

STAFF REPORT  
March 8, 2007

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**No. 07TI001 - Tax Increment District No. 44 Revised Project Plan**

**ITEM 43**

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GENERAL INFORMATION:

PETITIONER	Dream Design International, Inc.
REQUEST	<b>No. 07TI001 - Tax Increment District No. 44 Revised Project Plan</b>
EXISTING LEGAL DESCRIPTION	All of Section 28 lying north of U.S. Interstate 90 right-of-way, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and the 33 foot Dyess Avenue section line right-of-way north of U.S. Interstate 90 right-of-way located in the E1/2 of Section 29, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 473.27 acres
LOCATION	North of Interstate 90 between Elk Vale Road and Dyess Avenue
EXISTING ZONING	Light Industrial District - General Commercial District
SURROUNDING ZONING	
North:	General Agriculture District (Pennington County)
South:	General Commercial District - General Agriculture District
East:	General Agriculture District (Pennington County)
West:	General Agriculture District
PUBLIC UTILITIES	City sewer and water
DATE OF APPLICATION	2/12/2007
REVIEWED BY	Karen Bulman

RECOMMENDATION: The Tax Increment Financing Committee recommends that the Tax Increment District No. 44 Revised Project Plan be approved.

GENERAL COMMENTS: Tax Increment District #44 was created to facilitate the construction of Mall Drive from Dyess Avenue to the Visitors Information Center on North Elk Vale Drive, the extension of sanitary sewer improvements, water improvements and drainage improvements. A Project Plan for Tax Increment District #44 was approved by the City Council on April 19, 2004. The developers are financing the cost of the improvements included in the Tax Increment District at 8.5% interest.

The District boundaries incorporate approximately 473.27 acres located west of North Elk Vale Road, north of US Interstate 90 and east of Dyess Avenue.

The applicant has requested additional funds be re-allocated from the contingency and

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financing costs to supplement the additional capital costs of the project due to rising costs since the original Project Plan was adopted on April 19, 2004. The applicant has requested the approval to amend the Project Plan by adding additional capital costs for Mall Drive Extension, drainage improvements, sanitary sewer extension, oversize sewer extension, water improvements and additional professional service and engineering design costs. The applicant proposes to reduce the financing interest costs and the contingency and necessary and convenient costs. The total costs will not change, so this tax increment base will not be re-established.

STAFF REVIEW: The Tax Increment Financing Review Committee reviewed the applicant's request for the changes to the Project Plan for Tax Increment District #44 on February 9, 2007. The applicant is proposing the additional expenditure of \$400,000 for Mall Drive Extension, \$500,000 for drainage improvements, \$100,000 for sanitary sewer extension, \$100,000 for oversize sewer extension, \$120,000 for water improvements, and \$65,000 for professional service and engineering design. The applicant proposes to reduce the expenditures of \$250,000 for financing interest, \$535,000 for contingency costs, and \$500,000 for necessary and convenient costs.

The Tax Increment Financing Committee found the proposed changes comply with all applicable statutory requirements as well as the City's adopted Tax Increment Policy.

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Revised Project Plan for Tax Increment District #44.