

STAFF REPORT
November 20, 2008

No. 08TI013 - Second Revised Project Plan for Tax Increment ITEM 70
District No. 42 - Elk Vale Water

GENERAL INFORMATION:

APPLICANT/AGENT	City of Rapid City
PROPERTY OWNER	Multiple Property Owners
REQUEST	No. 08TI013 - Second Revised Project Plan for Tax Increment District No. 42 - Elk Vale Water
EXISTING LEGAL DESCRIPTION	NE1/4NE1/4 less ROW, GL2, SW1/4NE1/4, N1/2GL3, GL 4 less ROW, E1/2SW1/4NW1/4, S1/2GL3 less Big Sky Subdivision, SE1/4NW1/4 less Big Sky Subdivision, W1/2SW1/4NW1/4 including private Drive and less ROW, all located in Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Tract A, Big Sky Subdivision, Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 2 and Lot 8 including ROW, Block 13, Big Sky Subdivision, Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lots 2, 3, 4, and 5 including ROW, Block 14, Big Sky Subdivision, Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, NE1/4SE1/4, NW1/4SE1/4, SW1/4SE1/4, SE1/4NW1/4, SW1/4NW1/4 less ROW, N1/2SW1/4 less ROW, S1/2SW1/4 less Lot 1 of Neff Subdivision #3 less ROW, all located in Section 34, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot 1, Neff Subdivision #3, Section 34, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H1 in SW1/4NW1/4, Lot H2 in SW1/4NW1/4, Lot H1 in W1/2SW1/4, Lot H2 in N1/2W1/2SW1/4, and Lot H3 in S1/2SW1/4, all located in Section 34, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H2 in N1/2 of Government Lot 4, Lot H3 in S1/2 of Government Lot 4, Lot H2 in W1/2SW1/4NW1/4, Lot H1 in NW1/4NW1/4, and Lot H1 in SW1/4NW1/4, all located in Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H1 in E1/2NE1/4, Lot H2 in E1/2NE1/4, Lot H2 in E1/2SE1/4, and Lot H1 in SE1/4, all located in Section 33, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Lot H1 in NE1/4, and Lot H2 in Government Lot 1 and the SE1/4NE1/4, all located in Section 4, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Elk Vale Road right-of-way between SE1/4NE1/4, Section 33, and

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SW1/4NW1/4, Section 34, all in T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Elk Vale Road right-of-way between SE1/4, Section 33 and SW1/4, Section 34, all in T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Elk Vale Road between NE1/4 of Section 4 and NW1/4 of Section 3, all in T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; and, Homestead Drive and Degeest Street rights-of-way, located in the NW1/4 of Section 3, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota

PARCEL ACREAGE	Approximately 640 Acres
LOCATION	East of Elk Vale Road and north of Twilight Drive
EXISTING ZONING	Public District/Low Density Residential District/General Agriculture District/Low Density Residential District (PRD)/Medium Density Residential District (PRD)/Neighborhood Commercial District (PCD)/Office Commercial (PCD)/General Commercial District (PCD)
SURROUNDING ZONING	
North:	General Commercial District/General Agriculture District (Pennington County)
South:	Low Density Residential District/General Agriculture District/Suburban Residential District (Pennington County)/Limited Agriculture District (County)
East:	General Agriculture District (Pennington County)/Suburban Residential District (Pennington County)
West:	Light Industrial District/General Commercial District/General Agriculture District
PUBLIC UTILITIES	City Sewer and Water
DATE OF APPLICATION	10/24/2008
REVIEWED BY	Karen Bulman / Ted Johnson

RECOMMENDATION: The Tax Increment Financing Review Committee recommends that the Second Revised Project Plan for Tax Increment District No. 42 - Elk Vale Water be approved.

GENERAL COMMENTS: Tax Increment District #42 was created to assist in the development of a water reservoir and water tower, located east of Elk Vale Road, south of I-90 Exit 61

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and north of Twilight Drive to include construction of a Water Tower and Water Reservoir. The Project Plan was approved on December 1, 2003.

The District boundaries are located south of U.S. Interstate 90, north of Twilight Drive and east of Elk Vale Road.

The City is requesting reallocation of funds from the Water Reservoir line item, Professional Services line item for Engineering costs for the Reservoir, and Necessary and Convenient costs to fund additional Engineering costs for the Reservoir, and Other Necessary and Convenient cost line items.

STAFF REVIEW: On October 24, 2007, the Tax Increment Financing Review Committee reviewed the City's request for the changes to the Project Plan for Tax Increment District #42 to more closely reflect the anticipated cost for each component of the project based on the awarded bid prices.

The City is requesting that \$221,000 be removed from the Water Reservoir line item and \$240,000 be added to the Professional Service line item for Engineering costs for the Reservoir. In addition, the City requests Necessary and Convenient costs of \$295,000 for the Access Road and \$25,000 for Security be reduced and \$6,000 for Land Purchase, \$65,00 for Water Lines and Appurtenances and \$230,000 for Electrical be added.

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

All the revised changes are outlined in the following chart:

Proposed Project Cost Reallocation:

<u>Project Costs</u>	<u>Approved Costs</u>	<u>Changes</u>	<u>Amended Costs</u>
Capital Costs:			
Water Reservoir	\$3,750,000.00	\$ (221,000.00)	\$3,529,000.00
Professional Services:			
Engineering Cost for Reservoir	\$ 650,000.00	\$ 240,000.00	\$ 890,000.00
Financing Costs:			
Financing Interest	\$3,157,916.36	\$ 0.00	\$3,157,916.36
Relocation Costs	\$ 0.00	\$ 0.00	\$ 0.00
Organizational Costs	\$ 0.00	\$ 0.00	\$ 0.00
Other Necessary and Convenient Costs:			
Access Road	\$ 400,000.00	\$ (295,000.00)	\$ 105,000.00

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Land Purchase	\$ 50,000.00	\$ 6,000.00	\$ 56,000.00
Water Lines & Appurtenancs	\$ 450,000.00	\$ 65,000.00	\$ 515,000.00
Electrical	\$ 150,000.00	\$ 230,000.00	\$ 380,000.00
Security	\$ 250,000.00	\$ (25,000.00)	\$ 225,000.00
TOTAL	\$8,857,916.36	\$ 0.00	\$8,857,916.36

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Second Revised Project Plan for Tax Increment District #42.

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