

STAFF REPORT
September 22, 2005

No. 05TI008 - Resolution Creating Tax Increment District No. 54

ITEM

GENERAL INFORMATION:

PETITIONER	Dream Design International, Inc.
REQUEST	No. 05TI008 - Resolution Creating Tax Increment District No. 54
EXISTING LEGAL DESCRIPTION	S1/2 NE1/4, including right-of-way, Section 23; N1/2 SW1/4, including right-of-way, and Lots 6-17, Block 5, including right-of-way, CHMH Subdivision, Section 24; all located in T2N, R7E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 166.62 acres
LOCATION	North of Mall Drive and west of Haines Avenue
EXISTING ZONING	Park Forest District, Low Density Residential District, Public District, General Commercial District (Planned Commercial Development)
SURROUNDING ZONING	
North:	Low Density Residential-II District, Mobile Home Residential District, General Agriculture District (Pennington County)
South:	General Agriculture District, Low Density Residential, General Commercial District (Planned Commercial Development), General Agriculture (Pennington County)
East:	General Agriculture District, Low Density Residential, General Commercial District (Planned Commercial Development), General Agriculture (Pennington County)
West:	General Agriculture District (Pennington County)
PUBLIC UTILITIES	City sewer and water
DATE OF APPLICATION	8/26/2005
REVIEWED BY	Karen Bulman / David L. Johnson

RECOMMENDATION: The Tax Increment Financing Committee recommends approval of the attached resolution creating Tax Increment District #54 for Rainbow Ridge.

GENERAL COMMENTS: The applicant has requested the creation of a Tax Increment District to assist in the development of the Rainbow Ridge Subdivision located north of Mall Drive and west of Haines Avenue and to assist in the development of park improvements for City park land located in the district. The applicant will finance the estimated cost of the well, booster station, water mains and grading, and the park improvements in this Tax Increment

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District. This Tax Increment Plan will provide Phase I of the water system improvements needed for this area of the City and will provide park improvements on the City's park land. These improvements will enhance the ability of new development to occur in this region and increase the community's economic vitality and expand the City's property tax base.

A portion of this Tax Increment District is located within the boundaries of Revised Tax Increment District #36 Disc Drive and Tax Increment District #51 Kateland Subdivision. In establishing the projected tax income for Tax Increment District #54, no incremental tax income from the properties located in Tax Increment District #36 or Tax Increment District #51 was included. Any incremental tax income for the portion of this Tax Increment District located within Tax Increment District Revised #36 and #51 will be allocated to Districts #36 and #51 until the districts are paid off in the proposed years of 2015 and 2017 respectively. Subsequently, the incremental tax income will then be allocated to Tax Increment District #54.

The proposed District boundaries incorporate approximately 166.62 acres located north of Mall Drive and west of Haines Avenue.

STAFF REVIEW: The Tax Increment Financing Review Committee reviewed this proposal on August 19, 2005 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 proposal met the following three 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.

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the creation of Tax Increment District #54.

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