

STAFF REPORT  
August 5, 2010

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**No. 794 - Dissolution of Tax Increment District No. 19**

**ITEM 27**

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GENERAL INFORMATION:

APPLICANT/AGENT	City of Rapid City
REQUEST	<b>No. 794 - Dissolution of Tax Increment District No. 19</b>
EXISTING LEGAL DESCRIPTION	Tract W of Rand Addition, Tract 13, Tract 14 and Lot A of Tract 14 and Tract D of S.G. Interstate Plaza, all located in Section 27, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 60.394 Acres
LOCATION	South of Interstate 90 and north and east of Rand Road
EXISTING ZONING	Light Industrial District - General Agriculture District - General Commercial District
SURROUNDING ZONING	
North:	General Agriculture District
South:	Light Industrial District
East:	Light Industrial District - General Agriculture District - General Commercial District
West:	Light Industrial District
DATE OF APPLICATION	7/9/2010
REVIEWED BY	Karen Bulman

RECOMMENDATION:

Staff recommends that Tax Increment District No. 19 be dissolved.

GENERAL COMMENTS: The Resolution creating Tax Increment District #19 was approved by the City Council on August 6, 1990. A Project Plan for Tax Increment District #19 was approved by the City Council on November 5, 1990. Tax Increment District #19 was established to assist in the development of property for the Spiegel facility through acquisition of land and site improvements. Tax Increment District #19 was anticipated to be paid off by June 2010; however, due to a significant reduction in the value of the improvements constructed on the Spiegel site and the purchase of land within the District by non-tax paying entities, the costs approved in the Project Plan have not been paid off. As of July 19, 2010, the principle balance for Tax Increment District #19 was \$433,955.79.

The base value of Tax Increment District #19 as determined by the South Dakota Department of Revenue was established at \$541,092. Since the creation of this district, the value has significantly increased. The recent value of the district now totals \$12,804,002.00.

The City Finance Office has indicated that all expenditures have been certified in

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accordance with the adopted Project Plan and all revenues received have been paid. As the twenty year time allowed for this Tax Increment District has expired, the City is required to officially dissolve Tax Increment District #19.

STAFF REVIEW: Staff has reviewed this proposed Resolution Dissolving Tax Increment District #19 and is recommending approval of the resolution dissolving the Tax Increment District.