

STAFF REPORT
September 9, 2021

No. 21TI002 - Third Revised Project Plan for Tax Increment District #47 - Tower Road to reallocate Project Plan costs **ITEM 7**

GENERAL INFORMATION:

APPLICANT/AGENT	Brian E. Bangs, Skyline Pines East, LLLP
PROPERTY OWNER	Skyline Pines East
REQUEST	No. 21TI002 - Third Revised Project Plan for Tax Increment District #47 - Tower Road
EXISTING LEGAL DESCRIPTION	Lot H1 of the SW1/4, Lot 1 of the SE1/4 SW1/4, the eastern most 402.4 feet of section line right-of-way in the SW1/4, all located in the SW1/4 of Section 11, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; the N1/2 SE1/4 less Walpole Heights Subdivision less Lot AB of the E1/2 SE1/4 and less Fairmont Boulevard dedicated right-of-way, Lots H1 and H2 of the SE1/4, Lots B and C of the SW1/4SE1/4, Lots A and B of the SE1/4 SE1/4, Lots H3, H4, H5, H6, H7 and H8 of the E1/2 SE1/4, and all of the section line right-of-way in the SE1/4 less that portion of section line right-of-way abandoned as recorded in Miscellaneous Book 54, Page 1976, all located in the SE1/4 of Section 11, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota; and Lot H2 of the W1/2 SW1/4 less Lot X of the W1/2SW1/4, Lot H4 of the W1/2 SW1/4, and that portion of a 60 foot dedicated public right-of-way located between Tract 3R and 4R of Arches Addition in the SW1/4, all located in the SW1/4 of Section 12, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.
PARCEL ACREAGE	Approximately 122.0 Acres
LOCATION	Tower Road west of U.S. Highway 16
EXISTING ZONING	Right-of-way - Park Forest District - Low Density Residential District II (Planned Residential Development) - Office Commercial District (Planned Commercial Development) - General Commercial District (Planned Commercial District)
SURROUNDING ZONING	
North:	Park Forest District - Low Density Residential District - General Commercial District (Planned Commercial District)
South:	Park Forest District

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East:	General Commercial District
West:	Park Forest District - General Agriculture District
PUBLIC UTILITIES	City water and sewer
DATE OF APPLICATION	7/20/2021
REVIEWED BY	Sarah Hanzel

RECOMMENDATION:

The Tax Increment Financing Committee recommends that the Third Revised Project Plan for Tax Increment District #47 - Tower Road be approved.

GENERAL COMMENTS: Tax Increment District #47 was created in 2004 and the Project Plan was approved May 1, 2006. The Tax Increment Funds were to be utilized to fund construction and public improvements for Tower Road. The Project Plan is funded by the developer. The developer is requesting reallocation of funds from the Capital Costs line item to the Financing Interest line item.

The Tax Increment District boundaries incorporate approximately 122 acres located near Tower Road and Fairmont Boulevard. These properties are located west of U.S. Highway 16/Mt. Rushmore Road. This is an economic development Tax Increment District.

The base valuation of TID 47 was \$1,395,000. The 2020 equalized valuation from the Department of Revenue is \$29,542,576. The Tax Increment Revenues for this district for 2021 are \$558,668.72. This valuation provides evidence that the District has stimulated the general economic welfare and prosperity of the state through the promotion and advancement of industrial and commercial development as required in South Dakota Codified Law 11-9-8. Based on the current Tax Increment Revenues, this TID is expected to pay off in 3 years. The tax Increment District expires in 2024.

The Imputed Administrative Fee of \$20,000 to be paid to the City in accordance with the Tax Increment Financing Guidelines will be drawn from the TID fund.

TAX INCREMENT FINANCING COMMITTEE REVIEW: On August 18, 2021, the Tax Increment Financing Review Committee reviewed the developer's request for the changes to reallocate the costs within the Project Plan. The Committee recommended that the reallocation be approved. All the revised changes are outlined in the following chart:

Capital Costs:

Tower Road Reconstruction and			
Improvements	\$ 2,721,450.00		
Sidewalks Approach	\$ 125,000.00		
Development			
Improvements	\$ 59,638.70	\$ 2,906,089.64	

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Professional Service Costs		\$ 465,000.00
Financing Costs:		
Financing interest		\$ 1,171,693.53
Contingency Costs:		\$ 0
Relocation Costs:		\$ 0
Organizational Costs:		\$ 0
Necessary and Convenient Costs:		
Fairmont Boulevard grading	\$234,313.00	
Drainage Improvements	\$ 22,413.00	
Erosion Controls	\$ 83,660.30	
Electrical Trenching	\$ 6,120.00	
		\$ 351,506.30
TOTAL		\$ 4,894,289.47
Imputed Administrative Costs*		
City of Rapid City		\$ 20,000.00

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

RECOMMENDATION: The Tax Increment Financing Project Review Committee recommends approval of the attached resolution approving the Third Revised Project Plan for Tax Increment District No. 47.