

STAFF REPORT
November 10, 2005

No. 05TI014 - Tax Increment District No. 56 - Project Plan

ITEM 26

GENERAL INFORMATION:

PETITIONER	Dream Design International, Inc.
REQUEST	No. 05TI014 - Tax Increment District No. 56 - Project Plan
EXISTING LEGAL DESCRIPTION	That portion of the Interstate 90 Right-of-Way lying east of North LaCrosse Street located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, entire Interstate 90 Right-of-Way located in Section 29, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, entire Interstate 90 Right-of-Way located in the SW1/4 of Section 28, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot L-1 of SE1/4 NW1/4, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tracts A, B, C, D, Lots 1 and 2 of Tract E and Tract F, all located in Marshall Heights Subdivision No. 2, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, that portion of the East Disk Drive Right-of-Way lying east of North LaCrosse Street located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot K-4 less Lot H-1, Marshall Heights Tract, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lots 1 and 2 and the south ½ of the vacated alley and Pine Street Right-of-Way adjacent to said lots, Block 2, Rapps Addition, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot M of the NW1/4 SE1/4 of Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, entire Farnwood Avenue Right-of-Way, entire Spruce Street Right-of-Way, and that portion of the Rapp Street Right-of-Way intersecting and extending south from the intersection of Farnwood Avenue, all located in Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, that portion of the North LaCrosse Street Right-of-Way lying adjacent to Lots A and B of Lot 6 of Lot K-3, Lots A and B of Lot 7 of Lot K-3, Lot 8 of Lot K-3, Lot 9 of Lot K-3 and Lot 10 of Lot K-3, all located in Marshall Heights Tract, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, the entire intersection of North LaCrosse Street and East Anamosa Street Rights-of-Way located in Sections 30 and 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H-1 and Lot H-2 located in N1/2

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SE1/4 of Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and the unplatted portion of the N1/2 SE1/4 lying south of Interstate 90, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lots 1 and 2, Bedco Subdivision, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, vacated LaCrosse Street Right-of-Way located in the SE1/4 SW1/4, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, S1/2 SE1/4 lying north of the Railroad Right-of-Way, Section 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract A and E1/2 of vacated Cherry Avenue Right-of-Way of the NE1/4 NE1/4 of Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, that portion of the East Anamosa Street Right-of-Way extending east from the intersection of North LaCrosse Street Right-of-Way located in Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, that portion of the S1/2 lying south of Interstate 90 and north of the Railroad Right-of-Way, Section 29, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, that portion of the NE1/4 NW1/4 and N1/2 NE1/4 lying north of the Railroad Right-of-Way, Section 32, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, that portion of the S1/2 SW1/4 lying south of Interstate 90 and north of the Railroad Right-of-Way, Section 28, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota

LOCATION	East of LaCrosse Street and north of U.S. Interstate 90
EXISTING ZONING	General Commercial District, Light Industrial District, Heavy Industrial District, Medium Density Residential District, General Agriculture District, Low Density Residential District
SURROUNDING ZONING	
North:	General Commercial District, Medium Density Residential District
South:	General Commercial District, Medium Density Residential District, General Agriculture District, Heavy Industrial District, Light Industrial District
East:	Light Industrial District
West:	General Commercial District
PUBLIC UTILITIES	Public Utilities (to be extended)

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DATE OF APPLICATION 10/13/2005

REVIEWED BY Marcia Elkins / Bob Dominicak

RECOMMENDATION: The Tax Increment Financing Committee recommends approval of the resolution approving Project Plan for Tax Increment Financing District No. 56.

GENERAL COMMENTS: The applicant is proposing the development of a Tax Increment District to assist in the development of Rushmore Crossing. The Tax Increment Funds will be utilized for construction of improvements in two phases. Phase I includes a water main, Farnwood/Eglin Street, traffic signals and the relocation of power lines. Phase II includes the construction of a north-south road connecting the development to East Anamosa Street. The applicant is proposing that the anticipated commercial development in the area will generate revenues to repay the costs of the identified improvements. Because commercial development is anticipated within the Tax Increment District boundaries, this district would qualify as an economic development Tax Increment District pursuant to State statute.

The proposed boundaries of the district would result in the creation of the district lying south of U.S. Interstate 90, east of Lacrosse Street and west of Lowry Lane. A portion of the proposed Tax Increment District is located within Tax Increment District No. 49. Although the Project Plan has not been approved for Tax Increment District No. 49, the incremental taxes continue to accrue. If a Project Plan is submitted and approved for Tax Increment District No. 49, the incremental taxes will go to pay off Tax Increment District No. 49 before it can be applied to the proposed Tax Increment District for Rushmore Crossing. As the applicant has not provided detailed information on the incremental values of the property with reference to the property lying within the overlapping area, staff cannot project the affect on the proposed Rushmore Crossing Tax Increment District.

STAFF REVIEW: The Tax Increment Financing Committee has recommended approval of the attached Project Plan for Tax Increment Financing District No. 56.

Staff has been unable to complete the Project Plan for the proposed Tax Increment District as of this writing. For that reason, staff is requesting that this Tax Increment District No. 56 Project Plan be continued to the November 10, 2005 Planning Commission meeting. This will allow both the applicant and the Planning Commission adequate time to review the Project Plan. The applicant's representative has indicated concurrence with the staff recommendation.