

PROJECT PLAN

TAX INCREMENT DISTRICT #68
HOMESTEAD

Amendment #1 – February 2020

Prepared by the

Rapid City Growth Management Department
April 2008

INTRODUCTION

Tax Increment Financing is a method of financing improvements and development in an area which has been determined to be blighted 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.” As the property taxes for the property are paid, that portion of the taxes paid on the Base Valuation continue to go to those entities, (City, County, School, etc.), which levy property taxes.

When in succeeding years, the assessed valuation of the district increases, 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. The remainder of the tax bill, known as the tax increment, is deposited in a special fund. It is this plan which determines how these accumulated 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 growth and development of blighted properties with special re-development problems, 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

This plan proposes that a Tax Increment District be created to assist in the development of residential property located in the Homestead Subdivision through the development of drainage and street improvements. The Tax Increment Funds for the developer would be utilized for oversizing costs for drainage/storm sewer and grading for Detention Cell #101 of the County Heights Drainage Basin Design Plan, the 75 foot extension of Homestead Street for the Rapid City Public School District, engineering and necessary and convenient costs. The Tax Increment Funds for the City would be utilized for 16 inch water main, engineering and necessary and convenient costs. The proposed boundaries are located west of Reservoir Road, east of the terminus of Homestead Street and north of South Pitch Drive. The estimated project cost of the improvements is \$724,099.57 for the Developer and \$260,000 for the City.

The Tax Increment Financing Committee met on February 14, 2008 to discuss this proposed Project Plan for the Homestead Tax Increment District and recommended approval of the Project Plan. The Tax Increment District will be financed by the Developer and the City.

The development of the public improvements will enhance the ability for new development to occur in this area increasing the community’s economic vitality and expanding the City’s property tax base.

During the construction phase of the project and until the project is cash flowing from a tax revenue basis, the developer and lender shall be free to negotiate an interest rate not to exceed nine (9) percent. Within 90 days of the date the developer is notified by the City that the tax revenue is sufficient to amortize the debt over the remaining life of the Tax Increment Financing District, as confirmed by the Financial Institution, the interest rate on the remaining balance shall be reset at an interest rate of not more than three (3) percent over the published ten (10) year U.S. Treasury rate not to exceed nine (9) percent. The estimated cost of the improvements will be financed by the City at an estimated 6.0% interest rate. All project expenditures must be completed within five years of the creation of the district. 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.

Prior to entering into a Developer's Agreement with the City, an agreement between the Developer and the Rapid City School District, indicating that the Developer will complete the 75 feet of Homestead Street on the School District's property, must be submitted.

PROJECT PLAN SUMMARY

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

Elements of the Project Plan

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 Master Plan, Building Codes and Ordinances do not apply to this Project Plan and have not been included in this document.

ELEMENTS OF THE PROJECT PLAN

1. PUBLIC WORKS AND OTHER IMPROVEMENTS

The project plan includes \$829,099.57 in capital costs associated with funding the oversizing costs for drainage/storm sewer and grading, the extension of Homestead Street, and the 16 inch water main. In addition, the project plan includes \$55,000 in professional services.

2. ECONOMIC FEASIBILITY STUDY

Current Valuation – Homestead Tax Increment District 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 assessed valuation for the proposed district is projected as \$127,000. 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

\$127,000

Expected Increase in Valuation –

ESTIMATED FUTURE VALUATION OF PROPOSED DISTRICT

Estimated Assessed Value of District	\$	127,000
Estimated Assessed Value of project (year 20)	\$	18,630,000
Other Anticipated Increases in Assessed Value	\$	0
Estimated Increase in Assessed Value of Land*	\$	0
Estimated Total Valuation (year 20)	\$	18,757,000

*For purposes of this Tax Increment District, the increase in land value is not included in these estimates. Any additional value will pay off the loan earlier than anticipated.

Revenue Estimates from Tax Increments

The Plan anticipates 29 semi-annual payments over 15 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.

2007 Owner Occupied 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	9.14	54.7%
Pennington County	4.57	27.4%
City of Rapid City	2.96	17.7%
West Dakota Water District	.03	.2%
 Total Mill Levy	 16.70	 100%

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

<u>ASSESSMT DATE</u>	<u>YEAR TAXES PAID</u>	<u>PROJECTED INCREMENT IN VALUATION</u>	<u>TOTAL TAX INCREMENT PAYMENTS</u>	<u>6 MONTH TOTAL</u>
Nov.	2010	\$ 0	\$ 0	\$ 0

2008				
Nov.	2011	\$ 2,025,000	\$ 33,817	\$ 16,908
2009				
Nov.	2012	\$ 4,050,000	\$ 67,635	\$ 33,817
2010				
Nov.	2013	\$ 6,075,000	\$ 101,452	\$ 50,726
2011				
Nov.	2014	\$ 8,100,000	\$ 135,270	\$ 67,635
2012				
Nov.	2015	\$ 10,125,000	\$ 169,087	\$ 84,544
2013				
Nov	2016	\$ 12,150,000	\$ 202,905	\$ 101,452
2014				
Nov	2017	\$ 14,175,000	\$ 236,722	\$ 118,361
2015				
Nov	2018	\$ 16,200,000	\$ 270,540	\$ 135,270
2016				
Nov	2019	\$ 18,630,000	\$ 311,121	\$ 155,560
2017				
Nov	2020	\$ 18,630,000	\$ 311,121	\$ 155,560
2018				
Nov	2021	\$ 18,630,000	\$ 311,121	\$ 155,560
2019				
Nov	2022	\$ 18,630,000	\$ 311,121	\$ 155,560
2020				
Nov	2023	\$ 18,630,000	\$ 311,121	\$ 155,560
2021				
Nov	2024	\$ 18,630,000	\$ 311,121	\$ 155,560
2022				
Nov	2025	\$ 18,630,000	\$ 311,121	\$ 155,560
2023				
Nov	2026	\$ 18,630,000	\$ 311,121	\$ 155,560
2024				
Nov	2027	\$ 18,630,000	\$ 311,121	\$ 155,560
2025				
Nov	2028	\$ 18,630,000	\$ 311,121	\$ 155,560
2026				
Nov	2029	\$ 18,630,000	\$ 311,121	\$ 155,560
2027				

TOTAL TAX INCREMENT EXPECTED TO ACCRUE BY 12/31/29:

\$ 4,639,759

NOTE: Tax increment payments are calculated using 100% of estimated future property valuation and 100% of expected 2007 mill levy.

3. PROJECT COSTS

Capital Costs – The capital costs of \$829,099.57 included in the Project Plan are for Oversizing Drainage/Storm Sewer and Grading, 16 Inch Water Main, and 75 feet of Homestead Street for the Rapid City School District.

Financing Costs – The financing costs for this Project Plan are dependent on the interest rate obtained. During the construction phase of the project and until the project is cash flowing from a tax revenue basis, the developer and lender shall be free to negotiate an interest rate not to exceed nine (9) percent. Within 90 days of the date the developer is notified by the City that the tax revenue is sufficient to amortize the debt over the remaining life of the Tax Increment Financing District, as confirmed by the Financial Institution, the interest rate on the remaining balance shall be reset at an interest rate of not more than three (3) percent over the published ten (10) year U.S. Treasury rate not to exceed nine (9) percent. The estimated cost of the improvements will be financed by the City at an estimated 6.0% interest rate. The interest rate used for this project plan is 9.0% for the applicant and 6.0% for the City. It is estimated that the financing costs will total \$1,273,686.47. 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 \$55,000 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 – No contingency costs are anticipated in the Project Plan.

Necessary and Convenient Payments – Necessary and convenient costs in the amount of \$100,000 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 April 15, 2013, for its administrative costs in the amount of \$2,050. However, in no case shall the City be reimbursed less than \$1 on April 15, 2013.

TOTAL ESTIMATED PROJECT COSTS TO BE PAID BY THE TAX INCREMENT DISTRICT

<u>Capital Costs:</u>	
Oversizing Drainage/Storm Sewer	\$ 136,340.32
Oversizing Grading	\$ 442,759.25
75 foot extension of Homestead Street for Rapid City School District	\$ 50,000.00
16 Inch Water Main	\$ 200,000.00
<u>Professional Service Costs</u>	\$ 55,000.00
<u>Financing Costs:</u>	
Financing interest	\$ 1,273,686.47

Contingency Costs:	\$	0
Relocation Costs:	\$	0
Organizational Costs:	\$	0
Necessary and Convenient Costs:	\$	100,000.00
TOTAL	\$	2,257,786.04
Imputed Administrative Costs*		
City of Rapid City	\$	2,050

*The imputed administrative costs are interest-free, are not included in the total project costs, and are to be paid from the balance remaining in the Homestead TID fund available to the City Finance Officer on April 15, 2013.

DEVELOPER ESTIMATED PROJECT COSTS TO BE PAID BY THE TAX INCREMENT DISTRICT

Capital Costs:		
Oversizing Drainage/Storm Sewer	\$	136,340.32
Oversizing Grading	\$	442,759.25
75 foot extension of Homestead Street for Rapid City School District	\$	50,000.00
Professional Service Costs	\$	45,000.00
Financing Costs:		
Financing interest	\$	1,081,846.61
Contingency Costs:	\$	0
Relocation Costs:	\$	0
Organizational Costs:	\$	0
Necessary and Convenient Costs:	\$	50,000.00
TOTAL	\$	1,805,946.18

CITY ESTIMATED PROJECT COSTS TO BE PAID BY THE TAX INCREMENT DISTRICT

Capital Costs:		
16 Inch Water Main	\$	200,000.00
Professional Service Costs	\$	10,000.00
Financing Costs:		
Financing interest	\$	191,839.86
Contingency Costs:	\$	0
Relocation Costs:	\$	0
Organizational Costs:	\$	0
Necessary and Convenient Costs:	\$	50,000.00
TOTAL	\$	451,839.86

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.

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	Valuation	Schools	County	City	Water	Total
Paid	Increase					
2010	0	\$0	\$ 0	\$ 0	\$ 0	\$ 0
2011	\$ 2,025,000	\$0	\$ 9,265	\$ 5,985	\$ 67	\$ 33,817
2012	\$ 4,050,000	\$0	\$ 18,532	\$ 11,971	\$ 135	\$ 67,635
2013	\$ 6,075,000	\$0	\$ 27,797	\$ 17,957	\$ 203	\$ 101,452
2014	\$ 8,100,000	\$0	\$ 37,064	\$ 23,942	\$ 270	\$ 135,270
2015	\$ 10,125,000	\$0	\$ 46,330	\$ 29,928	\$ 338	\$ 169,087
2016	\$ 12,150,000	\$0	\$ 55,596	\$ 35,914	\$ 406	\$ 202,905
2017	\$ 14,175,000	\$0	\$ 64,862	\$ 41,899	\$ 473	\$ 236,722
2018	\$ 16,200,000	\$0	\$ 74,128	\$ 47,885	\$ 541	\$ 270,540
2019	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2020	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2021	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2022	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2023	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2024	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2025	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2026	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2027	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2028	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121
2029	\$ 18,630,000	\$0	\$ 85,247	\$ 55,068	\$ 622	\$ 311,121

*The Plan anticipates 29 semi-annual payments over 15 years.

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 Homestead Tax Increment District. 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. Seventy four percent (74%) of the revenues received will be disbursed to the developer for project costs incurred by the developer and twenty six percent (26%) will be disbursed to the

City of Rapid City for project costs incurred by the City. 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 June 1, 2022.

There are two projected amortization rate schedules listed below. Schedule #1 shows the amount to be borrowed by the Developer using a 9.0% interest rate. Schedule #2 shows the amount to be borrowed by the City using a 6.0% interest rate.

PROJECTED AMORTIZATION RATE

Schedule #1:

TABLE

No.	Payment Date	Beginning Balance	Interest	Total Due	Capital Int Payment	Tax Inc Payment	Total Pay	Loan Balance	Cumulative Interest
1	6/1/2008	724,099.57	32,584.48	756,684.05	32,584.48	0.00	32,584.48	756,684.05	32,584.48
2	12/1/2008	756,684.05	34,050.78	790,734.83	34,050.78	0.00	34,050.78	790,734.83	66,635.26
3	6/1/2009	790,734.83	35,583.07	826,317.90	35,583.07	0.00	35,583.07	826,317.90	102,218.33
4	12/1/2009	826,317.90	37,184.31	863,502.21	37,184.31	0.00	37,184.31	863,502.21	139,402.64
5	6/1/2010	863,502.21	38,857.60	902,359.81	38,857.60	0.00	38,857.60	902,359.81	178,260.24
6	12/1/2010	902,359.81	40,606.19	942,966.00	40,606.19	0.00	40,606.19	942,966.00	218,866.43
7	6/1/2011	942,966.00	42,433.47	985,399.47	29,920.99	12,512.48	42,433.47	972,886.99	261,299.90
8	12/1/2011	972,886.99	43,779.91	1,016,666.90	31,267.43	12,512.48	43,779.91	1,004,154.42	305,079.81
9	6/1/2012	1,004,154.42	45,186.95	1,049,341.37	20,162.00	25,024.95	45,186.95	1,024,316.42	350,266.76
10	12/1/2012	1,024,316.42	46,094.24	1,070,410.66	21,069.29	25,024.95	46,094.24	1,045,385.71	396,361.00
11	6/1/2013	1,045,385.71	47,042.36	1,092,428.07	9,504.93	37,537.43	47,042.36	1,054,890.64	443,403.36
12	12/1/2013	1,054,890.64	47,470.08	1,102,360.71	9,932.65	37,537.43	47,470.08	1,064,823.28	490,873.43
13	6/1/2014	1,064,823.28	47,917.05	1,112,740.33	0.00	50,049.90	50,049.90	1,062,690.43	538,790.48
14	12/1/2014	1,062,690.43	47,821.07	1,110,511.50	0.00	50,049.90	50,049.90	1,060,461.60	586,611.55
15	6/1/2015	1,060,461.60	47,720.77	1,108,182.37	0.00	62,562.38	62,562.38	1,045,619.99	634,332.32
16	12/1/2015	1,045,619.99	47,052.90	1,092,672.89	0.00	62,562.38	62,562.38	1,030,110.51	681,385.22
17	6/1/2016	1,030,110.51	46,354.97	1,076,465.49	0.00	75,074.85	75,074.85	1,001,390.64	727,740.20
18	12/1/2016	1,001,390.64	45,062.58	1,046,453.21	0.00	75,074.85	75,074.85	971,378.36	772,802.77
19	6/1/2017	971,378.36	43,712.03	1,015,090.39	0.00	87,587.33	87,587.33	927,503.06	816,514.80
20	12/1/2017	927,503.06	41,737.64	969,240.70	0.00	87,587.33	87,587.33	881,653.37	858,252.44
21	6/1/2018	881,653.37	39,674.40	921,327.77	0.00	100,099.80	100,099.80	821,227.97	897,926.84
22	12/1/2018	821,227.97	36,955.26	858,183.23	0.00	100,099.80	100,099.80	758,083.43	934,882.10
23	6/1/2019	758,083.43	34,113.75	792,197.18	0.00	115,114.77	115,114.77	677,082.41	968,995.85
24	12/1/2019	677,082.41	30,468.71	707,551.12	0.00	115,114.77	115,114.77	592,436.35	999,464.56
25	6/1/2020	592,436.35	26,659.64	619,095.99	0.00	115,114.77	115,114.77	503,981.22	1,026,124.20
26	12/1/2020	503,981.22	22,679.15	526,660.37	0.00	141,589.67	141,589.67	385,070.70	1,048,803.35
27	6/1/2021	385,070.70	17,328.18	402,398.88	0.00	155,560.50	155,560.50	246,838.38	1,066,131.53
28	12/1/2021	246,838.38	11,107.73	257,946.11	0.00	155,560.50	155,560.50	102,385.61	1,077,239.26
29	6/1/2022	102,385.61	4,607.35	106,992.96	0.00	106,992.96	106,992.96	0.00	1,081,846.61
30	12/1/2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,081,846.61
31	6/1/2023	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,081,846.61
32	12/1/2023	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,081,846.61

Schedule #2:

TABLE

No.	Payment Date	Beginning Balance	Interest	Total Due	Capital Int Payment	Tax Inc Payment	Total Pay	Loan Balance	Cumulative Interest
1	6/1/2008	260,000.00	7,800.00	267,800.00	7,800.00	0.00	7,800.00	267,800.00	7,800.00
2	12/1/2008	267,800.00	8,034.00	275,834.00	8,034.00	0.00	8,034.00	275,834.00	15,834.00
3	6/1/2009	275,834.00	8,275.02	284,109.02	8,275.02	0.00	8,275.02	284,109.02	24,109.02
4	12/1/2009	284,109.02	8,523.27	292,632.29	8,523.27	0.00	8,523.27	292,632.29	32,632.29
5	6/1/2010	292,632.29	8,778.97	301,411.26	8,778.97	0.00	8,778.97	301,411.26	41,411.26
6	12/1/2010	301,411.26	9,042.34	310,453.60	9,042.34	0.00	9,042.34	310,453.60	50,453.60
7	6/1/2011	310,453.60	9,313.61	319,767.21	4,917.33	4,396.28	9,313.61	315,370.93	59,767.21
8	12/1/2011	315,370.93	9,461.13	324,832.05	5,064.85	4,396.28	9,461.13	320,435.77	69,228.33
9	6/1/2012	320,435.77	9,613.07	330,048.85	820.52	8,792.55	9,613.07	321,256.30	78,841.41
10	12/1/2012	321,256.30	9,637.69	330,893.98	845.14	8,792.55	9,637.69	322,101.43	88,479.09
11	6/1/2013	322,101.43	9,663.04	331,764.48	0.00	13,188.83	13,188.83	318,575.65	98,142.14
12	12/1/2013	318,575.65	9,557.27	328,132.92	0.00	13,188.83	13,188.83	314,944.09	107,699.41
13	6/1/2014	314,944.09	9,448.32	324,392.41	0.00	17,585.10	17,585.10	306,807.31	117,147.73
14	12/1/2014	306,807.31	9,204.22	316,011.53	0.00	17,585.10	17,585.10	298,426.43	126,351.95
15	6/1/2015	298,426.43	8,952.79	307,379.22	0.00	21,981.38	21,981.38	285,397.84	135,304.74
16	12/1/2015	285,397.84	8,561.94	293,959.78	0.00	21,981.38	21,981.38	271,978.40	143,866.68
17	6/1/2016	271,978.40	8,159.35	280,137.75	0.00	26,377.65	26,377.65	253,760.10	152,026.03
18	12/1/2016	253,760.10	7,612.80	261,372.90	0.00	26,377.65	26,377.65	234,995.25	159,638.83
19	6/1/2017	234,995.25	7,049.86	242,045.11	0.00	30,773.93	30,773.93	211,271.18	166,688.69
20	12/1/2017	211,271.18	6,338.14	217,609.32	0.00	30,773.93	30,773.93	186,835.39	173,026.83
21	6/1/2018	186,835.39	5,605.06	192,440.45	0.00	35,170.20	35,170.20	157,270.25	178,631.89
22	12/1/2018	157,270.25	4,718.11	161,988.35	0.00	35,170.20	35,170.20	126,818.15	183,349.99
23	6/1/2019	126,818.15	3,804.54	130,622.70	0.00	40,445.73	40,445.73	90,176.97	187,154.54
24	12/1/2019	90,176.97	2,705.31	92,882.28	0.00	40,445.73	40,445.73	52,436.55	189,859.85
25	6/1/2020	52,436.55	1,573.10	54,009.64	0.00	40,445.73	40,445.73	13,563.91	191,432.94
26	12/1/2020	13,563.91	406.92	13,970.83	0.00	13,970.83	13,970.83	0.00	191,839.86
27	6/1/2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	191,839.86
28	12/1/2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	191,839.86

PROJECT PLAN AMENDMENT #1 FEBRUARY 2020

Amendment #1 reallocates the City's certified expenditures to reflect actual costs, including the acquisition of a water main easement and temporary construction easement in the amount of \$39,470. The city proposes to utilize \$47,739.47 of the Necessary and Convenient Costs to fully reimburse the City for expenditures associated with the 16" water main extension.

Two projects were identified for completing the water main extension. The first project was identified in the City's Capital Improvements Program, Project #50898, and included \$130,000 for the Homestead – Meadow Ridge Transmission Main Extension project. The

City of Rapid City purchased a water main easement and temporary construction easement to protect the water main in perpetuity.

The second project was part of Development Project DEV 08-901 and included \$103,000 for the City's portion of the road construction project. The City contracted with the Developer to install the 16" water main in conjunction with the development of Homestead Subdivision located just east and adjacent to the Rapid City Area School District property.

South Dakota Codified Law 11-9-23 provides for plan amendments, including additional project costs, provided the proposal does not exceed thirty five percent of the original project plan costs and the additional project costs are incurred before the five-year expiration date or April 21, 2013.

Public Works staff submitted the following cost reallocation proposal:

TID #68 Cost Reallocation Summary - First Amended Project Plan				
Description	Certified Expenditures	Project Plan 2008	Reallocation / Line Item Addition	Amended Project Plan Costs
Developer				
Capital Costs				
Oversizing Drainage/Storm Sewer	\$115,534.00	\$136,340.32		\$136,340.32
Oversizing Grading	\$245,794.40	\$442,759.25		\$442,759.25
75 foot ext of Homestead Str for Rapid City Area Schools	\$37,604.00	\$50,000.00		\$50,000.00
Total Capital Costs	\$398,932.40			\$629,099.57
Professional Service Costs	\$45,000.00	\$45,000.00		\$45,000.00
Financing Costs				
Interest	\$232,007.61	\$1,081,846.61		\$1,081,846.61
Contingency Costs		\$0.00		
Relocation Costs		\$0.00		
Organizational Costs		\$0.00		
Necessary and Convenient Costs		\$50,000.00		\$50,000.00
Total Project Costs	\$675,940.01	\$1,805,946.18	\$0.00	\$1,805,946.18
City				
Capital Costs				
16" Water Main		\$200,000.00		\$200,000.00
City Proj 12-2011, CIP 50898, Fund 932	\$86,605.10			

Dev Proj DEV 08-901, Fund 934	\$89,216.65			
Easement Acquisition⁽¹⁾				
<u>DEV 08-901, Fund 934</u>	\$39,470.00		\$39,470.00	\$39,470.00
Professional Services				
Dev Project DEV 08-901, Fund 934	\$13,560.00	\$10,000.00	\$3,560.00	\$13,560.00
Interest	\$196,549.33	\$191,839.86	\$4,709.47	\$196,549.33
Necessary and Convenient Costs	\$0.00	\$50,000.00	(\$47,739.47)	\$2,260.53
Total Project Costs	\$425,401.08	\$451,839.86	\$0.00	\$451,839.86
Total Allowable Costs	\$1,101,341.09	\$2,257,786.04	\$0.00	\$2,257,786.04
Imputed Administrative Fee		\$5,000.00	\$20,000.00	\$20,000.00
⁽¹⁾ Requires Council approve to include property acquisition				

As of December 31, 2019, TID #68 has accrued \$353,439.34 in incremental revenue.