

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>	
	<p>(1) Not less than 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</p>	<p><i>Summarize</i></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>	<p>The completed development of the Ennen and Hillsvew subdivisions will increase valuation by \$62,260,000.</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>	
	<p>(1) Dilapidation, age, or obsolescence;</p>	<p><i>Summarize or indicate N/A</i></p>
	<p>(2) Inadequate provisions for ventilation,</p>	<p>NA</p>
	<p>(3) High density of population and overcrowding;</p>	<p>NA</p>
	<p>(4) The existence of conditions which endanger life or property by fire and other causes; or</p>	<p>NA</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>	<p>NA</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>NA</p>
<p>(2) Predominance of defective or inadequate street layouts;</p>	<p>NA</p>
<p>(3) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;</p>	<p>NA</p>
<p>(4) Insanitary or unsafe conditions;</p>	<p>NA</p>
<p>(5) Deterioration of site or other improvements;</p>	<p>NA</p>
<p>(6) Diversity of ownership, tax, or special assessment delinquency exceeding the fair value of the land;</p>	<p>NA</p>
<p>(7) Defective or unusual conditions of title;</p>	<p>NA</p>
<p>(8) The existence of conditions which endanger life or property by fire and other causes; or</p>	<p>NA</p>
<p>(9) Any combination of such factors; 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>	<p>The area currently does not adequate road, water, sewer – per engineer’s estimates, to accommodate large amounts of growth.</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>	<p>The proposed development is currently an open area with limited capacity. The development will significantly improve public infrastructure in the area including Reservoir Road.</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;	The Development of Reservoir Road will benefit current developments and future developments in the area.
	(2) To stimulate economic development in the community by assisting projects that promote the long term economic vitality of the community	Affordable housing is important to the economic vitality of communities. It can attract and retain employees to a community, a selling point for area employers. Affordable homes also support the local workforce so they can live close to their jobs. Development of Reservoir Road will open up further opportunity for Affordable Housing in the area.
	(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;	The proposed Reservoir Road is an arterial road to underdeveloped land to be known as Ennen Subdivision and Hillsview Subdivision. The developments are projected to have an added value of \$62,260,000.
	(4) To stimulate the construction of safe and affordable housing units for low and moderate income residents and workers in the community; and,	Reservoir Road will open up development opportunity for affordable housing. The first developments to be Ennen subdivision.
	(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.	Infrastructure will be hooked up to the City of Rapid City's current infrastructure. The City will own and maintain the infrastructure, once completed.

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	Yes, see engineers detailed site analysis.
	(2) Extension of off-site sewer, water, street, and public improvements to the development site;	Yes, see engineers detailed site analysis.
	(3) Oversizing costs for storm drainage detention and transmission facilities to accommodate storm water	NA

Uses of TIF – Allowable Project Costs	<i>Summarize or indicate N/A</i>
runoff beyond that generated by the development;	
(4) Reconstruction of existing streets, water, sewer, sidewalks or other public infrastructure;	The project consists of reconstruction of Reservoir Road and the associated infrastructure.
(5) Regional lift stations, pump stations or other public facilities to be owned by the City of Rapid City;	NA
(6) Interest and Financing Fees	Interest and Financing Fees TBD
(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	Engineering fees, traffic study, and geotechnical evaluation included in the Engineers Estimate of Reservoir Road.
Project Costs Not allowed unless authorized by the City Council	
(9) Acquisition of equipment or other permanent fixtures;	NA
(10) Private Development site improvements including but not limited to parking lots, landscaping, driveways, site lighting, sidewalks, signs, grading and fill;	NA
(11) Real property assembly costs including land acquisition;	NA
(12) Clearing and grading of land;	Grading has been added into the Engineer's Estimate of Reservoir Road.
(13) Relocation costs;	NA
(14) Organizational costs;	NA
(15) Professional service fees including engineering, design, survey and construction management fees associated with project costs not allowed as part of the Project Plan;	Engineering fees, traffic study, and geotechnical evaluation included in the Engineers Estimate of Reservoir Road.
(16) Alteration, remodeling, repair or reconstruction of existing buildings or structures; and,	NA
(17) Legal and developer fees.	NA

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	Empty, undeveloped ground.

	Criteria for evaluation	<i>Summarize or indicate N/A</i>
	<p>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. For purposes of TIF, a “blighted” area is defined as:</p>	
	<p>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,</p>	<p>NA</p>
	<p>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,</p>	<p>Growth within the area will be hindered without further development of Reservoir Road. With the development of Reservoir Road, further development of homes is made possible.</p>
	<p>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.</p>	<p>The project location is open area in need of infrastructure for housing development.</p>
	<p>(2) The project must comply with the adopted Comprehensive Plan and all other appropriate plans and regulations.</p>	<p>The project complies with City of Rapid City's plan and regulations. See engineering plans.</p>
	<p>(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.</p>	<p>The development will of Reservoir Road will lead to further development of Ennen and Hillsvie subdivisions which will increase valuation by \$62,260,000.</p>

SECTION VIII – Rapid City TIF Policy

<p>Additional Criteria. An application must meet two of the following six:</p>	<p><i>Summarize or indicate N/A</i></p>
<p>(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.</p>	<p>See TIF Application.</p>
<p>(2) The project will eliminate actual or potential hazard to the public. Hazards may include condemned or unsafe buildings, sites, or structures.</p>	<p>NA</p>
<p>(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.</p>	<p>NA</p>
<p>(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.</p>	<p>NA</p>
<p>(5) The project will result in additional redevelopment in the following Tax Increment Financing Target Areas: A. Downtown District (see Appendix A for description)</p>	<p>The Development will result in 156 affordable homes.</p>
<p>(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:</p> <p style="padding-left: 40px;">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</p>	<p>The project will consist of homes that will qualify for SDHDA first time homebuyers – Affordable Housing.</p>

	Additional Criteria. An application must meet two of the following six:	<i>Summarize or indicate N/A</i>
	<p>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;</p> <p>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 prorate share of increment benefit will be due and payable to the City.</p>	

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.	NA
	(2) All Tax Increment Financing proceeds are used for the construction of public improvements.	The Development of Reservoir Road will be public improvements and will be owned by the City of Rapid City.
	(3) The project involves the rehabilitation of a building listed on or eligible for listing on the National Register of Historic Places.	NA
	(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.	NA
	(5) The building or site that is to be redeveloped itself displays conditions of blight as established by the provisions of SDCL 11-9.	The site shows blight in the form of lacking adequate infrastructure for future growth within the area.

	<i>Summarize or indicate N/A</i>
(6) The project involves the start-up of an entirely new business or business operation within the City of Rapid City.	NA
(7) The project involves the expansion of an existing business located within Rapid City.	NA
(8) The project site has displayed a recent pattern of declining real property assessments, as measured by the Pennington County Director of Equalization.	NA
(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.)	The Development will include the redevelopment of Reservoir Road. Project costs are typical in today's development cost environment. See Engineer's Estimate.
(10) The developer agrees to waive the five-year tax abatement.	Yes.