PROJECT PLAN
TAX INCREMENT DISTRICT NUMBER TWENTY-SIX
CITY OF RAPID CITY

Prepared by
PENNINGTON COUNTY-RAPID CITY PLANNING DEPARTMENT
November, 1993

FINAL
ADMINISTRATION
CITY OF RAPID CITY

MAYOR
Edward McLaughlin

COMMON COUNCIL
Buzz Knapp, President
Tom Johnson, Vice President
Alvin Albrecht
Karen Bulman
Delores Coffing
Don Kennedy
Kenny Meisner
Frank O'Grady
Vess Steinburg

PLANNING COMMISSION
Sally Anderson, Chairperson
Duane Sudman, Vice Chairperson
Tom Anderson
Alan Aker
Jim Borchert
George Grassby
Jim Keck
Mike Kenton
Vickie Powers
Ben Rensvold

PENNINGTON COUNTY-RAPID CITY PLANNING DEPARTMENT
Marcia Elkins, Director
David Hough, Assistant Planning Director
Timothy Huey, Senior Planner
William Lass, City Planner
Sharlene Mitchell, Administrative Assistant
Wil Ogburn, Planning Technician
PROJECT PLAN
TAX INCREMENT DISTRICT NUMBER TWENTY-SIX
CITY OF RAPID CITY

TABLE OF CONTENTS

Introduction 1
Overview 1
Project Plan Summary 2
Elements of the Project Plan 3
  1. Public Works Improvements 3
  2. Economic Feasibility Study 3
     Current Valuation
     Expected Increase in Valuation
     Income Estimates from Tax Increments
  3. Project Costs 6
     Capital Costs
     Financing Costs
     Real Property Assembly Costs
     Professional Service Costs
     Relocation Costs
     Organizational Costs
     Necessary and Convenitent Costs
     Imputed Administrative Costs
     Estimated Project Costs
     Tax Increment District Funded Costs
  4. Fiscal Impact Statement 8
     Impact on Taxing Entities
  5. Financing Method 9
     Projected Amortization Schedule
Maps
  General Vicinity 11
  District Boundary 12
  Generalized Land Use 13
  Existing Zoning 14
  Public Improvements 15
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 valuation of a district is determined by the Department of Revenue at the time the district is created by the Common 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 this 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, then 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.

This financing method is invaluable for encouraging growth and development in areas with special 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 the tax increment created by the construction of a new plant for the manufacture of ceramic mugs be used to pay for a portion of the costs for the extension of public infrastructure to the proposed plant site. The use of tax increment financing, in conjunction with other financing from the REDI fund, will help ensure that Timberline Corporation locates their new manufacturing facility in Rapid City.

Timberline is a local company that currently has a mug decorating operation located on South Plaza Drive. They must import all the mugs they currently decorate. Timberline proposes to develop automated ceramic mug manufacturing operation on a twenty-five (25) acre site, approximately six hundred feet (600') from their current mug decorating operation. The project will also increase Rapid City's employment base. The plant is initially expected to create 100 jobs with two additional phases each expected to create 100+ jobs.

The project will leverage a $320,000 State Department of Transportation Industrial Roadway Grant for the extension of Commerce Road and Fountain Plaza Drive to the property. The plan will provide the local match for the roadway grant in addition to other engineering and utility construction costs.

Without the financial assistance proposed in this Plan, there is a possibility that this local firm would not be able to develop this manufacturing operation in Rapid City. That would not
OVERVIEW cont'd

only delay the increase in taxable valuation of the property within the this proposed tax increment district but also cast doubt on this firm expanding its employment base in Rapid City.

This project would result in industrial development within the Deadwood Avenue area. This development will require the extension of street, water, sewer, and other public services to the area. There is a considerable economic advantage to the City for the City to leverage various sources to fund the costs of the extension of public infrastructure to undeveloped industrial land within the City limits.

The stated economic goal of the Rapid City Area 2000 Comprehensive Plan is "to improve economic stability through the promotion of a broader economic base." A sub-goal, listed under the broader economic goal in the Area 2000 Comprehensive Plan, is to promote the Rapid City area as a regional wholesale and manufacturing center. Providing the assistance proposed in this Plan would further the economic goals of the adopted Rapid City Area 2000 Comprehensive Plan.

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 Improvements
2) Economic Feasibility Study
3) Project Costs
4) Fiscal Impact Statement
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 Generalized Land Use
V. Map of Public Improvements

The Statement of Method for Relocating Displaced Persons; and 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.
1. PUBLIC WORKS IMPROVEMENTS

The Project Plan includes the 20% required local match for the State Industrial Roadway grant for the construction of Commerce Drive and Fountain Plaza Drive adjacent to and through this property. The Project Plan also includes the cost of the extension of sewer and water service to this area. Construction contingency and engineering design costs are also a part of the Public Improvement costs included in this Project Plan.

2. ECONOMIC FEASIBILITY STUDY

Current Valuation

Tax Increment District #26 is proposed for creation in accordance with SDCL 11-9-2 to 11-9-11, inclusive. As of this date, Pennington County Director of Equalization’s records show an assessed valuation of approximately $40,000. In accordance with SDCL 11-9-20, certification of that value will be requested from the South Dakota Department of Revenue following creation and approval of the District by the Common Council. The State Department of Revenue has indicated the certified base valuation will be the same as the current assessed value.

ANTICIPATED CERTIFIED BASE VALUATION OF PROPERTY IN TID #26

$40,000

Expected Increase in Valuation

The figures for the following estimated increases in valuation are based upon construction costs of approximately $750,000 for the building and site work. Additionally, the plant will have $1.4 million in equipment costs. In consultation with the commercial assessor Sharon Christiansen at the Office of Pennington County Director of Equalization, it was determined that the average commercial and industrial property in Rapid City is now assessed at one hundred per cent (100%) of its actual value.

The Director Of Equalization’s Office was provided with the construction costs, building area, and construction types in order to determine an estimated valuation of the proposed manufacturing plant.

ESTIMATED FUTURE VALUATION OF PROPOSED TIMBERLINE CORPORATION MANUFACTURING FACILITY

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assessed Value of District</td>
<td>$ 40,000</td>
</tr>
<tr>
<td>Estimated Assessed Value of Improvements</td>
<td>$ 941,100</td>
</tr>
<tr>
<td>Estimated Increase in Assessed Value of Land</td>
<td>$ -0-</td>
</tr>
<tr>
<td>Estimated Total Valuation</td>
<td>$ 981,100</td>
</tr>
<tr>
<td>Increment in Valuation</td>
<td>$ 941,100</td>
</tr>
</tbody>
</table>
Income Estimates from Tax Increments

The State of South Dakota has an automatic tax abatement on all new industrial structures over $30,000 in value. This effectively reduces the taxes paid on those structures by a total of 40% over the first five years following completion of construction. In an effort to reduce the total costs of this Project Plan, Timberline Corporation has agreed to waive this abatement to shorten the duration of the proposed district. The Plan will include thirty (30) semi-annual payments over fifteen (15) years. The potential negative short term impact on the various taxing entities will be reduced while affording all taxing entities an increase in the tax base for future years.

1993 Tax Levies and Percentage of Total Levy

<table>
<thead>
<tr>
<th>Taxing Entity</th>
<th>Tax Levy</th>
<th>Percentage of Total Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid City Area School District</td>
<td>20.148</td>
<td>68.3%</td>
</tr>
<tr>
<td>Pennington County</td>
<td>5.9811</td>
<td>20.3%</td>
</tr>
<tr>
<td>City of Rapid City</td>
<td>3.2954</td>
<td>11.2%</td>
</tr>
<tr>
<td>West River Water District</td>
<td>0.0520</td>
<td>0.2%</td>
</tr>
<tr>
<td>Total Tax Levy</td>
<td>29.4765</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Anticipated 1993 Tax Rate: 0.0294765

The actual Tax Increment available to pay for project costs in this Plan can be calculated by multiplying the effective tax rate by the increment in valuation. These calculations result in the following Tax Increments, which become available as taxes for the applicable periods are paid.

Property in Pennington County is assessed January 1 of each year and taxes are due May 1 and November 1 of the following year. The amortization schedule in this Project Plan has the payments from the tax increment fund payable on June 1 and December 1 of the year they are due.

(Table of Projected Tax Increment Income on following page)
PROJECT PLAN
TAX INCREMENT DISTRICT NUMBER TWENTY-SIX

PROJECTED TAX INCREMENT INCOME

<table>
<thead>
<tr>
<th>Year ASSESSED</th>
<th>Year DUE</th>
<th>Valuation BASE</th>
<th>NEW DVLPMNT</th>
<th>TOTAL</th>
<th>INCREMENT IN VALUATION</th>
<th>TAX INCREMENT PAYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>1996</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>1996</td>
<td>1997</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>1997</td>
<td>1998</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>1998</td>
<td>1999</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>1999</td>
<td>2000</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2000</td>
<td>2001</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2001</td>
<td>2002</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2002</td>
<td>2003</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2003</td>
<td>2004</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2004</td>
<td>2005</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2005</td>
<td>2006</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2006</td>
<td>2007</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2007</td>
<td>2008</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
<tr>
<td>2008</td>
<td>2009</td>
<td>$40,000</td>
<td>$941,100</td>
<td>$981,100</td>
<td>$941,100</td>
<td>$27,740</td>
</tr>
</tbody>
</table>

TOTAL TAX INCREMENT EXPECTED TO ACCRUE BY 12-01-09 $388,360

NOTE: Tax increment payments are calculated using 100% of estimated future property valuation and 100% of expected 1993 mill levy.
3. PROJECT COSTS

Capital Costs

The capital costs for this Project Plan include street, sewer, water and other public infrastructure, site development and building construction.

Financing Costs

The financing costs for this Project Plan are dependent on the interest rate obtained by the developer. The developer has indicated that 8.0% is the expected interest rate and that is the rate that has been used for the purposes of this Plan. The five year tax abatement for new industrial structures over $30,000 in value, amounting to 40% of what normally would be payable without the abatement, will be voluntarily waived by Timberline Corporation.

Real Property Assembly Costs

The real property costs are the cost of acquisition of the site for the project.

Professional Service Costs

Professional service costs are included in this Project Plan. These include Engineering, Legal, and other professional fees.

Relocation Costs

No relocation costs are anticipated in this Project Plan as the land is currently vacant.

Organizational Costs

No organizational costs are anticipated in this Project Plan.

Necessary and Convenient Payments

Contingency costs are included for costs that have not been anticipated in the implementation of this Project Plan.

Imputed Administrative Costs

All Tax Increment District actions require municipal staff time to prepare and enact. The City shall be reimbursed on August 1, 1997 for its administrative expense in an amount not more than $2,050. However, in no case shall the City be reimbursed less than $1.00 on August 1, 1997.
PROJECT PLAN  
TAX INCREMENT DISTRICT NUMBER TWENTY-SIX

ESTIMATED PROJECT COSTS

Capital Costs:
  Building Construction  $ 600,000
  Site Development    $ 150,000
  Road Construction   $ 400,000
  Sewer and water extension  $ 85,000
Real Property Assembly Costs:
  Land purchase    $ 250,000
Professional Fees:
  $ 50,000
Relocation Costs:
  None            $ 0-
Organizational Costs
  None           $ 0-
Necessary and Convenient Costs
  Contingency    $ 50,000

TOTAL            $1,585,000

TAX INCREMENT DISTRICT FUNDED COSTS

Capital Costs:
  Local Match State Industrial Roadway Grant $ 80,000
  Site Development  $ 90,000
Financing Costs:
  Financing Interest (TID only)  $ 166,423
  Professional Fees:  $ 40,000
Relocation Costs:
  None        $ 0-
Organizational Costs
  None    $ 0-
Necessary and Convenient Costs
  None    $ 0-

TOTAL            $ 376,423

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 TID #26 fund available to the City Finance Officer on December 1, 1998.
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 this 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 this 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 Financing 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.

### IMPACT ON TAXING ENTITIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Valuation Increment</th>
<th>Schools</th>
<th>County</th>
<th>City</th>
<th>Water</th>
<th>Total Tax Increment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>1997</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>1998</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>1999</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2000</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2001</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2002</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2003</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2004</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2005</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2006</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2007</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2008</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
<tr>
<td>2009</td>
<td>$941,100</td>
<td>$18,946</td>
<td>$5,631</td>
<td>$3,107</td>
<td>$56</td>
<td>$27,740</td>
</tr>
</tbody>
</table>

$265,244  $78,834  $43,498  $784  $388,360
5. FINANCING METHOD

The financing method to be used in the funding of this Plan is to be obtained by the developer. Following approval of this Project Plan and when the funding for the construction of the proposed Timberline Corporation facility is secured, it is anticipated that a bond or note in the amount necessary to cover applicable project costs will be issued separately.

The City and Timberline Corporation will enter into a Contract for Private Development. That agreement will establish that the debt on the Tax Increment District Project Costs covered in this Plan will be retired by deposits made in the Tax Increment District #26 fund 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 and the Contract for Private Development. 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 December 1, 2009.
# Project Plan

## Tax Increment District Number Twenty-Six

### Projected Amortization Schedule

<table>
<thead>
<tr>
<th>PAY DATE</th>
<th>OPENBAL</th>
<th>OLDBAL</th>
<th>FINCHG</th>
<th>TOTDUE</th>
<th>CAP INT PAYMENT</th>
<th>TAX INC PAYMENT</th>
<th>BALFWD</th>
<th>CAP INT TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-Jun</td>
<td>$210,000</td>
<td>$8,400</td>
<td>$218,400</td>
<td>$8,400</td>
<td>$0</td>
<td>$218,400</td>
<td>$8,736</td>
<td></td>
</tr>
<tr>
<td>1995-DEC</td>
<td>$218,400</td>
<td>$8,736</td>
<td>$227,136</td>
<td>$8,736</td>
<td>$0</td>
<td>$227,136</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>$227,136</td>
<td>$9,085</td>
<td>$236,221</td>
<td>$8,736</td>
<td>$13,870</td>
<td>$222,351</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>$222,351</td>
<td>$8,894</td>
<td>$231,245</td>
<td>$0</td>
<td>$13,870</td>
<td>$217,375</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>$217,375</td>
<td>$8,695</td>
<td>$226,071</td>
<td>$13,870</td>
<td>$212,201</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>$212,201</td>
<td>$8,488</td>
<td>$220,689</td>
<td>$13,870</td>
<td>$206,819</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>$206,819</td>
<td>$8,273</td>
<td>$215,091</td>
<td>$13,870</td>
<td>$201,221</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>$201,221</td>
<td>$8,049</td>
<td>$209,270</td>
<td>$13,870</td>
<td>$195,400</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>$195,400</td>
<td>$7,816</td>
<td>$203,216</td>
<td>$13,870</td>
<td>$189,346</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>$189,346</td>
<td>$7,574</td>
<td>$196,920</td>
<td>$13,870</td>
<td>$183,050</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>$183,050</td>
<td>$7,322</td>
<td>$190,372</td>
<td>$13,870</td>
<td>$176,502</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>$176,502</td>
<td>$7,060</td>
<td>$183,562</td>
<td>$13,870</td>
<td>$169,692</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>$169,692</td>
<td>$6,788</td>
<td>$176,480</td>
<td>$13,870</td>
<td>$162,610</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>$162,610</td>
<td>$6,504</td>
<td>$169,114</td>
<td>$13,870</td>
<td>$155,244</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>$155,244</td>
<td>$6,210</td>
<td>$161,454</td>
<td>$13,870</td>
<td>$147,584</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>$147,584</td>
<td>$5,903</td>
<td>$153,487</td>
<td>$13,870</td>
<td>$139,617</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>$139,617</td>
<td>$5,585</td>
<td>$145,202</td>
<td>$13,870</td>
<td>$131,332</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>$131,332</td>
<td>$5,253</td>
<td>$136,585</td>
<td>$13,870</td>
<td>$122,715</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>$122,715</td>
<td>$4,909</td>
<td>$127,624</td>
<td>$13,870</td>
<td>$113,754</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>$113,754</td>
<td>$4,550</td>
<td>$118,304</td>
<td>$13,870</td>
<td>$104,434</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>$104,434</td>
<td>$4,177</td>
<td>$108,611</td>
<td>$13,870</td>
<td>$94,741</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>$94,741</td>
<td>$3,790</td>
<td>$98,531</td>
<td>$13,870</td>
<td>$84,661</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>$84,661</td>
<td>$3,386</td>
<td>$88,047</td>
<td>$13,870</td>
<td>$74,177</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>$74,177</td>
<td>$2,967</td>
<td>$77,145</td>
<td>$13,870</td>
<td>$63,275</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$63,275</td>
<td>$2,531</td>
<td>$65,806</td>
<td>$13,870</td>
<td>$51,936</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$51,936</td>
<td>$2,077</td>
<td>$54,013</td>
<td>$13,870</td>
<td>$40,143</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$40,143</td>
<td>$1,606</td>
<td>$41,749</td>
<td>$13,870</td>
<td>$27,879</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$27,879</td>
<td>$1,115</td>
<td>$28,994</td>
<td>$13,870</td>
<td>$15,124</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$15,124</td>
<td>$605</td>
<td>$15,729</td>
<td>$13,870</td>
<td>$8,859</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$1,859</td>
<td>$74</td>
<td>$1,933</td>
<td>$1,933</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals**

|             | $166,423 | $17,136 | $376,423 |

---

**Amortization Table Notes:**

- OPENBAL is the total of Project Capital Costs.
- CAP INT TOTAL is the Capitalized Interest advanced to cover interest costs prior to initial Tax Increment Payments.
- PAYDATE will be June 15 & December 15 of the year indicated.
- OLDBAL is balance forward from previous PAYDATE.
- FINCHG is the finance charge on the OLDBAL @ 8.00%.
- TOTDUE is (OLDBAL + FINCHG).
- CAP INT PAYMENT is the payment Capitalized Interest.
- TAX INC PAYMENT is the Tax Increment income.
- BALFWD is the Balance Forward.
- PRGNT TTL INCM is the percentage of total increment income that is interest payments and capital costs.

<table>
<thead>
<tr>
<th>Total Finance Costs</th>
<th>$166,423</th>
<th>44.21%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Capital Costs</td>
<td>$210,000</td>
<td>55.79%</td>
</tr>
<tr>
<td>Total Tax Increment Income</td>
<td>$376,423</td>
<td></td>
</tr>
</tbody>
</table>