Tony,
I think the average person is unaware of the trade-offs and considerations that developers and city officials are ultimately working through. The TIF has too many ins and out. City planners and developers motivations are not always aligned however, I wouldn’t expect them to be. I wish I had more time to dive into it all. Ultimately, I have to hope any relevant points I may have raised in my initial email to Patsy are a natural part of the planning commission/city’s process, and I’m seeing indications that they likely are. The city’s confidence in the outcome of the development is key.
Our conversation certainly provided context and helped me feel that there was a more natural alignment with the objectives the city (a community) would/should have in regards to the development of the property. Given the location and topography, and without a broader capability to address the local businesses, one would likely land on your prescribed purpose. Given proximity and the actual size of the development I don’t think there are dire consequences to me personally in the same vein I’m not sure if there is a significant upside. I hope my limited engagement in the matter simply spurs the city’s resolve to ensure they seek solid opportunities based on the plethora of options before them and developers like you have to “dot your i’s and cross your t’s” and put forth a solid option. I am not against TIFs in general; although I think I’ve only come to realize how much I don’t understand.
Thanks again for taking the time to meet with me.
Darrell Harrod

Have a good one! Darrell (iPhone)
From: Darrell Harrod <darrellharrod@gmail.com>
Sent: Tuesday, November 27, 2018 5:42 PM
To: Horton Patsy <Patsy.Horton@rcgov.org>
Subject: Park Hill TIF

Please let me know if you receive this email.

Darrell Harrod

2322 Cognac Ct.

Rapid City, SD 57701

To whom it may concern (Zoning Board and Rapid City Planning Commission)

I attended a Zoning Board meeting on Nov 21 where the Park Hill TIF was pulled from the meeting agenda. Both my wife and I took time off from work. I may not be able to make it to the next public meeting where it is on the agenda. So I have taken the time to write down my thoughts. Hopefully this note is offered up to the decision makers...

I’ve come to find that tax payers are relatively unaware of TIFs – when & where they are being considered – when and why they are approved. I went to over 15 houses in my neighborhood. The majority had thrown out the Park Hill TIF notice as junk mail given the Sperlich envelope it came in. There was no explanation of what a TIF is nor the impact would it have. Many thought it was just letting us know there was growth in our area. There was no summary of the project’s purpose, value, or justification that might spur inquiry. The letter was written to convey as little information as possible. As I explained what I had learned, all my neighbors found the project kind of crazy and an unwise use of money. Most were unsure of what options they had and felt based on the dates any public voicing was a formality in the process anyways. If the tax payer was asked to vote or any polling was done in the targeted district you’d find significant opposition.

A TIF project should present a cohesive rationale under which to proceed, the Park Hill Project does not. The project artfully tries to rationale putting check-marks against the criteria associated to blight and lack of recent economic development which is linked to the adjacent industrial/businesses and an aged trailer park just beyond that. While the housing has thrived all around it (a new house is currently being built at its boarder), the project looks at the broader affordable housing needs of Rapid City and offers up an ill-logical project plan to divert funds from areas where there would be greater long term impact. To that end, it also undercuts money that could be focused on the re-development and re-vitalization the industrial/business and/or trailer park. Rather than resolve any element that would be of value to the tax payer the project only addresses a landowner/developer issue with historic and current free-market forces.

The Park Hill projects offers up only the devaluation of the undeveloped property and the extraordinary costs to develop it as the reasons to seek tax payer help. I would have expected the TIF to look at how a particular property affects the broader area. The current state of this property is not driving down property values around it; by addressing it other properties will not benefit – quite the opposite. The particular property has been receiving a reality check in the last few years once
development has actually been sought. For years it was never really looked at and a cost per acre was derived from areas that had been developed. The devaluation is related to its actual value versus the wishful/hopeful thinking of the current/prior landowners. The historic owners have held on to the land way to long and put forth too high-priced of options to acquire it and thus for years the local businesses and house builders have avoided it. The value is a natural outcome – the tax payer should not have to use a TIF primarily focused on creating feasibility for profit. The property could stand to decrease more at which time market forces would address this undeveloped piece of land. Some of the businesses have inquired but the cost has been too high.

A TIF should offer some obvious benefit to the tax payer, it should be seen as a wise utilization (redirection) of public funds and it should not feel like a small wind-fall for a select few for an endeavor that has never made sense to do. After reviewing both the State of South Dakota and Rapid City’s TIF Policies, the project seems to utilize the fact that it exists in Rapid City, is at the edge of a blighted industrial/business area, across from a well-aged/notorious trailer park, and the fact it will take extraordinary costs to develop on a hill and drainage ridden topography as justification to have the tax payer jump in where normal market forces have not. While the project will have the tax payer addresses difficult topography and remove a profit quagmire the tax payer will not benefit.

- The TIF does little to address a revitalization of or a trigger for substantial affordable housing or address nearby aged housing infrastructure. It is not preventing natural development of housing (including affordable housing). The project will not address the blight that comes from aged trailer park which is a detractor for new or existing businesses to invest.
- The forced infusion of affordable housing where market driven housing development has been extremely successful will only lower adjacent property values down. The project will not encouraging revitalization of existing low income housing so that proper affordable housing results or business aren’t deterred.
- The TIF does nothing to address the redevelopment/revitalization of industrial/businesses in the area. The proximity of affordable housing to the existing businesses is likely to diminish the chances of the new businesses moving in and/or the revitalization of the existing businesses.
- The TIF’s infrastructure is not germane to any one beyond the developer and future residents it does nothing to improve, remove a barrier, or act as a conduit for growth. Addressing the topography and putting infrastructure in place does not offer an expanded benefit to the community. The grading, roads, sewer, water will not it act as a catalyst to open up for significant new development nor will it address existing aged infrastructure.
- The additional area creates an un-natural extra territory for police, garbage, emergency vehicles, mail etc. while ignoring an existing other low income housing districts already in existence that are in of need of revitalized infrastructure.
- Based on usable acres, the project indicates the desire to achieve an extremely high people/acre ratio long term outcomes has been linked to increased crime and adjacent property devaluation.

As I look across the evaluation criteria – beyond the financing need and the fact it sits within Rapid City - simple logic would seem to rule the project out. I struggled to find a common-sense progression of the need, justification, and the value it will bring to the tax payer. The alignment to criteria and conclusions seem to be tenuous at best and often a statement of the developer’s opinion with no comparable or independent evaluation to substantiate statements. There is a reason that the aforementioned is lacking - if compared to prior successful TIFs or other TIF proposals this project offers little in comparison.
• This is a trivial opportunity to address a small piece of undeveloped ground that has been surrounded by natural development. The project stands to address around 9 acres of usable land for housing. Larger housing improvement opportunities exist within the prioritization corridors.
• The area in question is open land, has not been developed (i.e. it is not a redevelopment opportunity)
• It has no significant hazards that are of concern to the public. Currently there virtually no access to the property, it is fairly isolated, and the public is fairly unaware.
• The completion of the project will eliminate the possibility of business expansion.
• The project, as stated, will not bring expanded permanent employment. At best it offers the chance for existing/wealthier/higher income land-lords to pick-up additional rental properties.
• The project is not a catalyst nor a removal of a barrier. Market driven housing has moved in all around it and beyond it. It is the trifle final smidge of undeveloped land that has been passed by for decades due to its general infeasibility, improper valuation, and impractical development costs.
• The project does little to nothing for the broader community. The infrastructure will not be something that the broader community can/will use nor will it be something that can be leveraged to spur further housing nor business growth.
• The businesses value will not rise with an overly packed footprint of housing, in fact the proximity of housing will likely cause demised values and deter remove business investment.
• The majority of the houses near the property will see their values decrease.
• The trailer park’s blight will not be resolved as a result of a couple of affordable houses and the associated infrastructure tacked on to the edge of the broader housing development across the road.

As a tax payer I understand TIFs and I understand the need for affordable housing however, in my opinion a decision to proceed with the Park Hill Project would represent a poor stewardship of the tax payer’s money and miss the mark on the impact a proper TIF can have. In 10-15 years’ time this TIF will have little to show in terms of a successful outcome.
Dear Department of Community Development,

1300 Sixth Street
Rapid City, SD 57701

Re: Resolution Creating Park Hill Tax Increment District and Approving Project Plan
File No. 18TI002
1302 E. Oakland, Rapid City, SD 57701

To Whom It May Concern:

I have lived at my property for the last 16 years. This is a homeowners association and there are currently 64 units in this association. As President for the last 15 years, I have noticed at our annual meetings the past 5 or 6 years the subject has been brought up regarding development of the land, and the members attending are always in favor of the land being built on to finish up our development as we are very proud of our neighborhood. We have a beautiful area that is very well kept and this will only add to it.

So hopefully you will consider the TIF as being important to Park Meadows Homeowners Association in the final development of the land. I am looking forward to this project being completed.

Respectfully,

Kay Duda
1302 E. Oakland
Rapid City, SD 57701

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