lots H1 in Lots A & B of the Johnson School Subdivision in the NE1/4 NW1/4 and Lot A of the Johnson School Subdivision in the NW1/4 NE1/4, all in Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; School Drive right-of-way south of Lot H1 in the east 88 feet of Lot D of the NE1/4 NW1/4 and south of Lot H1 in Lot 8 in Block 2 of the Johnson School Subdivision of the NW1/4 NE1/4 and south of Inca Drive right-of-way, and the vacated School Drive right-of-way south of Lot C of NW1/4 NE1/4 and south of School Lot & Lot "RS" in NW1/4 NE1/4, all located in Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Shadow Drive and

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Inca Drive rights-of-way in Section 9, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota, and Jolly Lane Road right-of-way in Section 4, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota

PARCEL ACREAGE Approximately 65.58 acres

LOCATION West of Elk Vale Road and north of SD Highway 44 East

EXISTING ZONING General Commercial District/Low Density Residential

District with a PDD/Light Industrial District with a PLID

SURROUNDING ZONING

North: Light Industrial District

South: Suburban Residential District (County)

East: General Agriculture District (County)/Suburban

Residential District (County)

West: General Commercial District (County)

DATE OF APPLICATION 02/19/2002

REPORT BY Karen Bulman

RECOMMENDATION: The Tax Increment Financing Review Committee recommends that the Planning Commission recommend approval of the Tax Increment District #35 Project Plan and attached resolution.

<u>GENERAL COMMENTS</u>: Doyle Estes requested the creation of a Tax Increment District to assist in the development of his property located east of Elk Vale Road. The property is the site of the proposed Children's Home Society foster care facility.

On August 6, 2001, Tax Increment District #31 was approved by the City Council. This district was created to fund drainage improvements in the Race Track Drainage Basin. The Economic Development Corporation requested a review of the district boundaries by the Tax Increment Financing Review Committee to see if the Industrial Park could be removed from the boundaries of Tax Increment District #31. The Committee agreed and recommended the dissolution of Tax Increment District #31 and approval of a revised district and project plan. The purpose of the now revised Tax Increment District #35 is to fund the drainage pipe improvement located in the new boundary. The estimated cost of the construction of the storm drainage pipe is \$250,000. This improvement will transport the storm drainage from a detention cell located in Pennington County, which was built through funding by a Tax Increment District created by Pennington County.

The proposed district will run for 12 years. The anticipated increment associated with the project is \$ 550,030. Mr. Estes has proposed to obtain private financing for the project costs and he would be reimbursed from any tax increment revenues. The City will only be responsible for passing on any revenues received. Should the tax increment revenues

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exceed the anticipated twice annual payment, the district debt would be retired early resulting in the property being returned to the tax roles more quickly.

STAFF REVIEW: The Tax Increment Financing Committee met with the applicant and reviewed the proposal to dissolve Tax Increment District #31 and create a new 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 #4 – The project will bring new or expanded employment opportunities.

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-five.