

STAFF REPORT  
June 4, 2009

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**No. 09TI001 - Revised Project Plan for Tax Increment District No. 69**

**ITEM 28**

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GENERAL INFORMATION:

APPLICANT	North Street Fire Station, LLC
AGENT	Ferber Engineering Co., Inc.
REQUEST	<b>No. 09TI001 - Revised Project Plan for Tax Increment District No. 69</b>
EXISTING LEGAL DESCRIPTION	That portion of SE1/4 north of Interstate 90 less Tract A of NE1/4 SE1/4 including that portion of vacated East Mall Drive being part of the outside edge of Lot H5; Lot B-1 of Lot B of SE1/4 NE1/4; Lot A of Lot 1 and the balance of Lot 1, Lot A & B of Lot 3 and Lot 3 less Lots A & B, Lot 2, all of Silver Strike Subdivision; that portion of SW1/4 north of Interstate 90 including vacated East Mall Drive within said SW1/4 less Lot 1 of NE1/4 SW1/4, less Lots 1 & 2 of NW1/4 SW1/4; Lot 1 of NE1/4 SW1/4 including vacated East Mall Drive within said lot; NW1/4 including vacated East Mall Drive located within said NW1/4, less lots AR, B, C less E1/2 NE1/4 NW1/4, less E1/2 NW1/4 NE1/4 NW1/4; Lots B & C of NW1/4; Lot AR; E1/2 NW1/4 NE1/4 NW1/4; SE1/4 NE1/4 NW1/4; NE1/4 NE1/4 NW1/4; that portion of Lot D located in the NW1/4 NE1/4; Lot A and Lot C in NW1/4 NE1/4; Right of way of East Mall Drive; Right of way of North Street; Right of way of Distribution Lane; all located in Section 29, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota; and the Intersection of East Mall Drive and Dyess Avenue located in the western portion of Section 28 and the eastern portion of Section 29, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 367.344
LOCATION	North of U.S. Interstate 90, east of LaCrosse Street and west of Dyess Avenue
EXISTING ZONING	General Commercial District, General Agriculture District, Light Industrial District, Heavy Industrial District
SURROUNDING ZONING	
North:	Medium Density Residential District, General Commercial District (Pennington County), General

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South: Agriculture District (Pennington County), Suburban Residential District (Pennington County), Light Industrial District (Pennington County)  
East: General Commercial District  
West: General Commercial District, Light Industrial District, Heavy Industrial District

DATE OF APPLICATION 5/22/2009

REVIEWED BY Karen Bulman

**RECOMMENDATION:** The Tax Increment Financing Committee recommends that the Revised Project Plan for Tax Increment District No. 69 be approved.

**GENERAL COMMENTS:** Tax Increment District No. 69 was approved by the City Council on July 21, 2008. The purpose of the Tax Increment District was to assist in the development of commercial property located north of U.S. Interstate 90, east of LaCrosse Street and west of Dyess Avenue through the development of regional public infrastructure improvements and the construction of a new Fire Station. The Tax Increment Funds were to be utilized for Tish Boulevard (formerly E. North Street) construction, sanitary sewer lift station, sewer force main, gravity sewer, box culvert, widening E. Mall Drive, traffic signal, drainage channel, environmental remediation, Fire Station, engineering and contingency costs. The Project Plan will be funded by the developer and the City.

The Tax Increment District boundaries incorporate approximately 367.344 acres located north of U.S. Interstate 90, east of LaCrosse Street and west of Dyess Avenue.

The Developer is requesting reallocation of funds from the capital, contingency and necessary and convenient cost line items to fund additional capital and engineering costs. The Developer is requesting reallocation of funds from line items in the Tish Boulevard, Lift Station, Contingency and Necessary and Convenient cost to fund additional costs for Tish Boulevard line items, and Gravity sewer, Box culvert, Channel protection, Widening E. Mall Drive, Traffic signal, and Engineering for East Mall Drive line items.

**STAFF REVIEW:** On May 27, 2009, the Tax Increment Financing Review Committee reviewed the Developer's request for the changes to reallocate the costs within the Project Plan. The proposed change would reallocate the project costs for the developer, removing \$17,596.53 from Water, \$3,752.72 from Sanitary Sewer, and \$19,170.11 from Storm Sewer for the Tish Boulevard Extension, \$14,656.77 from the Lift Station and Force Main, \$199,772.75 from Contingency and \$164,458.16 from Necessary and Convenient Cost line items and adding \$63,942.59 to Street and \$16,373.34 to Lighting for Tish Boulevard Extension, \$800.00 to Traffic Signals, \$24,300.00 to Gravity Sewer, \$10,839.19 to Box Culvert, \$23,800.00 to Grass Lined Channel Protection, and \$36,500.00 Engineering for Widening East Mall Drive line items. In addition, an additional \$5,000 Imputed Administrative Fee to be paid to the City has been added in accordance with the new Tax Increment Financing Guidelines. The

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additional Imputed Administrative Fee of \$5,000 will be paid to the City from the Necessary and Convenient Cost line item. The other Project costs for the City will remain the same. All the revised changes are outlined in the following chart:

**Proposed Project Cost Reallocation for Developer for Phase I:**

<u>Phase I Project Costs</u>	<u>Approved Costs</u>	<u>Changes</u>	<u>Amended Costs</u>
Project Costs:			
Tish Boulevard (E. North Street) Construction:			
Street	\$ 563,800.00	\$ 63,942.59	\$ 627,742.59
Lighting	\$ 60,200.00	\$ 16,373.34	\$ 76,573.34
Water	\$ 175,000.00	\$ (17,596.53)	\$ 157,403.47
Sanitary Sewer	\$ 63,000.00	\$ (3,752.72)	\$ 59,247.28
Storm Sewer	\$ 116,200.00	\$ (19,170.11)	\$ 97,029.89
Interim Sanitary Sewer Lift			
Station & ForceMain	\$ 53,100.00	\$ (14,656.77)	\$ 38,443.23
Gravity Sewer	\$ 94,500.00	\$ 24,300.00	\$ 118,800.00
12' x 5' Box Culvert	\$ 192,100.00	\$ 10,839.19	\$ 202,939.19
Grass lined Channel & Channel Protection			
	\$ 237,500.00	\$ 23,800.00	\$ 261,300.00
Widen E. Mall Drive	\$ 400,000.00	\$ 242,851.92	\$ 642,851.92
Traffic Signal E. Mall	\$ 42,327.50	\$ 800.00	\$ 43,127.50
Engineering:			
Tish Boulevard (E. North Street) Construction:			
Street	\$ 84,570.00	\$ 0	\$ 84,570.00
Lighting	\$ 9,030.00	\$ 0	\$ 9,030.00
Water	\$ 26,250.00	\$ 0	\$ 26,250.00
Sanitary Sewer	\$ 9,450.00	\$ 0	\$ 9,450.00
Storm Sewer	\$ 17,430.00	\$ 0	\$ 17,430.00
Interim SanSwr Lift			
Station&Force Main	\$ 7,965.00	\$ 0	\$ 7,965.00
Gravity Sewer	\$ 14,175.00	\$ 0	\$ 14,175.00
12' x 5' Box Culvert	\$ 28,815.00	\$ 0	\$ 28,815.00
Grass lined Channel & ChannelProtection			
	\$ 35,625.00	\$ 0	\$ 35,625.00
Widen E. Mall Drive	\$ 60,000.00	\$ 36,500.00	\$ 96,500.00
Traffic Signals	\$ 6,349.13	\$ 0	\$ 6,349.13
Downstream Drainage			
Study	\$ 100,000.00	\$ 0	\$ 100,000.00
Financing Interest Costs	\$ 2,082,497.19	\$ 0	\$ 2,082,497.19
Contingency	\$ 199,772.75	\$ (199,772.75)	\$ 0
Necessary/Convsn Costs	\$ 199,772.75	\$ (169,458.16)	\$ 30,314.59
Add. Imputed Admin Fee		\$ 5,000.00	\$ 5,000.00
Total	\$ 4,879,429.32	\$ 0	\$ 4,879,429.32

The Project Costs for the City remain the same. The revisions are for Developer costs only.

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**Proposed TID Project Costs for City:**

Traffic Signal at E. Mall Dr & Dyess Ave.	\$	42,327.50
Environmental Remediation	\$	100,000.00
Fire Station	\$	1,500,000.00
Engineering:		
Traffic Signal at E.Mall Dr & Dyess	\$	6,349.12
Fire Station	\$	225,000.00
Limited Environmental Site Investigation	\$	11,500.00
Contingency	\$	154,232.75
Necessary and Convenient Costs	\$	154,232.75
Financing Interest	\$	<u>1,935,452.94</u>

Total	\$	4,129,095.06
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**Total Project Costs for City and Developer**                   \$ 9,008,524.38

All other costs remain the same. The total costs will not change, so the Tax Increment Base will not be re-established.

The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Revised Project Plan for Tax Increment District No. 69.