

**CHECKLIST**

**TAX INCREMENT FINANCING IN RAPID CITY  
A Guide for Applicants**

**Purpose of TIF.** The City of Rapid City recognizes the following purposes for the use of Tax Increment Financing:

- |   | <b>Applies</b>                      |
|---|-------------------------------------|
| 1. To encourage the redevelopment of deteriorated, or otherwise blighted real property in Rapid City through the investment of public funds;  | <input checked="" type="checkbox"/> |
| 2. To stimulate economic development in the community by assisting projects that promote the long term economic vitality of the community;  | <input checked="" type="checkbox"/> |
| 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 tax revenues to all taxing entities; | <input checked="" type="checkbox"/> |
| 4. To stimulate the construction of safe and affordable housing units for low and moderate income residents and workers in the community; and,  | <input type="checkbox"/>            |
| 5. To facilitate the reconstruction, maintenance and completion of the City's existing infrastructure network to support the existing growth and guide of the future growth of the community.   | <input checked="" type="checkbox"/> |

**Uses of TIF.** Tax Increment Financing may be used for the following purposes in Rapid City:

- |  | <b>Applies</b>                      |
|--|-------------------------------------|
| 1. Oversizing costs for sewer, water and streets required by the City of Rapid City;   | <input type="checkbox"/>            |
| 2. Extension of off-site sewer, water, street and public improvements to the development site;   | <input type="checkbox"/>            |
| 3. Oversizing costs for storm drainage detention and transmission facilities to accommodate storm water runoff beyond that generated by the development;                                     | <input checked="" type="checkbox"/> |
| 4. Reconstruction of existing streets, water, sewer, sidewalks or other public infrastructure;   | <input checked="" type="checkbox"/> |
| 5. Regional lift stations, pump stations or other public facilities to be owned by the City of Rapid City;   | <input type="checkbox"/>            |
| 6. Public playgrounds, parks and recreational improvements to be owned by the City of Rapid City;  | <input type="checkbox"/>            |
| 7. Demolition costs for the removal of existing structures or infrastructure;  | <input type="checkbox"/>            |
| 8. Interest and financing fees;  | <input checked="" type="checkbox"/> |
| 9. Imputed administrative fees due to the City;  | <input checked="" type="checkbox"/> |
| 10. Removal and replacement of contaminated soils;   | <input checked="" type="checkbox"/> |
| 11. Professional service fees limited to engineering, design, survey and construction management associated with the allowable project costs; and,   | <input type="checkbox"/>            |
| 12. Costs, at the discretion of the governing body, which are found to be necessary or convenient to the creation of the Tax Incremental District or the implementation of the Project Plan. | <input type="checkbox"/>            |

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**Criteria for Evaluation.** Projects applying for assistance through TIF must qualify by meeting certain criteria. Some criteria are mandatory and must be met in order for the Committee to consider the project for assistance. Others are discretionary, and enable the Committee to determine the benefits of the project. The project application must demonstrate how the project meets the required criteria.

- |  | Applies                             |
|--|-------------------------------------|
| 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 of the other real property in the district. For the purposes of TIF, a "blighted area" is defined as: | <input checked="" type="checkbox"/> |
| 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,  | <input type="checkbox"/>            |
| 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,             | <input checked="" type="checkbox"/> |
| 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.              | <input checked="" type="checkbox"/> |
| 2. The project must comply with the adopted Comprehensive Plan and all other appropriate plans and regulations.  | <input checked="" type="checkbox"/> |
| 3. The use of TIF for the project will not result in the net loss of pre-existing tax revenues to the City and other taxing jurisdictions.   | <input checked="" type="checkbox"/> |

**In addition, a project must meet two of the following six criteria:**

- |  | Applies                             |
|--|-------------------------------------|
| 1. The project must demonstrate that it is not economically feasible without the use of TIF. In addition, if the project has site alternatives, the proposal must demonstrate that it would not occur in Rapid City without TIF. | <input checked="" type="checkbox"/> |
| 2. The project will eliminate actual or potential hazard to the public. Hazards may include condemned or unsafe buildings, sites, or structures.   | <input checked="" type="checkbox"/> |
| 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.   | <input checked="" type="checkbox"/> |
| 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.   | <input checked="" type="checkbox"/> |
| 5. The project will result in additional redevelopment in the following Tax Increment Financing Target Areas:  | <input type="checkbox"/>            |
| A. Downtown District (see Appendix A for description)  | <input type="checkbox"/>            |
| 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               | <input type="checkbox"/>            |

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