

SECTION I – Required by South Dakota Codified Law (SDCL) for creation of a district

	<p>SDCL 11-9-8: Required findings in resolution creating district. The resolution required by § 11-9-5 shall contain the following findings:</p>	<i>Summarize</i>
	<p>(1) Not less than <u>twenty-five percent, by area, of the real property within the district is a blighted area or not less than fifty percent, by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources development; and</u></p>	
	<p>(2) The improvement of the area is likely to significantly enhance the value of substantially all other real property in the district.</p>	

SECTION II – SDCL Definitions for findings of blight, if applicable.

	<p>SDCL 11-9-9: Areas conducive to disease or crime defined as blighted. Any area, including slum area, in which the structures, buildings, or improvements, by reason of:</p>	<i>Summarize or indicate N/A</i>
	<p>(1) Dilapidation, age, or obsolescence;</p>	
	<p>(2) Inadequate provisions for ventilation,</p>	
	<p>(3) High density of population and overcrowding;</p>	
	<p>(4) The existence of conditions which endanger life or property by fire and other causes; or</p>	
	<p>(5) Any combination of such factors; are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and which is detrimental to the public health, safety, morals, or welfare, is a blighted area.</p>	

SECTION III – SDCL Definitions for findings of blight, if applicable.

	<p>SDCL 11-9-10: Developed areas impairing growth defined as blighted. Any area which by reason of:</p>	<p><i>Summarize or indicate N/A</i></p>
	<p>(1) The presence of a substantial number of substandard, slum, deteriorated, or deteriorating structures;</p>	
	<p>(2) Predominance of defective or inadequate street layouts;</p>	
	<p>(3) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;</p>	
	<p>(4) Insanitary or unsafe conditions;</p>	
	<p>(5) Deterioration of site or other improvements;</p>	
	<p>(6) Diversity of ownership, tax, or special assessment delinquency exceeding the fair value of the land;</p>	
	<p>(7) Defective or unusual conditions of title;</p>	
	<p>(8) The existence of conditions which endanger life or property by fire and other causes; or</p>	
	<p>(9) Any combination of such factors;</p> <p>Which substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use, is a blighted area.</p>	

SECTION IV – SDCL Definitions for findings of blight, if applicable.

	<p>SDCL 11-9-11: Open areas impairing growth defined as blighted.</p>	<p><i>Summarize or indicate N/A</i></p>
	<p>Any area which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of a municipality, is a blighted area.</p>	

SECTION V – Rapid City TIF Policy

	Purpose of TIF	<i>Summarize or indicate N/A</i>
	(1) To encourage the redevelopment of deteriorated, or otherwise blighted real property in Rapid City through the investment of public funds;	
	(2) To stimulate economic development in the community by assisting projects that promote the long term economic vitality of the community	
	(3) To stimulate increased private investment in areas that would have otherwise remained undeveloped or under-developed and which will, in the long term, provide a significant source of additional to revenues to all taxing entities;	
	(4) To stimulate the construction of safe and affordable housing units for low and moderate income residents and workers in the community; and,	
	(5) To facilitate the reconstruction, maintenance and completion of the City's existing infrastructure network to support the existing growth and guide future growth of the community.	

SECTION VI – Rapid City TIF Policy

	Uses of TIF – Allowable Project Costs	<i>Summarize or indicate N/A</i>
	(1) Oversizing costs for sewer, water and streets required by the City of Rapid City	
	(2) Extension of off-site sewer, water, street, and public improvements to the development site;	
	(3) Oversizing costs for storm drainage detention and transmission facilities to accommodate storm water runoff beyond that generated by the development;	
	(4) Reconstruction of existing streets, water, sewer, sidewalks or other public infrastructure;	

Uses of TIF – Allowable Project Costs	<i>Summarize or indicate N/A</i>
(5) Regional lift stations, pump stations or other public facilities to be owned by the City of Rapid City;	
(6) Interest and Financing Fees	
(7) Imputed Administrative fees due to the City;	
(8) Professional service fees limited to engineering, design, survey and construction management associated with the allowable project costs	
Project Costs Not allowed unless authorized by the City Council	
(9) Acquisition of equipment or other permanent fixtures;	
(10) Private Development site improvements including but not limited to parking lots, landscaping, driveways, site lighting, sidewalks, signs, grading and fill;	
(11) Real property assembly costs including land acquisition;	
(12) Clearing and grading of land;	
(13) Relocation costs;	
(14) Organizational costs;	
(15) Professional service fees including engineering, design, survey and construction management fees associated with project costs not allowed as part of the Project Plan;	
(16) Alteration, remodeling, repair or reconstruction of existing buildings or structures; and,	
(17) Legal and developer fees.	

SECTION VII – Rapid City TIF Policy

Criteria for evaluation	<i>Summarize or indicate N/A</i>
(1) The project must be located within a proposed district in which a minimum of twenty five percent (25%) of the area of the District is determined to be “blighted” and the improvements are likely to enhance the value of substantially all the other real property in the district.	

	Criteria for evaluation	<i>Summarize or indicate N/A</i>
	For purposes of TIF, a “blighted” area is defined as:	
	A. An area in which the structures, buildings, or improvements are conducive to ill health, the transmission of disease, infant mortality, juvenile delinquency, or crime, and which is detrimental to the public health, safety, morals, or welfare; or,	
	B. An area that substantially impairs or arrests the sound growth of the municipality, retards the provision of adequate housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or morals, or welfare as a result of substandard, unsafe or deteriorating development; or,	
	C. An open area which because of the need for infill development and cost effective use of existing utilities and services, obsolete platting, diversity of ownership, deterioration of structures or site improvements, or otherwise is determined to be blighted, substantially impairs or arrests the sound growth of the community.	
	(2) The project must comply with the adopted Comprehensive Plan and all other appropriate plans and regulations.	
	(3) The use of Tax Increment Financing for the project will not result in the net loss of pre-existing tax revenues to the City and other taxing jurisdictions.	

SECTION VIII – Rapid City TIF Policy

	Additional Criteria. An application must meet two of the following six:	<i>Summarize or indicate N/A</i>
	(1) The project must demonstrate that it is not economically feasible without the use of Tax Increment Financing. In addition, if the project has site alternatives, the proposal must demonstrate that it would not occur in Rapid City without Tax Increment Financing.	
	(2) The project will eliminate actual or potential hazard to the public. Hazards may include condemned or unsafe buildings, sites, or structures.	
	(3) The project will not provide direct or indirect assistance to retail or service businesses competing with existing businesses in the Rapid City trade area.	
	(4) The project will bring new or expanded employment opportunities as demonstrated by proposed wage scales, employee benefits and mixture of full and part-time employees.	
	(5) The project will result in additional redevelopment in the following Tax Increment Financing Target Areas: A. Downtown District (see Appendix A for description)	
	(6) The project will result in the construction of affordable housing units defined as housing where the occupant is paying no more than thirty percent (30%) of gross income for housing costs including utilities and complies with the following requirements: A. Affordable housing projects must target residents at or below eighty percent (80%) of median income with rents at thirty percent (30%) of the tenants income or the Fair Market Rent (FMR) for the Section 8 Program whichever is greater. A minimum of 51% of the dwelling units of the proposed development shall be occupied by households meeting this income guideline;	

	Additional Criteria. An application must meet two of the following six:	<i>Summarize or indicate N/A</i>
	B. Affordable housing is required to remain affordable as defined above for ten (10) years. If affordability is less than ten (10) years, repayment of prorated share of increment benefit will be due and payable to the City.	

SECTION IX – Rapid City TIF Policy

		<i>Summarize or indicate N/A</i>
	(1) The project will generate at least one full-time job for each \$10,000 in principal value of the Tax Increment Financing; or would create a minimum of 50 new jobs.	
	(2) All Tax Increment Financing proceeds are used for the construction of public improvements.	
	(3) The project involves the rehabilitation of a building listed on or eligible for listing on the National Register of Historic Places.	
	(4) The project will directly benefit low and moderate income people, as defined by the U.S. Department of Housing and Urban Development as applied to the Community Development Block Grant Program. A project will meet this criterion if at least 51% of the jobs created will be held by or available to low and moderate income people.	
	(5) The building or site that is to be redeveloped itself displays conditions of blight as established by the provisions of SDCL 11-9.	
	(6) The project involves the start-up of an entirely new business or business operation within the City of Rapid City.	
	(7) The project involves the expansion of an existing business located within Rapid City.	

		<i>Summarize or indicate N/A</i>
	(8) The project site has displayed a recent pattern of declining real property assessments, as measured by the Pennington County Director of Equalization.	
	(9) The project costs are limited to those specific costs associated with a site that exceed the typical or average construction costs (i.e. excessive fill, relocation costs, additional foundation requirements associated with unusual soil conditions, extension of sewer or water mains, on-site or off-site vehicular circulation improvements, etc.)	
	(10) The developer agrees to waive the five-year tax abatement.	