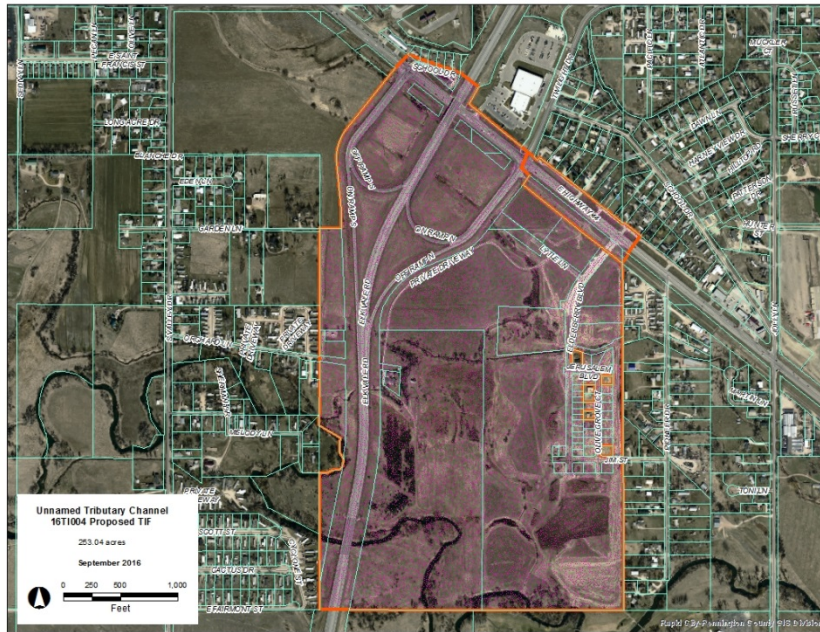


TAX INCREMENTAL PROJECT PLAN

TAX INCREMENT DISTRICT #78 ORCHARD MEADOWS (UNNAMED TRIBUTARY CHANNEL) CITY OF RAPID CITY

Amendment #1 – October 2019



Prepared by the

Rapid City Department of Community Development
September 2016

Amendment #1 – October 2019

INTRODUCTION

Tax Increment Financing is a method of financing improvements and development in an area which has been determined to be blighted or which has been determined to create economic development according to the criteria set forth in SDCL 11-9. All this is done without incurring a general obligation for the taxpayers of the entire City.

The assessed value of a district is determined by the South Dakota Department of Revenue at the time the district is created by the City Council. This valuation is termed the Tax Increment Base Valuation for the district, or simply the “base valuation.”

When the assessed valuation of the district increases in succeeding years, the total property taxes paid by the owners of property in the district will increase accordingly. That increase in taxable valuation is the “increment.” When the tax bills are paid, only that portion of the tax bill which results from the Base Valuation, is paid to the taxing entities (City, County, School, etc.), which levy property taxes. The tax increment is deposited into a special fund. It is this plan which determines how these accumulated increment funds will be used. It is anticipated that one or more of the properties in this proposed Tax Increment District will be used for commercial purposes. The creation of this Tax Increment District for economic development purposes will not require an additional levy to make up for the School District’s share of the property taxes included in the Tax Increment.

This financing method is invaluable for encouraging economic growth since the amount of funds available for use by the project plan is directly related to the increase in valuation which a given project or development will create.

OVERVIEW

The purpose of the proposed Tax Increment District is to realign a portion of the Unnamed Tributary Drainage Channel and reconstruct Element #8 identified in the Unnamed Tributary Drainage Basin Design Plan adopted in 1991 in order to maximize development potential of the property located at the northwest portion of Orchard Meadows Subdivision. The Tax Increment Funds will be used to reconstruct and relocate portions of a 100 foot grass-lined drainage channel identified as Element #8 within the Unnamed Tributary Drainage Basin Design Plan adopted in 1991, from SD Highway 44 south to Rapid Creek, reconstruct portions of the channel maintenance road adjacent to the channel also utilized for a future bike path, construct crossing(s) of the channel for future development road(s), and install a traffic signal at SD Highway 44 and Elderberry Boulevard when warranted.¹

¹ As of September 15, 2016, the proposed traffic signal is located outside the City limits. Per SDCL 11-9-1(7), the costs associated with the proposed traffic signal are ineligible expenses unless an annexation resolution incorporating the applicable rights-of-way into the City becomes effective before the resolution creating the tax increment district. If the annexation resolution fails, the allowable costs are reduced by \$360,000, plus the associated interest expenses, and the district area is reduced to approximately 245.3 acres. An application to annex the right-of-way was submitted on August 26, 2016.

Property History

City’s Property Acquisition: In the early 1990s, the City purchased a portion of the subject property as part of an overall plan to acquire additional Rapid Creek water rights. The Rapid Creek water rights dating back to the 1800s acquired when the City purchased the eastern portion of the subject property provides another source of water for the community. The City purchased the western portion of the subject property within the proposed TID boundary as a result of the Elk Vale Road right-of-way acquisition in 2001, securing additional water rights for the community once the life estate on the property expires. In the early 2000s, the city hosted an annual Airstreamer camping rendezvous. Thereafter, the city property became known as the “Wally Byam” site after the Airstream camper designer and creator.

East Greenway Master Plan: In 1999, the City Council adopted the East Greenway Master Plan with the intent of extending the greenway belt to the east and encompassing most of the existing floodplain throughout the area. The Plan identified the subject property as the potential future site of public open space and park facilities with active recreational areas for soccer, baseball, pool or a skate park. Numerous pedestrian/bike path locations were also identified.

Agreement for Property Transfer: In February 2013, the City Council approved an agreement with Yasmeen Dream, LLC to trade portions of the Wally Byam site located outside of the 100 year flood plain adjacent to Rapid Creek for property near the airport adjacent to city-owned property. The transfer agreement acknowledges that the Developer has the ability to seek revisions to the Flood Insurance Rate Map (FIRM) in order to maximize the development potential of the balance of the site. Once the revisions are final, Yasmeen Dream, LLC will transfer back to the City any portion of the property designated as 100 year flood plain. This flood plain provision also follows the property held in the Lytle Life Estate as well, once the life estate expires. The agreement also acknowledged that the Developer will provide a future bike/pedestrian path connection between any bike/pedestrian trails developed along Rapid Creek and Highway 44 or the railroad right-of-way along Highway 44, with the location to be provided at the sole discretion of Yasmeen Dream as suitable and fitting to the ultimate development plan of the property.

Agreement for Oversizing: In August 2014, the City Council approved an oversize agreement for stormwater drainage channel improvements to construct Element #8 as identified in the Unnamed Tributary Drainage Basin Design Plan, utilizing the Stormwater Drainage Utility Fee revenue. Element #8 is a grass-lined channel conveying stormwater runoff from SD Highway 44 south to Rapid Creek east of Elk Vale Road. The Council agreed to pay 51 percent of the developer’s 2014 estimated channel improvement costs, but no more than \$462,726, including \$28,920 for design and up to \$433,806 for Element #8 construction. The agreement also identifies that the Developer shall submit construction plans to the City for approval once the Developer receives a Conditional Letter of Map Revision (CLOMR) from Federal Emergency Management Agency (FEMA).

The CLOMR allows the Developer to adjust the existing location of the channel to the west to maximize the development potential of the property.

Wetlands Mitigation – Section 404 Permit: In July, 2015, Yasmeen Dream, LLC received approval by the US Army Corps of Engineers to mitigate and relocate 5.34 acres of wetlands in conjunction with the Orchard Meadows Development. The Developer has identified a compensatory 9.68 acres of wetland in lieu of the existing 5.34 acres of wetland. Additionally, there is 9.12 acres of undisturbed wetlands within the development.

CLOMR: In August, 2016, FEMA approved a Conditional Letter of Map Revision for the construction of new streets crossing the flooding source, Unnamed Tributary to Rapid Creek, channelization of Unnamed Tributary to Rapid Creek, and fill placement within the Zone AE and Zone X effective FIRM map. The Narrative also identified that the Jim Street crossing shown on the master plan was intended to be constructed as part of a later development phase.

The district boundary is located at the southeastern corner of the intersection of Elk Vale Road and SD Highway 44 and incorporates approximately 253.04 acres. The estimated TIF funded developer project costs are \$1,459,084, not including interest.

Tax Increment Financing Committee

The Tax Increment Financing Committee met on July 12, 2016 to discuss the proposal for the Unnamed Tributary Drainage Channel Improvements. The recommendation to create a new tax increment district was based on the requirements of SDCL 11-9-8, wherein:

- (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 economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and
- (2) The improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district.

This new district will be financed by the Developer.

The Committee also confirmed that based on the information provided in the application, the proposed development meets the following two local criteria established within the City of Rapid City's Tax Increment Policy:

- (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; and

- (4) the project will bring new or expanded employment opportunities, anticipated at over 50 full time employees after all development occurs.

Additional discretionary criteria met by this proposal includes the following:

- (1) The project will generate at least one full-time job for each \$10,000 in principal value of the tax increment financing proposal, or would create a minimum of 50 new jobs. *The Developer anticipates an estimated 50 full time employees within the proposed District boundary.*
- (2) All TIF proceeds are used for the construction of public improvements. *The Developer indicated that the TIF funds will be used to construct a 100 foot grass-lined drainage channel, portions of the channel maintenance road adjacent to the channel, crossing(s) of the channel for future development road(s) and the associated utility conduits, and installation of a traffic signal at SD Highway 44 and Elderberry Boulevard.*

The City Finance Officer will review and analyze the proposed financing terms and forward a recommendation for approval or disapproval to the City Council along with the Developer's Agreement or proposal for refinancing. For purposes of developing the project plan, all interest expenses are to be calculated utilizing a fixed rate not to exceed 9 percent annual interest as directed by the adopted Tax Increment Financing Guidelines. However, the applicant has requested that a 7 percent annual interest rate be used, as this will allow the district costs to be paid in full within 20 years. At the TIF Review Committee meeting, the applicant requested to reduce this maximum allowable timeframe as identified in SDCL 11-6 down to ten years for this District. With the City Council's approval, this 7.0 percent interest amount shall be included in the project plan and at no time during the term of the project shall the actual interest expense exceed the amount budgeted in the project plan. The applicant also indicated at the TIF Review Committee meeting that the City Finance Officer may participate in the loan rate negotiations.

An Imputed Administrative Fee in the amount of \$20,000 shall be charged by the City of Rapid City to every Tax Increment District for which a Project Plan is approved. This fee shall be paid to the City as a project cost from the tax increment fund balance in year five of the Tax Increment District.

All project expenditures must be completed within five years of the creation of the district, including the City's acceptance of the public improvement(s). Should the tax increment revenues exceed the anticipated loan payments, the district debt would be retired early resulting in the full value of the property being returned to the tax rolls more quickly.

Project Plan Summary

This plan establishes the total project costs, as well as the Tax Increment District funded costs.

This Project Plan, as required by SDCL 11-9-13, will address the following elements:

- 1) Public Works and Other Improvements;
- 2) Economic Feasibility Study;
- 3) Project Costs;
- 4) Fiscal Impact Statement; and,
- 5) Financing Method Description.

Additionally, the following exhibits are offered:

- I. General Vicinity map;
- II. Tax Increment District Boundary Map;
- III. Map of Existing Zoning;
- IV. Map of Existing Land Use; and,
- V. Map of Public and Other Improvements.

The Statement of Method for Relocating Displaced Persons, as well as the Statement of Changes Needed in the Master Plan, Building Codes and Ordinances do not apply to this Project Plan and have not been included in this document as there are no persons that will be displaced with approval of this Plan nor are there any changes needed in the City's Master Plan, existing Building Codes or Ordinances in order to implement this Plan.

ELEMENTS OF THE PROJECT PLAN

1. PUBLIC WORKS AND OTHER IMPROVEMENTS

The project plan includes \$1,590,687 in capital costs associated with the public infrastructure and the traffic signal installation. In addition, the project plan includes \$259,500 in professional design services and project/construction management costs, or 16.3% of the capital costs plus \$196,835 in contingencies. The estimated TIF capital costs include \$462,726 for the City's portion of the channel oversizing identified in the Oversize Agreement dated August 2014.

2. ECONOMIC FEASIBILITY STUDY

Current Valuation

Tax Increment District #78 has been created in accordance with SDCL 11-9-2 to 11-9-11. A vicinity map as well as a boundary map is attached. As of this date, the 2015 assessed valuation for the proposed district is projected at \$6,325,700. In accordance with SDCL 11-9-20, the certification of the base value will be requested from the South Dakota Department of Revenue following creation and approval of the district by the City Council.

ANTICIPATED CERTIFIED BASE VALUATION OF PROPERTY

\$6,325,700

Expected Increase in Valuation

ESTIMATED FUTURE VALUATION OF PROPOSED DISTRICT

Estimated 2015 Assessed Value of District	\$6,325,700
Estimated 2026 Assessed Value of project (year 10)	\$30,500,000
Other Anticipated Increases in Assessed Value	\$0
Estimated Increase in Assessed Value of Land*	\$0
Estimated 2026 Total Valuation (year 10)	\$36,825,700

*For purposes of this Tax Increment District, the increase in land value is not included in these estimates. Land valuation increases will pay off the loan earlier than anticipated. Any property sold to a non-profit facility will impact future land values as well as taxing revenue projections.

Revenue Estimates from Tax Increments

The Plan anticipates 17 semi-annual payments over 8.5 years. The potential negative short-term impact on the various taxing entities will be offset by the increase in the tax base in future years.

2015 Non Agriculture Tax Levies and Percentage of Total Levy

<u>Taxing Entity</u>	<u>Tax Levy</u>	<u>Percentage of Total Levy</u>
Rapid City Area School District	13.638	62.65%
Pennington County	4.822	22.15%
City of Rapid City	3.278	15.06%
West Dakota Water District	0.030	0.14%
 Total Mill Levy	 21.768	 100.00%

Anticipated 2015 Non Agriculture Tax Rate: 0.021768

The estimated tax increment available to pay for project costs in the Plan can be calculated by multiplying the anticipated tax rate by the increment in valuation. This calculation results in the following tax increments, which become available as taxes are paid for the applicable periods.

PROJECTED TAX INCREMENT INCOME

TIF YR	Assessment Year	Year Taxes Paid	Projected Increment in Valuation	Estimated Taxable Value Increase	Yearly Tax Increment Payments	6 Month Total
1	Nov 2016	2018	\$9,325,700	\$3,000,000	\$52,125	\$26,063
2	Nov 2017	2019	\$14,325,700	\$8,000,000	\$147,786	\$73,893
3	Nov 2018	2020	\$19,825,700	\$13,500,000	\$254,331	\$127,166
4	Nov 2019	2021	\$27,825,700	\$21,500,000	\$404,412	\$202,206
5	Nov 2020	2022	\$30,825,700	\$24,500,000	\$456,537	\$228,269
6	Nov 2021	2023	\$36,825,700	\$30,500,000	\$573,966	\$286,983
7	Nov 2022	2024	\$36,825,700	\$30,500,000	\$573,966	\$286,983
8	Nov 2023	2025	\$36,825,700	\$30,500,000	\$573,966	\$286,983
9	Nov 2024	2026	\$36,825,700	\$30,500,000	\$573,966	\$286,983
10	Nov 2025	2027	\$36,825,700	\$30,500,000	\$573,966	\$286,983

TOTAL TAX INCREMENT EXPECTED TO ACCRUE BY 12/31/27: **\$8,370,042**

NOTE: Tax increment payments are calculated using 100% of estimated future property valuation and 100% of expected 2015 mill levy. The Estimated Taxable Value Increase is an estimated based on the incremental revenue generated from the proposed valuation increase.

3. PROJECT COSTS

Capital Costs – The capital costs of \$1,590,687 included in the Project Plan are for the reconstruction of portions of the 100 foot grass-lined channel, reconstruction of portions of the maintenance road and the installation of a traffic signal at SD Highway 44 and Elderberry Boulevard.

Financing Costs – The financing costs for this Project Plan are dependent on the interest rate obtained. The interest rate used for this project plan is 7.0%. It is estimated that the financing costs will total \$813,620.76, including the City's anticipated interest expense at a 3% rate for a total of \$130,906. If a lower interest rate is obtained, the project costs will be repaid more quickly and the property will be returned to the tax rolls sooner.

Professional Service Costs – Professional service costs for Engineering and Professional fees in the amount of \$259,500 are anticipated in the Project Plan.

Relocation Costs – No relocation costs are anticipated in the Project Plan.

Organizational Costs – No organizational costs are anticipated in the Project Plan.

Contingency Costs – Contingency costs in the amount of \$196,835.21 are anticipated in the Project Plan.

Necessary and Convenient Payments – No necessary and convenient costs are anticipated in the Project Plan.

Imputed Administrative Costs – All Tax Increment District actions require municipal staff time to prepare and enact. The City shall be reimbursed on October 4, 2021, for its administrative costs in the amount of \$20,000. However, in no case shall the City be reimbursed less than \$1 on October 4, 2021.

Project Cost Description	Total Estimated Project Costs	TIF Funded Project Costs	TIF Funded %
Developer Capital Costs			
Local Streets	\$6,520,000.00		
Grading and storm water	\$360,000.00		
Lift station upgrade and off-site sanitary sewer	\$170,000.00		
Turn Lanes at SD Highway 44	\$120,000.00		
Channel Construction		\$929,182.70	
Traffic signal at SD Highway 44 / Elderberry		\$300,000.00	
Total Developer Capital Costs	\$7,170,000.00	\$1,229,182.70	17.14%
Developer Professional Fees			
Non-TIF Professional Fees	\$680,000.00		
Channel component (Design and Const Adm)		\$200,580.59	
Traffic signal component		\$30,000.00	
Total Developer Professional Fees	\$680,000.00	\$230,580.59	33.91%
Developer Contingency Costs			
Channel component		\$64,534.35	
Traffic signal component		\$30,000.00	
Total Developer Contingency Costs		\$94,534.35	
Developer Amount Financed		\$1,554,297.64	
Developer Necessary and Convenient Costs	\$0	\$0	
Developer Financing Costs	\$2,355,000.00	\$682,714.41	
Total Developer Costs	\$10,205,000.00	\$2,237,012.05	21.92%
City Capital Costs			
Channel Construction – Oversizing		\$361,504.30	

City Professional Fees

Design & Construction Administration		\$28,920.34
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City Contingency Costs

Channel Component		\$72,300.86
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City Amount Financed		\$462,725.50
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City Financing Costs

		\$130,906.35
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Total City Costs		\$593,631.85
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TOTAL DEVELOPMENT COSTS**Total Capital Costs (Developer and City)**

Local Streets	\$6,520,000.00	
Grading and storm water	\$360,000.00	
Lift station upgrade and off-site sanitary sewer	\$170,000.00	
Turn Lanes at SD Highway 44	\$120,000.00	
Channel Construction		\$1,290,687.00
Traffic signal at SD Highway 44 / Elderberry		\$300,000.00
Total Capital Costs	\$7,170,000.00	\$1,590,687.00

Total Professional Fees (Developer and City)

Non-TIF Professional Fees	\$680,000.00	
Channel component (Design and Const Adm)		\$229,500.93
Traffic signal component		\$30,000.00
Total Professional Fees	\$680,000.00	\$259,500.93

Total Contingency Costs (Developer and City)

Channel component		\$166,835.21
Traffic signal component		\$30,000.00
Total Contingency Costs		\$196,835.21

Total Necessary and Convenient Costs	\$0	\$0
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Total Financing Costs (Developer and City)	\$2,355,000.00	\$813,620.76
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TOTAL ASSOCIATED DEVELOPMENT COSTS	\$10,205,000.00	\$2,830,643.90	27.74%
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Imputed Administrative Costs*		\$20,000
City of Rapid City		

Costs of Public Works or Improvements. In accordance with SDCL § 11-9-13, the following table represents the kind, number, location and dollar amount of estimated Project Costs, costs of public works and improvements.

DETAIL OF PROJECT COSTS

Kind of Project	Number of Projects	Location ⁽¹⁾	Amount	Reference ⁽²⁾
Capital Costs	3	District	\$1,590,687	11-9-15(1)
Financing Costs	1	District	\$813,621	11-9-15(2)
Real Property Assembly				11-9-15(3)
Professional Fees	1	District	\$259,500	11-9-15(4)
Administrative Costs	1	District	\$20,000	11-9-15(5)
Relocation Costs				11-9-15(6)
Organizational Costs				11-9-15(7)
Discretionary Costs and Grants			\$196,835	11-9-15(8)
Eligible Project Costs			\$2,860,643	

4. FISCAL IMPACT STATEMENT

The impact on taxing entities can be derived from determining the tax increment anticipated during the life of the district. The true impact on taxing entities of the Plan is the increase in valuation of the property within the Tax Increment District. The taxing entities are only foregoing that income during the life of the district and will realize that income as soon as the debt from the project costs in the Plan is retired. The purpose of this Plan is to encourage that increase in valuation.

⁽¹⁾District shall mean the Tax Increment District

⁽²⁾**SDCL §11-9-14. Project costs defined.** “Project costs” are any expenditures made or estimated to be made, or monetary obligations incurred or estimated to be incurred, by a municipality which are listed in a project plan as grants, costs of public works, or improvements within a tax incremental district, plus any costs incidental thereto, diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by the municipality in connection with the implementation of the plan.

SDCL 11-9-15. Specific items included in project costs. Project costs include:

- (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds or notes issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the Project Plan, are sufficient to pay the principal of and interest on the tax incremental bonds or notes when due;
- (2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for Project Costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;
- (3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a Project Plan;
- (4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;
- (5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a Project Plan;
- (6) Relocation costs;
- (7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and
- (8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans.

At first glance it may appear that the negative impact on the various entities is notable. But when it is considered that without the use of the Tax Increment Finance proposed in this plan it is very likely that there would be no increase in the taxable value of the property within this district or, at least, any increase would be significantly delayed, the impact can be considered truly positive.

NET IMPACT ON TAXING ENTITIES

Year Paid	Valuation Increase	School	County	City	Water	Yearly Total
2018	\$3,000,000	\$0	\$14,421	\$9,963	\$90	\$52,125
2019	\$8,000,000	\$0	\$38,486	\$26,482	\$240	\$147,786
2020	\$13,500,000	\$0	\$64,962	\$44,640	\$405	\$254,331
2021	\$21,500,000	\$0	\$101,082	\$69,354	\$630	\$404,412
2022	\$24,500,000	\$0	\$115,503	\$79,317	\$720	\$456,537
2023	\$30,500,000	\$0	\$144,390	\$99,114	\$900	\$573,966
2024	\$30,500,000	\$0	\$144,390	\$99,114	\$900	\$573,966
2025	\$30,500,000	\$0	\$144,390	\$99,114	\$900	\$573,966
2026	\$30,500,000	\$0	\$144,390	\$99,114	\$900	\$573,966
2027	\$30,500,000	\$0	\$144,390	\$99,114	\$900	\$573,966

5. FINANCING METHOD

The financing method to be used in the funding of this Plan is to be obtained by the applicant. The applicant will be responsible for any interest payments due that are not available from Tax Increment District #78. If the tax increment revenues exceed the anticipated loan payments, the debt will be retired early.

The debt on the Tax Increment District Project Costs covered in the Plan will be retired by deposits made in the Tax Increment District as taxes are paid on the property in succeeding years. The City of Rapid City Finance Officer will make the disbursements from that fund in accordance with this Plan. According to SDCL 11-9-25, positive tax increments will be allocated to that fund until the debt from the project costs is retired or fifteen years following the last expenditure from the Project Plan whichever comes first. The final payment from this Plan is scheduled to be made on July 1, 2024.

The projected amortization rate schedule is listed below showing the amount to be financed by the Developer using a 7.0% interest rate.

PROJECTED AMORTIZATION TABLE

Unnamed Tributary Channel – Proposed

As of September 15, 2016

Annual Interest Rate 7.00%

Expires 10/3/2026 ⁽¹⁾

Pmt Date	Days Outstanding	Beginning Balance	Payment Amount	Interest Amount	Principal Amount	Ending Balance
10/3/2016		-	(\$1,554,297.64)	-	(\$1,554,297.64)	1,554,297.64
12/1/2016	59	1,459,083.70		16,509.63	(16,509.63)	1,475,593.33
6/1/2017	182	1,475,593.33		51,504.27	(51,504.27)	1,527,097.60
12/1/2017	183	1,527,097.60		53,594.85	(53,594.85)	1,580,692.45
6/1/2018	182	1,580,692.45	26,062.50	55,172.66	(29,110.16)	1,609,802.62
12/1/2018	183	1,609,802.62	26,062.50	56,497.46	(30,434.96)	1,640,237.57
6/1/2019	182	1,640,237.57	73,893.00	57,251.03	16,641.97	1,623,595.60
12/1/2019	183	1,623,595.60	73,893.00	56,981.53	16,911.47	1,606,684.14
6/1/2020	183	1,606,684.14	127,165.50	56,388.01	70,777.49	1,535,906.65
12/1/2020	183	1,535,906.65	127,165.50	53,904.01	73,261.49	1,462,645.16
6/1/2021	182	1,462,645.16	202,206.00	51,052.33	151,153.67	1,311,491.49
12/1/2021	183	1,311,491.49	202,206.00	46,027.96	156,178.04	1,155,313.45
6/1/2022	182	1,155,313.45	228,268.50	40,325.19	187,943.31	967,370.14
12/1/2022	183	967,370.14	228,268.50	33,950.72	194,317.78	773,052.35
6/1/2023	182	773,052.35	286,983.00	26,982.70	260,000.30	513,052.06
12/1/2023	183	513,052.06	286,983.00	18,006.02	268,976.98	244,075.07
6/1/2024	183	244,075.07	252,641.11	8,566.03	244,075.07	-
12/1/2024	183	-	-	-	-	-
6/1/2025	182	-	-	-	-	-
12/1/2025	183	-	-	-	-	-
6/1/2026	182	-	-	-	-	-
10/3/2026	124	-	-	-	-	-
Total		-	587,500.47	682,714.41	(95,213.94)	95,213.94

Max Interest 682,714.41
Overage 0.00

⁽¹⁾ Date based on Council approving resolution to create district at the October 3, 2016 meeting, with a ten year District limitation.

Unnamed Tributary Channel
 City Interest Expense
 Proposed TID
 As of September 15, 2016

Annual Interest Rate 3.00%
 Expires 10/3/2026 ⁽¹⁾

Pmt Date	Days Outstanding	Beginning Balance	Payment Amount	Interest Amount	Principal Amount	Ending Balance
10/3/2016		-	(\$462,725.50)	-	(462,725.50)	462,725.50
12/1/2016	59	462,725.50		2,243.90	(2,243.90)	464,969.40
6/1/2017	182	464,969.40		6,955.43	(6,955.43)	471,924.83
12/1/2017	183	471,924.83		7,098.27	(7,098.27)	479,023.10
6/1/2018	182	479,023.10	-	7,165.66	(7,165.66)	486,188.76
12/1/2018	183	486,188.76	-	7,312.81	(7,312.81)	493,501.57
6/1/2019	182	493,501.57	-	7,382.24	(7,382.24)	500,883.82
12/1/2019	183	500,883.82	-	7,533.84	(7,533.84)	508,417.66
6/1/2020	183	508,417.66	-	7,647.16	(7,647.16)	516,064.82
12/1/2020	183	516,064.82	-	7,762.18	(7,762.18)	523,827.00
6/1/2021	182	523,827.00	-	7,835.88	(7,835.88)	531,662.87
12/1/2021	183	531,662.87	-	7,996.79	(7,996.79)	539,659.67
6/1/2022	182	539,659.67	-	8,072.72	(8,072.72)	547,732.38
12/1/2022	183	547,732.38	-	8,238.50	(8,238.50)	555,970.88
6/1/2023	182	555,970.88	-	8,316.72	(8,316.72)	564,287.59
12/1/2023	183	564,287.59	-	8,487.50	(8,487.50)	572,775.10
6/1/2024	183	572,775.10	34,341.89	8,615.17	25,726.73	547,048.37
12/1/2024	183	547,048.37	286,983.00	8,228.21	278,754.79	268,293.58
6/1/2025	182	268,293.58	272,306.95	4,013.38	268,293.58	-
12/1/2025	183	-	-	-	-	-
6/1/2026	182	-	-	-	-	-
10/3/2026	124	-	-	-	-	-
Total		-	130,906.35	130,906.35	-	-

Max Interest 130,906.35
 Overage 0.00

⁽¹⁾ Date based on Council approving resolution to create district at the October 3, 2016 meeting, with a ten year District limitation.

AMENDMENT #1 PROJECT PLAN OCTOBER 2019

Amendment #1 reallocates unused funds from the channel construction, the traffic signal installation and contingency costs in order to reconcile expended project costs as well as add a new line item in the amount of \$265,521.79 for a sewer lift station. Additionally, the amendment creates two phases, for certification payment purposes. The South Dakota Department of Revenue established the District's 2016 base valuation at \$6,310,400; this base valuation will not change with this Amendment. The State Department of Revenue indicated that the District's 2018 year-end equalized valuation was \$19,290,097.

South Dakota Codified Law 11-9-23 provides for plan amendments, including additional project costs, provided the proposal does not exceed five percent of the original project plan costs and the additional project costs are incurred before the five-year expiration date or October 3, 2021.

The following table identifies the cost reallocations for Tax Increment District 78:

TID #78 Cost Reallocation Summary - Amended Project Plan			
	Project Plan Costs	Reallocation / Line Item Addition	Amended Project Plan Costs
Developer Phase I			
Capital Projects			
Channel Construction	\$929,182.70	(\$142,314.58)	\$786,868.12
Traffic Signal	\$300,000.00	(\$28,672.86)	\$271,327.14
Professional Service Costs			
Channel (Design & CA)	\$200,580.59	\$0.00	\$200,580.59
Traffic Signal Component	\$30,000.00	\$0.00	\$30,000.00
Contingency Costs			
Channel Component	\$64,534.35	(\$64,534.35)	\$0.00
Traffic Signal Component	\$30,000.00	(\$30,000.00)	\$0.00
Developer Phase I Total	\$1,554,297.64	(\$235,521.79)	\$1,288,775.85
Developer Phase II			
Capital Projects			
Lift Station	\$0.00	\$265,521.79	\$265,521.79
Developer Phase II Total	\$0.00	\$265,521.79	\$265,521.79

Total Developer Phase I and II			
Capital Projects			
Channel Construction	\$929,182.70	(\$142,314.58)	\$786,868.12
Traffic Signal	\$300,000.00	(\$28,672.86)	\$271,327.14
Lift Station	\$0.00	\$265,521.79	\$265,521.79
Professional Service Costs			
Channel (Design & CA)	\$200,580.59	\$0.00	\$200,580.59
Traffic Signal Component	\$30,000.00	\$0.00	\$30,000.00
Contingency Costs			
Channel Component	\$64,534.35	(\$64,534.35)	\$0.00
Traffic Signal Component	\$30,000.00	(\$30,000.00)	\$0.00
Financing Costs	\$682,714.41	\$0.00	\$682,714.41
TID #78 Developer Total	\$2,237,012.05	(\$0.00)	\$2,237,012.05
City Costs			
Capital Projects			
Channel Construction - Oversizing	\$361,504.30	\$0.00	\$361,504.30
Professional Service Costs			
Channel (Design & CA)	\$28,920.34	\$0.00	\$28,920.34
Contingency Costs			
Channel Component	\$72,300.86	\$0.00	\$72,300.86
Financing Costs	\$130,906.35	\$0.00	\$130,906.35
TID #78 City Total	\$593,631.85	\$0.00	\$593,631.85
TOTAL TID 78 AMENDED COSTS			
Capital Costs (Developer and City)			
Channel Construction	\$1,290,687.00	(\$142,314.58)	\$1,148,372.42
Traffic signal at SD Highway 44 and Elderberry	\$300,000.00	(\$28,672.86)	\$271,327.14
Lift Station	\$0.00	\$265,521.79	\$265,521.79
Total Capital Costs	\$1,590,687.00	\$94,534.35	\$1,685,221.35
Professional Fees (Developer and City)			
Channel component (Design and Const Adm)	\$229,500.93	\$0.00	\$229,500.93
Traffic signal component	\$30,000.00	\$0.00	\$30,000.00
Total Professional Fees	\$259,500.93	\$0.00	\$259,500.93
Contingency Costs (Developer and City)			
Channel component	\$136,835.21	(\$64,534.35)	\$72,300.86
Traffic signal component	\$30,000.00	(\$30,000.00)	\$0.00
Total Contingency Costs	\$166,835.21	(\$94,534.35)	\$72,300.86

Total Financing Costs	\$813,620.76	\$0.00	\$813,620.76
TOTAL TID 78 AMENDED COSTS	\$2,830,643.90	(\$0.00)	\$2,830,643.90
Imputed Administrative Costs*			
City of Rapid City	\$20,000.00	\$20,000.00	\$40,000.00

As of July 2019, the TID 78 Fund included incremental revenue totaling \$263,873.49, with a maximum anticipated additional 2019 revenue of \$126,193, payable in November 2019.