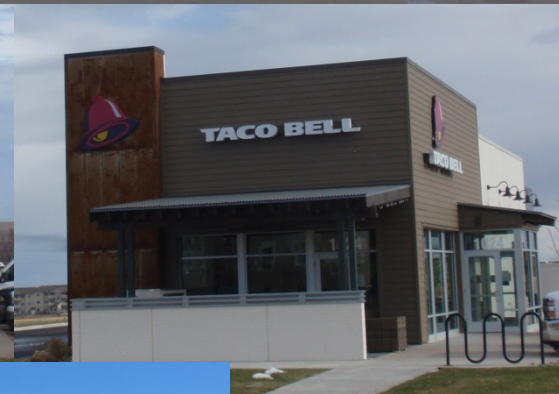


TID #38

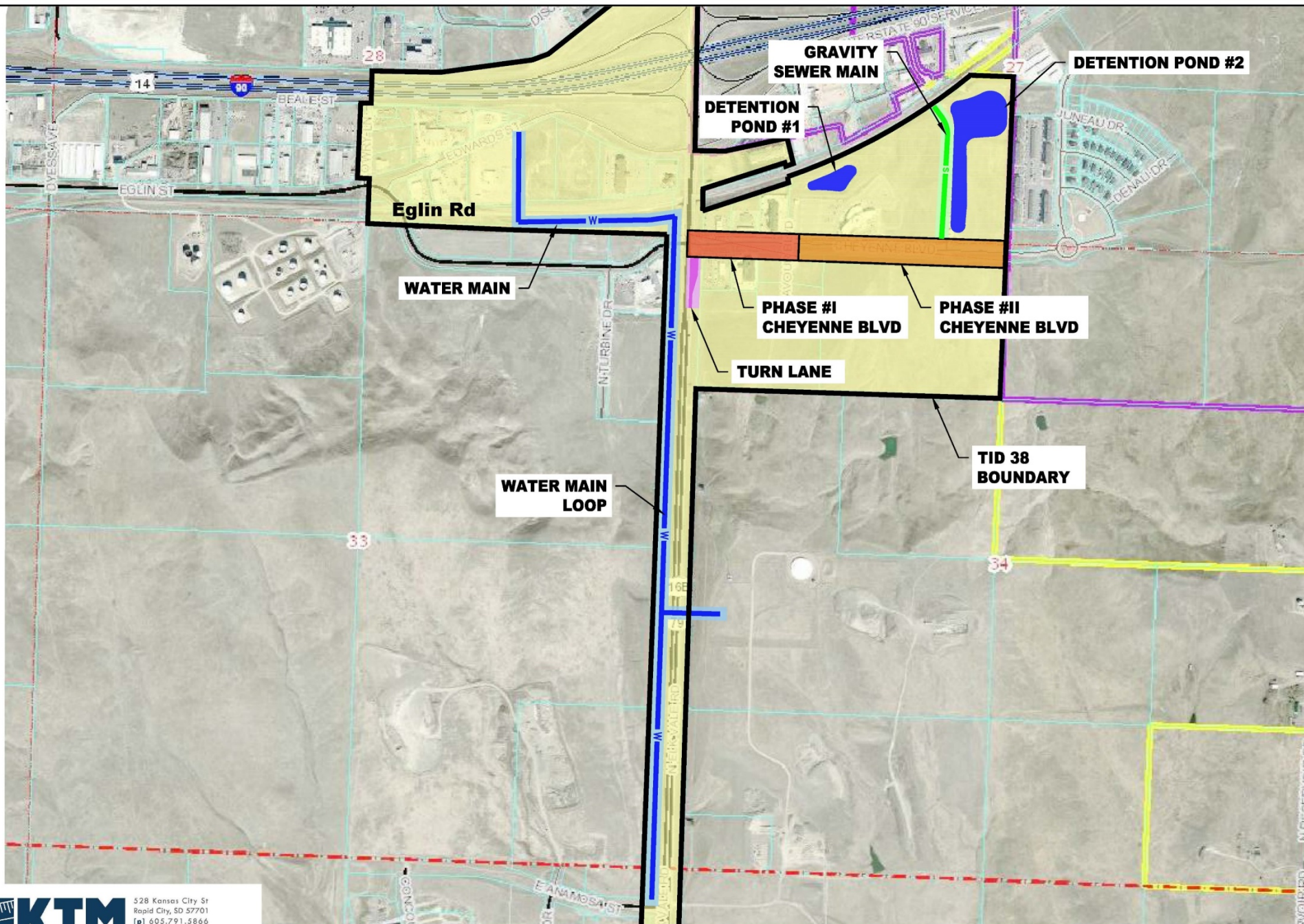
Request for a Project Plan Amendment
to Reallocate Costs among Line Items

TID #38 near the Intersection of Exit 61/Elk Vale, Eglin Road, and Cheyenne Blvd



TID #38 Summary

- Project Plan for \$6,810,879 in TIF to fund public improvements approved by City Council February 2003.
- Project Plan amended in May 2004 to reallocate \$100,000 of contingency costs to construct an addition 880 feet of water main along Elk Vale south to East Anamosa Street to allow connection to future city water main.
- TIF improvements completed by February 2008.
- Phase I costs of \$1,922,223 certified February 2006.
- Finance costs of \$1,583,352.33 certified November 2012.
- Request submitted to the Finance Office for certification of Phase II construction and additional interest July 2016.
- Request submitted to Planning Office for an amendment to reallocate costs among line items October 2016.
- Assessed value increased from base of \$3.36 million to \$38 million (2015)



LEGEND

TID BOUNDARY

North arrow pointing upwards.

Scale bar: 400' 200' 0 400' 800'

SCALE: 1" = 800'

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TID 38 CONSTRUCTED IMPROVEMENTS
RAPID CITY, SOUTH DAKOTA
NOVEMBER, 2016

What did TID#38 achieve?

Public Improvement	Benefit
TID overall	Allowed for the annexation of County land into the City of Rapid City rather than annexation by Box Elder.
Water main west of Elk Vale from Beale St. along Eglin Rd.	Improved water distribution to the developed area west of Elk Vale in the northwest sector of the TID.
Water main loop along Elk Vale from Eglin St. to Anamosa St.	Brought water to properties along Elk Vale; provided additional water pressure for fire protection along Elk Vale; provided the water main stub to connect to the water storage tank, thus increasing water supply for fire protection at the airport. Provided adequate water for \$17,235,500 in new development along Elk Vale north of Eglin St.
Phase I – 800 feet of Eglin St. east of Elk Vale (Cheyenne Blvd) with small Detention Dam.	Provided for \$10 million of new commercial development as well as future development near the intersection of Elk Vale and Cheyenne Blvd.
Gravity Sewer from Cheyenne Blvd north to railroad tracks.	Allowed for development along Cheyenne Blvd. Sewer was redesigned to eliminate the need for the lift station and forced main.
Phase II – 1800 feet of Eglin St. (Cheyenne Blvd) with drainage features and large Detention Dam.	Allowed for the \$13 million investment by the State of South Dakota for the University Center and future development along Cheyenne Blvd. Provided drainage and water detention for approximately 450 acres south and north of Cheyenne Blvd.
Signalized Intersection at Elk Vale and Eglin St./Cheyenne Blvd.	Provided traffic management and public safety. Dept of Transportation paid for signal; TIF paid for decelerization lane.

Drainage controls for over 450 acres Detention Ponds 1 and 2; Cheyenne Blvd Phase II

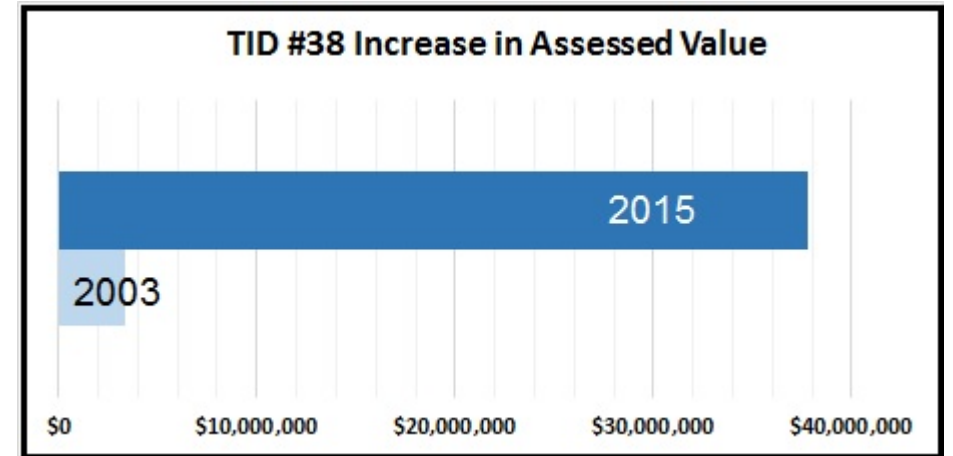


TID #38 provided infrastructure for new development

Business	Address	Assessed Value, \$ 2015
Dacotah Steakhouse	1325 N Elk Vale Road	2,077,100
Comfort Suites Hotel & Convention Center	1333 N Elk Vale Road	6,035,900
Arby's	3920 Cheyenne Blvd	917,700
Fresh Start Convenience Store & Happy Jacks	4030 Cheyenne Blvd	1,419,100
Baymont Hotel and Marco's Pizza	4040 Cheyenne Blvd	5,044,800
McDonalds	3919 Cheyenne Blvd	1,457,200
Sleep Inn Hotel	4031 Cheyenne Blvd	3,892,400
BHSU - RC Educational Center	4300 Cheyenne Blvd	13,000,000 (construction \$)
Fairfield Inn, WaTiki and Perkins Restaurant	1314 N Elk Vale Rd	9,122,500
Taco Bell (completed Sep 2016 - value estimated from construction costs)	1024 Endeavour Blvd	1,300,000

Increase in assessed value and projected pay-off of TIF

- 2003 Base Assessed Value \$3,362,500
- 2015 TID Assessed Value \$37,797,400
- Annual Tax Increment Revenue \$662,623
Payable 2017



- Projected Payoff in 2019 (16 years from start) assuming payment of \$702,000 in tax revenue held by City upon approval of final cost certification and additional assessed value from Taco Bell that was constructed in 2016; does not include future development.

NOTE: Current active TIDs estimate payoff in 8 to 20 years with an average of 15 years

Request for Cost Reallocation

TID #38 Estimated and Actual Costs with Requested Amendment 2							
Construction		Developer Items	April 2003 Project Plan	May 2004 Amendment 1	Developer's Costs	Over/Under Estimate	Requested Amendment 2
	Contractor						
	Spearfish Excavating	Water Main	300,000.00		386,962.03	(86,962.03)	86,962.03
	Rapid Construction	Eglin Street (Phase I)	460,000.00		589,788.35	(129,788.35)	129,788.35
	Rapid Construction	Gravity Sewer	132,000.00		132,000.00	0.00	0.00
	Rapid Construction	Deceleration Lane	30,000.00		30,000.00	0.00	0.00
	Rapid Construction	Detention Dam (Phase I)	100,000.00		100,000.00	0.00	0.00
	Removed from Plan	Lift Station	350,000.00		0.00	350,000.00	(350,000.00)
	Removed from Plan	Force Main	210,000.00		0.00	210,000.00	(210,000.00)
	SD DOT project	Signalization Intersection	120,000.00		0.00	120,000.00	(120,000.00)
	Highmark, Inc	Water Main Loop	300,000.00		450,943.51	(150,943.51)	150,943.51
	Highmark, Inc	Water Main from East Anamosa		67,000.00	75,000.00	(8,000.00)	8,000.00
	Highmark, Inc	Road Crossing at Anamosa		25,000.00	25,000.00	0.00	0.00
		Eng. Design, Construction & Admin. Phase I	200,200.00		187,300.71	12,899.29	(12,899.29)
		Contingency Costs Phase I	400,000.00	(100,000.00)		300,000.00	(300,000.00)
		Contingency Costs Amendment		8,000.00		8,000.00	(8,000.00)
	Rapid Construction/W	Eglin Street (Phase II)	350,000.00		1,086,055.48	(736,055.48)	736,055.48
	Rapid Construction	Detention Dam (Phase II)	100,000.00		235,887.09	(135,887.09)	135,887.09
		Eng. Design, Construction & Admin. Phase II	45,000.00		117,713.46	(72,713.46)	72,713.46
		Contingency Costs Phase II	90,000.00		0.00	90,000.00	(90,000.00)
		Construction Total	3,187,200.00	0.00	3,416,650.63	(229,450.63)	229,450.63
Financing		Financing Total	3,623,279.13		3,393,828.50	229,450.63	(229,450.63)
Total Construction and Financing			6,810,479.13	0.00	6,810,479.13	0.00	0.00

Reasons for cost changes among line items

- Costs in original project plan were rough estimates made before design of the construction items.
- Cost of construction increased between 2002 when the project plan was developed and when the work was done during 2003-2007. Construction was based upon designs approved by the City Engineering Department. Construction projects were bid per City's process and low bid was selected.
- Drainage features approved by City staff were constructed as part of Eglin (Cheyenne) Phase II. In order to meet actual drainage needs, the 2nd detention pond and associated drainage structures were more extensive than originally anticipated.

TID Project Plan revisions for cost reallocation since 2007

TID		Project Plan	Cost Reallocation	Amount, \$
35	Jolly Lane Drainage	2002	2010	60,233
36	Disk Drive Extension	2002	2005, 2006, 2010	1,215,327
<i>38</i>	<i>Heartland Retail Center</i>	<i>2003</i>	<i>Requested</i>	<i>1,320,350</i>
39	East Rapid Plaza	2003	2006, 2007	642,120
41	5th St South to Catron	2003	2005, 2008	1,167,531
42	Elk Vale Water/Timmons Blvd	2003	2011	306,000
44	Mall Drive	2004	2007	1,220,000
46	Red Rock Meadows	2004	2007	198,847
47	Tower Road	2004	2007, 2009	1,337,181
50	Federal Beef	2004	2005, 2008, 2010	645,595
54	Rainbow Ridge	2005	2008	315,000
55	Mall Ridge Lift Station	2005	2006, 2006, 2008	1,171,731
56	Rushmore Crossing	2006	2007, 2007	3,695,284
61	Villaggio	2006	2007, 2008, 2010	634,570
69	North St Fire Station	2008	2009, 2013	1,015,050
70	S Highway 16 Sewer	2012	2016	656,689

History of reallocation of estimated costs of items not constructed

TID		Project Plan	Cost Reallocation	
41	5th St South to Catron	2003	2005	Eliminated lift station and force main; removed costs of \$200,000. Added \$4,391,907.81 in new construction
50	Federal Beef	2004	2008	Eliminated off-site water improvements of \$205,000; reallocated to construction costs
61	Villaggio	2006	2007	Eliminated turn lane of \$253,000 and sewer main \$27,662; reallocated to construction costs
69	North St Fire Station	2008	2013	Eliminated environmental investigation and remediation of \$111,500; reallocated to construction costs

TID #38 meets Rapid City's stated purpose of TIF, the statutory criteria of SDCL 11-9-11, and local and discretionary criteria

- City of Rapid City's stated purpose of TIF. To stimulate economic development by promoting long-term economic viability; to stimulate increased private development in areas that otherwise would have remained undeveloped or under-developed.
- SDCL 11-9-11. Blighted area – lack of infrastructure impaired sound growth of a municipality, i.e. drainage control, water, and sewer.
- Local Criteria. Complies with Rapid City's comprehensive plan and did not result in loss of pre-existing tax revenues to taxing jurisdictions.
- Discretionary Criteria. More than 340 full and part-time jobs; Start-up of an entirely new business; Facilitated expansion of existing business;