

STAFF REPORT
March 21, 2013

No. 13TI003 - Tax Increment #74 Project Plan

ITEM 15

GENERAL INFORMATION:

APPLICANT	Steve Zandstra - Dennis Zandstra Real Estate Holdings, LLC
REQUEST	No. 13TI003 - Tax Increment #74 Project Plan
EXISTING LEGAL DESCRIPTION	Lots 8-12 of Block 8 of Elks Country Estates; Lots 6-9 of Block 9 of Elks Country Estates; Lots 4-19 of Block 11 of Elks Country Estates; Lot 1 of Block 12 of Elks Country Estates; Lot 1-10 of Block 13 of Elks Country Estates; Lots 1-5 of Block 1 of Elks Crossing; Lots 5-22 of Block 4 of Elks Crossing; Lots 1-15 of Block 5 of Elks Crossing; Lot 2 of Block 6 of Elks Crossing; Lot 1 of Block 8 of Elks Crossing; all Located In Section 16, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; portions of Tract 1 of the S1/2 of the E1/2 less Elks Country Estates, less Lot H1, less Lot H3 & less ROW; the NE1/4 of the SW1/4 less Plum Creek Sub, less Elks Crossing and less ROW; the NW1/4 of the SW1/4 less Plum Creek Sub, less Elks Crossing, less Lot H1, less Lot H3 and less ROW; the SE1/4 of the SW1/4 less Lot H3R less Elks Crossing and less ROW; the SW1/4 of the SW1/4 less Elks Crossing less Lot H3 and less ROW; all located in Section 16, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lot B of the SW1/4 of the SW1/4 less Lot H1; Lot A of the SE1/4 of the SW1/4 less Lot H1 and less ROW; the S1/2 of the SE1/4 less Lot H1; all located in Section 17, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; Lot 1, Lot 9, Lot 17, Lot 22 and Lot 23 of Marlin Industrial Park; the NE1/4 of the NE1/4; the NW1/4 of the NE1/4 less Marlin Industrial Park less Lot H1 and less ROW; all located in Section 20, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota; E1/2NE1/4 less Lot H3R; the N1/2 of the N1/2 of the NW1/4 of the NE1/4 less Lot H3R; the N1/2 of the N1/2 of the NE1/4 of the NW1/4 less Lot H3R; all located in Section 21, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota
PARCEL ACREAGE	Approximately 472.49 acres
LOCATION	South and west of Elks Country Estate north and south of Elk Vale Road and east of S.D. Highway 79
EXISTING ZONING	General Agricultural District - Low Density Residential District I - Low Density Residential District II - Medium

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	Density Residential District - Office Commercial District - General Commercial District - Heavy Industrial District (Planned Development)
FUTURE LAND USE DESIGNATION	Residential, Commercial and Industrial
SURROUNDING ZONING	
North:	Limited Agricultural District (Pennington County) - Heavy Industrial District (Pennington County) - General Agricultural District - Heavy Industrial District - Low Density Residential District I - Low Density Residential District II
South:	Limited Agricultural District (Pennington County) - Heavy Industrial District (Pennington County)
East:	General Agricultural District
West:	Heavy Industrial District
PUBLIC UTILITIES	City water and sewer
DATE OF APPLICATION	February 27, 2013
REVIEWED BY	Patsy Horton / Ted Johnson

RECOMMENDATION:

Staff recommends that the Project Plan for Tax Increment District #74 be continued to the April 4, 2013 Planning Commission meeting.

GENERAL COMMENTS: The applicant is requesting the creation of a Tax Increment District and the associated Project Plan to assist in the future development of property adjacent to Elks Crossing and Elks Country Estates. The Tax Increment funds are to be utilized for the extension of Minnesota Street, underground utilities, a regional drainage facility and an irrigation pipe. The applicant will fund the project costs of the Tax Increment District with an anticipated interest rate of 6%.

It is anticipated that one or more of the properties in this proposed Tax Increment District will be used for commercial purposes. As such, the creation of this Tax Increment District for economic development purposes will not require an additional levy to make up for the School District's share of the property taxes included in the Tax Increment. The public improvements will enhance the ability for new development to occur, increase the community's economic vitality and expand the City's property tax base.

The proposed District boundaries incorporate approximately 472.49 acres located south and west of Elks Country Estates and east of Elk Vale Road. Proposed District #74 includes the majority of the existing Tax Increment District #65.

STAFF REVIEW: The Tax Increment Financing Review Committee reviewed this proposal on February 26, 2013 and recommended approval of the creation of Tax Increment District #74

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and directed staff to prepare the Project Plan.

When tax increment districts overlap, as in the case of the current proposal, all of the increment generated from a tax increment district are allocated to the first district created. The applicant is providing additional information as requested regarding expended project costs attributed to Tax Increment District #65 in order to validate that the proposed district is viable. As such, staff is recommending that the Tax Increment District #74 Project Plan be continued until the April 4, 2013 Planning Commission meeting to allow the applicant an opportunity to provide the additional information requested.