

STAFF REPORT
September 6, 2007

No. 07TI018 - Revised Project Plan for Tax Increment District No. 61 ITEM 60
- Villaggio

GENERAL INFORMATION:

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| APPLICANT | Signature Development Co, LLC and City of Rapid City |
| AGENT | Doug Sperlich for Sperlich Consulting, Inc. and City of Rapid City |
| PROPERTY OWNER | Signature Development Co, LLC |
| REQUEST | No. 07TI018 - Revised Project Plan for Tax Increment District No. 61 - Villaggio |
| EXISTING LEGAL DESCRIPTION | Lot 1, Stoney Creek South #2 Subdivision; Unplatted portion of E1/2 NW1/4 SE1/4; NE1/4 SW1/4 SE1/4 and Golden Eagle Drive located in the NE1/4 SW1/4 SE1/4 including Lots H3 and H4; Lot H1 in the SE1/4 SW1/4 SE1/4; Lot H2 in the SW1/4; Lot H2 in the SW1/4 NW1/4 SE1/4 and the NW1/4 SW1/4 SE1/4; W1/2 NW1/4 SE1/4 less Springbrook Acres Subdivision and Less Lot H2; NW1/4 SW1/4 SE1/4 less Lot H2; S495 feet of NE1/4 SE1/4 less Lot 1; SE1/4 SE1/4; Lot 1, Bendert Subdivision; all located in Section 22, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and, Lots 4 and 5, Owen Hibbard Subdivision, Section 23, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota |
| PARCEL ACREAGE | Approximately 156.858 acres |
| LOCATION | Between Sheridan Lake Road and South Highway 16 and adjacent to Catron Boulevard |
| EXISTING ZONING | Medium Density Residential District (PRD), Low Density Residential (PRD), General Commercial District (PCD), Public District, General Agriculture District, Office Commerical District (PCD) |
| SURROUNDING ZONING | |
| North: | Park Forest District, Park Forest District (PRD), Public District, General Commerical District (PCD), Low Density Residential District (PRD) |
| South: | General Agriculture District, Park Forest District, General Commercial District (Planned Commercial Development) |
| East: | General Commercial District (Planned Commercial Development), Public District |

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| West: | Low Density Residential District (Planned Residential Development), General Agriculture District |
| PUBLIC UTILITIES | City sewer and water |
| DATE OF APPLICATION | 8/22/2007 |
| REVIEWED BY | Karen Bulman |

RECOMMENDATION: The Tax Increment Financing Review Committee recommends that the Tax Increment District No. 61 Revised Project Plan for The Villaggio be approved.

GENERAL COMMENTS: Tax Increment District #61 was created to assist in the development of infrastructure adjacent to the Villaggio at Gold Eagle and property owned by the City of Rapid City to include construction of Vineyard Lane and Golden Eagle Drive, Promise Road, the extension of water, sewer, sidewalks, storm sewer, detention cells and sewer lift stations. The Project Plan was approved on December October 2, 2006.

The District boundaries incorporate approximately 156.858 acres located between Sheridan Lake Road and South Highway 16 and adjacent to Catron Boulevard.

The City is requesting reallocation of funds from the Necessary and Convenient costs and Capital costs to fund additional Sewer Main costs. In addition, the Developer is requesting reallocation of funds from the Necessary and Convenient costs to the Sewer Lift Station costs.

STAFF REVIEW: On August 21, 2007, the Tax Increment Financing Review Committee reviewed the City's and Developer's requests for the changes to the Project Plan for Tax Increment District #61 due to costs beyond the original estimate.

The City is requesting that \$182,405.48 be added to the Sewer Main costs for Vineyard Lane and Golden Eagle Drive in Phase I of the Project Plan. In addition, the City requests that \$203,734.10 of Necessary and Convenient Costs be added in Phase I for Engineering costs, Sewer in Golden Eagle Drive, Sewer Service/Easement costs and Water Line costs. The City then requests that \$27,662.16 Sewer Main costs in Phase II and \$253,000 Turn Lanes on Catron Boulevard in Phase II be reduced to zero. All Financing Interest costs in Phase II in the amount of \$264,214.63 will be reallocated to costs in Phase I. The total interest costs for this Project Plan will be reduced by a total of \$105,477.42. The City will fund the capital improvement costs through the Sewer Enterprise Fund.

Developer I is requesting that \$92,516 of the Necessary and Convenient costs be reallocated to the Sewer Lift Station costs due to increased construction costs.

All other costs remain the same. The total costs will not change, so the tax increment base will not be re-established.

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The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Revised Project Plan for Tax Increment District #61.