G. **Contingency:** This item is to cover unknowns that may be encountered during the final design and construction of any of the public infrastructure facilities. These costs may not exceed 10% of the project construction costs.

H. **Necessary and Convenient costs:** $20,000, paying the city for administrative costs.

I. **Financing Expenses:** estimate based on 6% during the entire life of the TIF. Interest rate will not exceed the maximum allowed 9%.

**PHASE III**

Phase III will include future transportation components improving the regional transportation system in the southeast portion of Rapid City. These include:

A. **AESIR Blvd:** Extending the new industrial street with water, sewer and private utilities through the next phase of development and through the intersection with the proposed Creek Drive.

B. **Creek Drive Extension:** Construct new collector street from Old Folsom Road through the site, construction will include new street, water, sewer and private utilities. Upgrade intersection with Old Folsom Road as necessary with new turn lanes to create safer road operations and improve traffic.

C. **Old Folsom Road:** Upgrade the existing rural street section and install water, sewer and private utilities. Improve the proposed intersection with Creek Drive, including added turn lanes.

D. **Traffic Signal:** Install new traffic signal at intersection of Old Folsom Road and Creek Drive. The proposed major industrial center will, most likely, generate some employee and truck traffic and will result, in the near future, in a need for a traffic signal.

E. **Mass Grading:** This project is located, mostly, in the Landfill Drainage Basin with portions of the southeast corner located in the South Highway 79 Drainage Basin. This project will include drainage channelization, floodplain work, over lot grading, street grading and the creation of major regional drainage detention pond(s).

F. **Railroad Line Extension and Switches:** This includes extending the proposed siding from Phase 2 and the construction of new switches into the Phase 3 industrial lots. Work will include permitting with the State and Rail company, main line extensions, road crossings, signage and new switches.

G. **16-inch Water main Extension:** Continue the extension of the offsite watermain from the termination of the phase 2 boundary.
H. **Other Utilities:** This includes extending power, natural gas, and telecommunication lines to the site. Most of the extensions will be connected to the Catron Blvd. intersection where high pressure natural gas, fiber optic cables, and main line power is located.

I. **Professional Fees:** This includes any professional fees associated with surveying, engineering design, and construction administration.

J. **Contingency:** This item is to cover unknowns that may be encountered during the final design and construction of any of the public infrastructure facilities. These costs may not exceed 10% of the project construction costs.

K. **Necessary and Convenient costs:** $20,000, paying the city for administrative costs.

L. **Financing Expenses:** estimate based on 6% during the entire life of the TIF. Interest rate will not exceed the maximum allowed 9%.

The indicated public improvements being included in the TIF are consistent with the:

A. Major Street Plan adopted by the City Council - July 7, 2014.

3. **WHY CREATE A TIF?**

The purpose of the Black Hills Industrial Center TIF is to promote economic development and improve the wage scale in the Black Hills region.

1. The TIF components include oversize costs that would have been paid for by the city.
2. This project will provide for a large industrial park with rail access.
3. The development will have a huge economic and social impact on the community including:
   a. Create more than 500 million dollars in development,
   b. Provide more than 2000 full time jobs with annual payroll of more than $120 million dollars,
   c. Create more than $5 million dollars in annual real estate tax at buildout,
   d. Close to 300 full time construction jobs annually over the next 10 years,
   e. More than $15 million in sales tax on the construction materials over the next 10 years,
4. This TIF meets the definition of blighted as defined by SDCL 11-9-10.