

North Side Development Tax Increment Financing Plan Advances Amid Debate

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The Rapid City Legal and Finance Committee approved a resolution to establish a Tax Increment Financing (TIF) district for the Marshall Heights area, aimed at supporting a \$27 million redevelopment project. The plan focuses on expanding Luna Avenue, redeveloping the property at 1902 Lacrosse Street, and constructing a new North Side Rapid City Police Department (RCPD) precinct. Despite approval, the decision sparked some disagreement among city officials.

The TIF district, which was previously backed 6-3 by the city's Planning Commission, is intended to finance key elements of the project, including a Chick-fil-A restaurant, several other dining options, and a Les Schwab Tire Center. To mitigate anticipated traffic impacts, developers plan to install a new traffic signal at the intersection of Luna Avenue and Eglin Street and extend Luna Avenue to connect with Latrobe Street.

Concerns remain, however, particularly related to the former Holiday Inn property, which has since been converted to a Sonesta hotel. Rapid City Ward 2 Alderman Bill Evans pointed to the hotel's decline as emblematic of broader issues in the area. "At one point, that Holiday Inn up there was the largest and most luxurious in the state," Evans remarked. "Through a series of really, really horrible management decisions, it's become derelict... It's become blighted."

City officials, including Rapid City Community Development Director Vicki Fisher, emphasized the long-term benefits the project could bring. Fisher highlighted that the TIF-generated funds would allow critical improvements to the existing structures and boost public safety through the addition of the new police precinct. "We talk about blight and we talk about security," Fisher said, "the big, big benefit to the community as a whole as a result of this TIF is the dollars that are going to be available for us to make some of those necessary improvements to that structure."

In terms of financing, one developer involved in the project plans to self-fund their portion, while AAM Rapid City, whose parent company is based in Detroit, will collaborate with a local bank to secure funding. The Legal and Finance Committee passed both funding resolutions, although Alderman Evans opposed them.

The project represents a significant investment in Rapid City's North Side, aiming to revitalize the area through infrastructure improvements and new commercial development, while addressing longstanding concerns about blight and public safety.