



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

## Department of Community Development

Patsy Horton, Division Manager  
Long Range Planning Division  
city web: [www.rcgov.org](http://www.rcgov.org)

Phone: 605-394-4120  
Fax: 605-394-6636  
e-mail: [Patsy.Horton@rcgov.org](mailto:Patsy.Horton@rcgov.org)

### MEMORANDUM

TO: Rapid City Planning Commission

FROM: Patsy Horton, Long Range Planning Division Manager

DATE: February 28, 2019

RE: 19OA002 – A Resolution adopting the Rapid City Tax Increment Financing Policy and an Ordinance to update the Tax Increment Financing District Review Process by Amending Chapter 3.26 of the Rapid City Municipal Code

Since 1978, Rapid City has administered a tax increment financing program to assist and promote new development in the community. To date, there have been 80 districts within Rapid City that have assisted with financing public improvements. The bulk of these districts have been located on or near the fringes of the community.

The proposed Policy revisions focus public infrastructure funding assistance toward infill development and redevelopment within the core areas of the community as well as identifying targeted uses, including affordable housing. Other policy improvements include an enhanced pre-application process, a shortened approval timeline consistent with the SDCL 11-9 public hearing requirements, options for third party application review, and a new evaluation chart to assist in determining the project's compatibility with the Policy objectives.

One of the significant changes to the proposed Policy includes creating a Tax Increment Review Team comprised of various staff members. This creates consistency with the process recently established for other development applications, e.g., the Development Review Team. Once the applicant submits an application for a new district or amended project plan, staff will also present the proposal to both the local School Board and Pennington County Commission to give them an opportunity to comment on the application prior to consideration by the Planning Commission and City Council.

Staff provided the public, local developers, the Planning Commission and City Council numerous opportunities to participate in drafting, reviewing and commenting on the proposed Policy. Staff compiled a list of Frequently Asked Questions to address the concerns identified through this revision process.

**Recommendation:** The Tax Increment Review Team (TRT) recommends approving the Resolution adopting the new Rapid City Tax Increment Financing Policy and approve the Ordinance updating the Tax Increment Financing review process by amending Chapter 3.26 of the Rapid City Municipal Code.



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