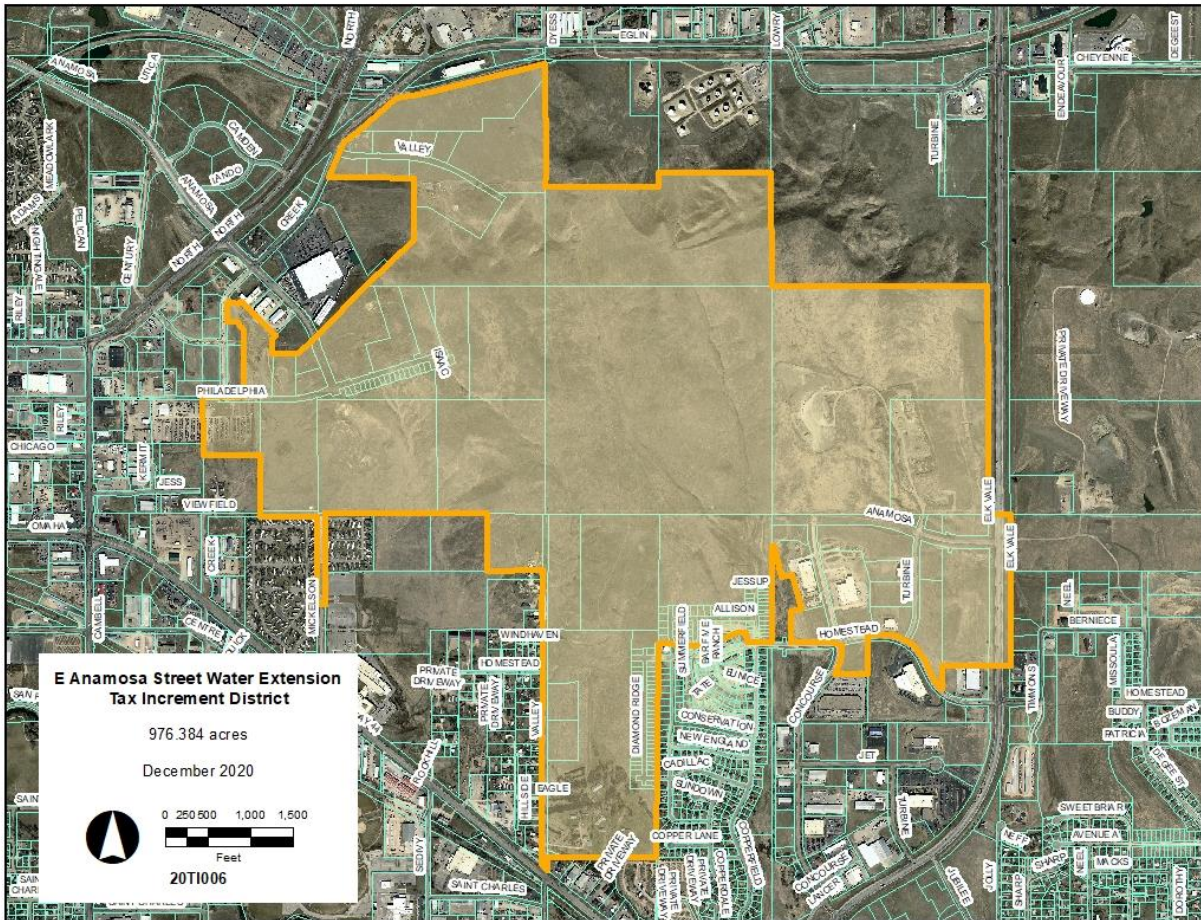


TAX INCREMENT DISTRICT PROJECT PLAN

TAX INCREMENT DISTRICT #84 E ANAMOSA STREET WATER MAIN EXTENSION CITY OF RAPID CITY

Amendment #1 – October 2023

Amendment #2 – July 2024



Prepared by the
Rapid City Department of Community Development
January 2021

Amendment #1 – October 2023

(Details on page 14)

Amendment #2 – July 2024

(Details on page 17)

INTRODUCTION

23TI004 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.) levying 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 this tax increment district is to assist in the development of commercial, industrial and residential property located between E North Street and Elk Vale Road north of Omaha Street (SD Highway 44). The increment generated from this district will fund portions of the city’s critical water distribution improvements within the district, grade and construct that portion of E Anamosa Street, N Valley Drive and Mickelson Drive, and relocate the power line and private utilities existing on those power lines within the corridors.

The 16” and 20” water main extensions to be installed and located in E Anamosa Street between E Philadelphia Street and just east of Elk Vale Road will provide the needed connections to the water reservoir and the future elevated water tower located east of Elk Vale Road for both the Low and High Pressure Water Zones, all located in this proposed district. In addition to these two water main connections, the existing Utility System Master Plan identifies the need for a booster station near the existing reservoir and tower, both located just outside this tax increment district. As part of the booster station proposal identified at E Philadelphia and E Anamosa Streets, the developer will provide funding to the city for a feasibility study and funds for the booster station construction.

Incremental funds are also designated for the construction of four regional detention ponds within the district. These new ponds will detain storm water from the new development within the district and create needed drainage detention facilities to address existing and downstream flows.

Tax Increment Financing Committee

The Tax Increment Financing Committee met on November 18, 2020 to discuss the E Anamosa Street Water Extension proposal. The recommendation to create a new tax increment district was based on the requirements of SDCL 11-9-8, wherein:

- (1) “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 local criteria:

- (3) “The project must comply with the adopted Comprehensive Plan...”; and
- (4) the improvements are likely to enhance the value of substantially all of the other real property in the district”

The City Finance Director 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 using a 7 percent annual interest rate to reduce the payoff timeline for the proposed TIF funded costs, estimated to be paid in full within 11.5 years and fully dependent on the projected revenue generating timeline provided by the applicant.

An Imputed Administrative Fee in the amount of \$20,000 plus an additional \$5,000 for phased certification shall be charged by the City of Rapid City to every tax increment district for which a Project Plan is approved. This fee is paid to the City as a project cost from the tax increment fund balance in year five of the District. However, the circumstances with the water distribution system within this district are unique. As such,

both water mains constructed using the proposed incremental funding must be connected to the lines at Elk Vale Road and fully operational.

All public infrastructure projects identified for incremental reimbursement within this Project Plan shall be constructed and completed within five years of the creation of the district, including the City's acceptance of those public improvement(s). If the tax increment revenues exceed the anticipated loan payments, the District debt would be retired early, resulting in the full value of the property returned more quickly back to the tax rolls.

Project Plan Summary

This plan establishes the total project costs, as well as the Tax Increment District funded costs. As required by SDCL 11-9-13, the Project Plan 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. Aerial Photo with 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 \$15,763,516.60 in capital costs associated with funding the construction of E Anamosa Street in order to install a 16" and 20" water main, a 12" water main in Mickelson Drive, grading the location of N Valley Drive and land acquisition and grading to create four regional detention ponds. In addition, the Plan includes \$2,565,106.13 in design/construction administration and contingency costs, and \$7,650,000 for interest expenses.

2. ECONOMIC FEASIBILITY STUDY

Current Valuation

The E Anamosa Street Water Extension 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. The 2020 assessed valuation for the proposed district is projected at \$37,637,700. In accordance with SDCL 11-9-20, the Finance Director will request that the South Dakota Department of Revenue certify the base valuation following creation and approval of the district by the City Council.

ANTICIPATED CERTIFIED BASE VALUATION OF PROPERTY-\$37,637,700

Expected Increase in Valuation

ESTIMATED FUTURE VALUATION OF PROPOSED DISTRICT	
Estimated 2020 Assessed Value of District	\$37,637,700
Estimated 2030 Assessed Value of project (year 10)	\$306,250,000
Other Anticipated Increases in Assessed Value	\$0
Estimated Increase in Assessed Value of Land*	\$0
Estimated 2030 Total Valuation (year 10)	\$343,887,700

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

Revenue Estimates from Tax Increments

The Plan anticipates 19 semi-annual payments over 9.5 years beginning in 2023. The potential negative short-term impact on the various taxing entities will be offset by the increase in the tax base in future years.

2019 Non Agriculture Tax Levies and Percentage of Total Levy for 4D RC

City of Rapid City within the Rapid City Area School District

<u>Taxing Entity</u>	<u>Tax Levy</u>	<u>% of Total Levy</u>
Rapid City Area School District	11.546	59.13%
Pennington County	4.777	24.46%
City of Rapid City	3.181	16.29%
West Dakota Water District	0.024	0.12%
Total Mill Levy	19.528	100.00%

Anticipated 2019 Non Agriculture 4D RC Tax Rate: 0.019528

2019 Non Agriculture Tax Levies and Percentage of Total Levy for 4D RC VS

City of Rapid City within the Rapid City Area School District,
including portions of the Rapid Valley Sanitary District

<u>Taxing Entity</u>	<u>Tax Levy</u>	<u>% of Total Levy</u>
Rapid City Area School District	11.546	57.77%
Pennington County	4.777	23.90%
City of Rapid City	3.181	15.92%
Rapid Valley Sanitary District	0.457	2.29%
West Dakota Water District	0.024	0.12%
Total Mill Levy	19.985	100.00%

Anticipated 2019 Non Agriculture 4D RC VS Tax Rate: 0.019985

The estimated tax increment available to pay for Project Plan costs can be calculated by multiplying the anticipated tax rate by the increment in valuation, based on the location of the increment generator. This calculation results in the following tax increments, through one year beyond the anticipated payoff date, which become available as taxes are paid for the applicable periods.

PROJECTED TAX INCREMENT INCOME

TIF YR	Assessment Year	Year Taxes Paid	Estimated Cumulative Increase in Taxable Value	TOTAL Cumulative Yearly Tax Increment Payments	TOTAL 6 Month Total
1	Nov 2021	2023	\$42,000,000	\$690,657	\$345,329
2	Nov 2022	2024	\$67,000,000	\$1,103,474	\$551,737
3	Nov 2023	2025	\$121,250,000	\$2,105,060	\$1,052,530
4	Nov 2024	2026	\$149,250,000	\$2,570,603	\$1,285,301
5	Nov 2025	2027	\$177,250,000	\$3,059,579	\$1,529,789
6	Nov 2026	2028	\$200,750,000	\$3,448,962	\$1,724,481
7	Nov 2027	2029	\$224,250,000	\$3,762,186	\$1,881,093
8	Nov 2028	2030	\$252,250,000	\$4,251,162	\$2,125,581
9	Nov 2029	2031	\$280,250,000	\$4,740,138	\$2,370,069
10	Nov 2030	2032	\$306,250,000	\$5,190,058	\$2,595,029
11	Nov 2031	2033	\$322,250,000	\$5,444,698	\$2,722,349
12	Nov 2032	2034	\$335,850,000	\$5,661,142	\$2,830,571
13	Nov 2033	2035	\$345,050,000	\$5,840,799	\$2,920,400
14	Nov 2034	2036	\$345,050,000	\$5,840,799	\$2,920,400
15	Nov 2035	2037	\$345,050,000	\$5,840,799	\$2,920,400

TOTAL TAX INCREMENT EXPECTED TO ACCRUE BY 12/31/32: \$30,921,878

NOTE: Tax increment payments are calculated using 100% of estimated future property valuation and 100% of expected 2019 mill levy for both the City of Rapid City levy (4D RC) and the City of Rapid City levy with land area also located within the Rapid Valley Sanitary District (4D RC VS). The Estimated Cumulative Increase in Taxable Value is an estimate based on the incremental revenue generated from the applicant's proposed valuation increase.

3. PROJECT COSTS

E Anamosa Street

This project plan includes funding in the amount of \$11,202,384.85 to include paving, sanitary sewer and street lights, as well as both a 16" and 20" water main, within the E Anamosa Street corridor, and for grading costs up to 300 feet from the centerline of E Anamosa Street and power line and private utility relocation as necessary for the extension of E Anamosa Street between E Philadelphia Street to Elk Vale Road. All other improvements, e.g., base course, road pavement, curb and gutter, street lighting, sanitary sewer or drainage appurtenances associated with the road construction and any utility extension for development purposes may be constructed as part of the grading and power line / private utility relocation; however, costs identified in the estimate unless connecting to a specific project plan line item approved herein are not part of the increment funded construction projects. The developer shall donate public rights-of-way as part of any subdivision improvement for E Anamosa Street or any other public rights-of-way within the TID boundary for access purposes under full or partial ownership of Dream Design LLC, Yasmeen Dream LLC, BH Capital LLC, BH Capital 6 LLC or other parcels subdivided and owned or partially owned by developer within the boundary.

Booster Station

The booster station is required to make the TIF plan work and without it, development may not proceed in a manner to make the TIF feasible. Estimated costs for the booster station are \$950,000.

Mickelson Drive

Incremental funding is also identified in the amount of \$813,068 to fund paving approximately 375 lineal feet of Mickelson Drive, located near Western Dakota Tech's northwestern most property corner. This project cost also provides funding to extend a 12" water main approximately 2,100 lineal feet from the northern terminus at Western Dakota Tech north to the new water main in E Anamosa Street and relocate private utilities in conjunction with that 375 foot portion of the newly paved Mickelson Drive corridor. The developer shall donate public rights-of-way as part of any subdivision improvement for Mickelson Drive.

North Valley Drive Grading

The project plan also includes \$1,047,900 for grading costs up to 300 feet from the centerline of N Valley Drive and power line and private utility relocation as necessary for the extension of North Valley Drive between E Philadelphia Street to just east of N Creek Drive. All other improvements, e.g., base course, road pavement, curb and gutter, street lighting, sanitary sewer or drainage appurtenances associated with the road construction and any utility extension for development purposes may be constructed as part of the grading and power line / private utility relocation; however, costs identified in the estimate unless connecting to a specific project plan line item approved herein are not part of the increment funded construction projects. The developer shall donate public rights-of-way required as part of any subdivision improvement for N Valley Drive.

Regional Detention Ponds

Incremental funds are also designated for the construction of four regional detention ponds within the district at a cost of \$1,142,163.75. These new ponds will detain upstream and downstream storm water flows as well and storm water generated from the new development within the district by creating needed regional drainage detention facilities. The developer shall dedicate the drainage easements for the detention ponds. Additionally, the developer shall be paid for the pond drainage easements with an amount not to exceed the amount stated in the TIF (\$608,000) or the appraised value of the easements, whichever is less. The land value shall be determined by a city-hired appraiser licensed in the state of South Dakota. The developer shall pay for the costs of the appraisal and shall recover same costs through the TIF.

The developer may realize cost efficiencies for extending private utilities and services, separate from those TIF funded items listed above, to adjacent future lots by constructing and installing any necessary private utilities and associated appurtenances concurrently with the above-referenced construction projects. However, those services are not a part of the incremental tax funding.

Professional Service Costs – Professional service costs for design and construction administration fees in the amount of \$1,161,109.64, including the Booster Station Feasibility Study, 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 \$1,363,996.49 are anticipated in the Project Plan.

Necessary and Convenient Payments – Necessary and convenient costs of \$40,000 are anticipated in the Project Plan.

Financing Costs – The financing costs for this Project Plan are dependent on the interest rate obtained and the project construction timeline as well as the anticipated development generating the tax increment. The interest rate used for this project plan is 7.0%. It is estimated that the financing costs will total \$7,650,000. 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. Incremental tax funding for this project cost is not eligible for reallocation to other project costs.

Imputed Administrative Costs – An Imputed Administrative Fee in the amount of \$20,000 plus an additional \$5,000 for phased certification shall be charged by the City of Rapid City to every tax increment district for which a Project Plan is approved. This interest free fee is paid to the City as a project cost from the tax increment fund balance in year five of

the District. The City shall be reimbursed on January 4, 2026, for its administrative costs in the amount of \$25,000.

DESCRIPTION OF ITEM	Total Estimated Project Costs	Non-TIF Funded	TIF Funded Project Costs	TIF Funded %
Phase I				
Capital Costs				
E Anamosa Str (grading & water mains)	\$5,527,227.95	\$1,625,000.00	\$3,902,227.95	70.60%
E Anamosa Str construction (without services)	\$2,499,425.00	\$0.00	\$2,499,425.00	100.00%
N Valley Dr Grading	\$1,597,900.00	\$550,000.00	\$1,047,900.00	65.58%
Mickelson Dr (offsite, grading & 12" water main)	\$1,213,068.00	\$400,000.00	\$813,068.00	67.03%
Regional Drainage Improvements	\$809,726.65	\$0.00	\$809,726.65	100.00%
Booster Station	\$950,000.00	\$0.00	\$950,000.00	100.00%
Offsite Sanitary Sewer	\$515,000.00	\$515,000.00	\$0.00	0.00%
Offsite Water Main	\$170,000.00	\$170,000.00	\$0.00	0.00%
Philadelphia Str from Creek Dr to E Anamosa	\$375,000.00	\$375,000.00	\$0.00	0.00%
Local Streets and Utilities	\$29,600,000.00	\$29,600,000.00	\$0.00	0.00%
Construction Costs-Phase I	\$43,257,347.60	\$33,235,000.00	\$10,022,347.60	23.17%
Other Development Costs				
Professional / Construction Admin Fees	\$4,125,287.81	\$3,323,500.00	\$801,787.81	19.44%
Regional Detention Land Acquisition	\$608,000.00	\$0.00	\$608,000.00	100.00%
Contingency	\$4,225,511.28	\$3,323,500.00	\$902,011.28	21.35%
Necessary and Convenient	\$20,000.00	\$0.00	\$20,000.00	100.00%
Financing	\$6,058,359.93	\$0.00	\$6,058,359.93	100.00%
TOTAL COSTS-PHASE I	\$58,294,506.62	\$39,882,000.00	\$18,412,506.62	31.59%
Phase II				
Capital Costs				
E Anamosa Str Grading & Water Mains	\$4,676,068.90	\$1,625,000.00	\$3,051,068.90	65.25%
E Anamosa Str construction (without services)	\$1,749,663.00	\$0.00	\$1,749,663.00	100.00%
Regional Drainage Improvements	\$332,437.10	\$0.00	\$332,437.10	100.00%
Construction Costs-Phase II	\$6,758,169.00	\$1,625,000.00	\$5,133,169.00	75.96%
Other Development Costs				
Professional / Construction Admin Fees	\$521,821.83	\$162,500.00	\$359,321.83	68.86%
Contingency	\$624,485.21	\$162,500.00	\$461,985.21	73.98%
Necessary and Convenient	\$20,000.00	\$0.00	\$20,000.00	100.00%
Financing	\$1,591,640.07	\$0.00	\$1,591,640.07	100.00%
TOTAL COSTS-PHASE II	\$9,516,116.11	\$1,950,000.00	\$7,566,116.11	79.51%

DESCRIPTION OF ITEM	Total Estimated Project Costs	Non-TIF Funded	TIF Funded Project Costs	TIF Funded %
TOTAL CAPITAL IMPROVEMENTS				
Capital Costs				
E Anamosa Str (grading & water mains)	\$10,203,296.85	\$3,250,000.00	\$6,953,296.85	68.15%
E Anamosa Str construction (without services)	\$4,249,088.00	\$0.00	\$4,249,088.00	100.00%
N Valley Dr Grading	\$1,597,900.00	\$550,000.00	\$1,047,900.00	65.58%
Mickelson Dr (offsite, grading & 12" water main)	\$1,213,068.00	\$400,000.00	\$813,068.00	67.03%
Regional Drainage Improvements	\$1,142,163.75	\$0.00	\$1,142,163.75	100.00%
Booster Station	\$950,000.00	\$0.00	\$950,000.00	100.00%
Offsite Sanitary Sewer	\$515,000.00	\$515,000.00	\$0.00	0.00%
Offsite Water Main	\$170,000.00	\$170,000.00	\$0.00	0.00%
Philadelphia Str from Creek Dr to E Anamosa	\$375,000.00	\$375,000.00	\$0.00	0.00%
Local Streets and Utilities	\$29,600,000.00	\$29,600,000.00	\$0.00	0.00%
Total Construction Costs	\$50,015,516.60	\$34,860,000.00	\$15,155,516.60	30.30%
Other Development Costs				
Professional / Construction Admin Fees	\$4,647,109.64	\$3,486,000.00	\$1,161,109.64	24.99%
Regional Detention Land Acquisition	\$608,000.00	\$0.00	\$608,000.00	100.00%
Contingency	\$4,849,996.49	\$3,486,000.00	\$1,363,996.49	28.12%
Necessary and Convenient	\$40,000.00	\$0.00	\$40,000.00	100.00%
Financing	\$7,650,000.00	\$0.00	\$7,650,000.00	100.00%
Subtotal	\$67,810,622.73	\$41,832,000.00	\$25,978,622.73	38.31%
Imputed Administrative Fee				
City of Rapid City	\$25,000.00	\$0.00	\$25,000.00	100.00%
TOTAL TIF COSTS	\$67,835,622.73	\$41,832,000.00	\$26,003,622.73	38.33%

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	5	District	\$15,155,516.60	11-9-15(1)
Financing Costs	1	District	\$7,650,000.00	11-9-15(2)
Real Property Assembly	1	District	\$608,000	11-9-15(3)

Professional Fees	1	District	\$ 1,161,109.64	11-9-15(4)
Administrative Costs	1	District	\$25,000.00	11-9-15(5)
Relocation Costs				11-9-15(6)
Organizational Costs				11-9-15(7)
Discretionary Costs and Grants		District	\$1,403,996.49	11-9-15(8)
Eligible Project Costs			\$26,003,622.73	

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.

⁽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.

NET IMPACT ON TAXING ENTITIES

Year Paid	Valuation Increase	School	County	City	Water	RVSD	Yearly Total
2023	\$42,000,000	\$0	\$168,105	\$111,941	\$845	\$3,459	\$690,657
2024	\$67,000,000	\$0	\$269,089	\$179,186	\$1,352	\$3,459	\$1,103,474
2025	\$121,250,000	\$0	\$514,100	\$342,339	\$2,583	\$3,459	\$2,105,060
2026	\$149,250,000	\$0	\$627,983	\$418,173	\$3,155	\$3,459	\$2,570,603
2027	\$177,250,000	\$0	\$747,598	\$497,825	\$3,756	\$3,459	\$3,059,579
2028	\$200,750,000	\$0	\$842,850	\$561,253	\$4,235	\$3,459	\$3,448,962
2029	\$224,250,000	\$0	\$919,472	\$612,275	\$4,619	\$3,459	\$3,762,186
2030	\$252,250,000	\$0	\$1,039,086	\$691,927	\$5,220	\$3,459	\$4,251,162
2031	\$280,250,000	\$0	\$1,158,701	\$771,578	\$5,821	\$3,459	\$4,740,138
2032	\$306,250,000	\$0	\$1,268,762	\$844,867	\$6,374	\$3,459	\$5,190,058
2033	\$322,250,000	\$0	\$1,331,053	\$886,347	\$6,687	\$3,459	\$5,444,698
2034	\$335,850,000	\$0	\$1,384,000	\$921,604	\$6,953	\$3,459	\$5,661,142
2035	\$345,050,000	\$0	\$1,427,948	\$950,870	\$7,174	\$3,459	\$5,840,799
2036	\$345,050,000	\$0	\$1,427,948	\$950,870	\$7,174	\$3,459	\$5,840,799
2037	\$345,050,000	\$0	\$1,427,948	\$950,870	\$7,174	\$3,459	\$5,840,799
2038	\$345,050,000	\$0	\$1,427,948	\$950,870	\$7,174	\$3,459	\$5,840,799
2039	\$345,050,000	\$0	\$1,427,948	\$950,870	\$7,174	\$3,459	\$5,840,799
2040	\$345,050,000	\$0	\$1,427,948	\$950,870	\$7,174	\$3,459	\$5,840,799
2041	\$345,050,000	\$0	\$1,427,948	\$950,870	\$7,174	\$3,459	\$5,840,799

5. FINANCING METHOD

The financing method to be used in the funding of this Plan is to be obtained by Dream Design LLC, the developer. The developer will be responsible for any interest payments due that are not available from the E Anamosa Street Water Main Extension 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 into the Tax Increment District fund as property taxes are paid in succeeding years. The City of Rapid City Finance Director 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 anticipated to be made on June 1, 2032.

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

PROJECTED AMORTIZATION TABLE

20TI006-E Anamosa Street Water Extension TID - **Public Infrastructure Financing Costs**

As of January 25, 2021 - **Phase I**

1/25/2021

Annual Interest Rate 7.00%

Expires 1/4/2041 ⁽¹⁾

Pmt Date	Days Outstanding	Beginning Balance	Payment Amount	Interest Amount	Principal Amount	Ending Balance
1/4/2021		-	(\$11,432,135.41)	-	(11,432,135.41)	11,432,135.41
6/1/2021	148	11,432,135.41	\$0.00	324,484.72	(324,484.72)	11,756,620.13
12/1/2021	183	11,756,620.13	\$0.00	412,609.05	(412,609.05)	12,169,229.18
6/1/2022	182	12,169,229.18	\$0.00	424,756.11	(424,756.11)	12,593,985.29
12/1/2022	183	12,593,985.29	\$0.00	441,997.13	(441,997.13)	13,035,982.42
6/1/2023	182	13,035,982.42	\$345,328.70	455,009.36	(109,680.66)	13,145,663.08
12/1/2023	183	13,145,663.08	\$345,328.70	461,358.75	(116,030.06)	13,261,693.14
6/1/2024	183	13,261,693.14	\$551,737.10	465,430.93	86,306.17	13,175,386.97
12/1/2024	183	13,175,386.97	\$551,737.10	462,401.94	89,335.16	13,086,051.81
6/1/2025	182	13,086,051.81	\$1,052,530.10	456,756.99	595,773.11	12,490,278.71
12/1/2025	183	12,490,278.71	\$1,052,530.10	438,357.45	614,172.64	11,876,106.06
6/1/2026	182	11,876,106.06	\$1,285,301.30	414,524.91	870,776.39	11,005,329.68
12/1/2026	183	11,005,329.68	\$1,285,301.30	386,241.84	899,059.45	10,106,270.23
6/1/2027	182	10,106,270.23	\$1,529,789.30	352,750.36	1,177,038.93	8,929,231.29
12/1/2027	183	8,929,231.29	\$1,529,789.30	313,379.32	1,216,409.97	7,712,821.32
6/1/2028	183	7,712,821.32	\$1,724,480.90	270,688.33	1,453,792.56	6,259,028.76
12/1/2028	183	6,259,028.76	\$1,724,480.90	219,666.19	1,504,814.71	4,754,214.05
6/1/2029	182	4,754,214.05	\$1,881,092.90	165,941.61	1,715,151.29	3,039,062.76
12/1/2029	183	3,039,062.76	\$1,881,092.90	106,658.61	1,774,434.28	1,264,628.48
6/1/2030	182	1,264,628.48	\$1,308,769.21	44,140.73	1,264,628.48	-
Total		-	\$6,617,154.33	\$6,617,154.33		

Max Interest \$6,617,154.33

⁽¹⁾ Date based on Council approving resolution to create district at the January 4, 2021 meeting.

20TI006-E Anamosa Street Water Extension TID - **Public Infrastructure Financing Costs**

As of January 25, 2021 - **Phase II**

1/25/2021

Annual Interest Rate 7.00%

Expires 1/4/2041 ⁽¹⁾

Pmt Date	Days Outstanding	Beginning Balance	Payment Amount	Interest Amount	Principal Amount	Ending Balance
1/4/2021		-	\$0.00	-	-	-
6/1/2021	148	-	\$0.00	-	-	-
12/1/2021	183	-	\$0.00	-	-	-
6/1/2022	182	-	\$0.00	-	-	-
12/1/2022	183	-	\$0.00	-	-	-
6/1/2023	182	-	\$0.00	-	-	-
12/1/2023	183	-	\$0.00	-	-	-
6/1/2024	183	-	(\$5,492,490.83)	-	(5,492,490.83)	5,492,490.83
12/1/2024	183	5,492,490.83	\$0.00	192,763.86	(192,763.86)	5,685,254.69
6/1/2025	182	5,685,254.69	\$0.00	198,438.75	(198,438.75)	5,883,693.44
12/1/2025	183	5,883,693.44	\$0.00	206,493.46	(206,493.46)	6,090,186.90
6/1/2026	182	6,090,186.90	\$0.00	212,572.55	(212,572.55)	6,302,759.45
12/1/2026	183	6,302,759.45	\$0.00	221,200.95	(221,200.95)	6,523,960.40
6/1/2027	182	6,523,960.40	\$0.00	227,713.03	(227,713.03)	6,751,673.43
12/1/2027	183	6,751,673.43	\$0.00	236,955.99	(236,955.99)	6,988,629.42
6/1/2028	183	6,988,629.42	\$0.00	245,272.17	(245,272.17)	7,233,901.60
12/1/2028	183	7,233,901.60	\$0.00	253,880.22	(253,880.22)	7,487,781.81
6/1/2029	182	7,487,781.81	\$0.00	261,354.36	(261,354.36)	7,749,136.17
12/1/2029	183	7,749,136.17	\$0.00	271,962.83	(271,962.83)	8,021,099.01
6/1/2030	182	8,021,099.01	\$816,811.68	279,969.32	536,842.36	7,484,256.64
12/1/2030	183	7,484,256.64	\$2,125,580.90	262,666.65	1,862,914.24	5,621,342.40
6/1/2031	182	5,621,342.40	\$2,370,068.90	196,207.95	2,173,860.94	3,447,481.46
12/1/2031	183	3,447,481.46	\$2,370,068.90	120,992.43	2,249,076.46	1,198,404.99
6/1/2032	183	1,198,404.99	1,240,464.08	42,059.09	1,198,404.99	-
Total		-	\$3,430,503.62	\$3,430,503.62		

Max Interest \$3,430,503.62

AMENDMENT #1 PROJECT PLAN OCTOBER 2023

Amendment #1 reallocates funds from Phase I, Phase II, and contingency costs in order to reconcile COVID supply chain challenges, unanticipated financing costs, and project costs to construct a regional booster station. Additionally, the amendment introduces the City as “Developer 2,” which will up front the costs of the booster station in Phase 1A and be paid back for such costs from the TIF fund. The South Dakota Department of Revenue established the District’s base valuation at \$37,637,700; this base valuation will not change with this Amendment. The district boundary remains unchanged with this amendment.

For Phase 1, the Project Plan Amendment includes \$15,154,544 for Total TIF Funded Developer Project Costs, excluding financing. Developer financing is anticipated at 7% and will not exceed \$9,738,703.42. For Phase 1A the City costs include \$4,477,000 for the construction of the booster station and no more than \$5,600,000 for financing. The financing of the Booster Station in Phase 1A will be done by the City under the terms and discretion of the City’s Finance Director.

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 time limit. A summary of the changes are outlined below:

- 1) Increase total project costs by 34.6% to a total of \$34,970,248.01.
- 2) Reallocation of project costs within line items and between phases.
- 3) Revise the Phasing/Phasing Boundaries to show Phase 1 East Anamosa extension boundary extending 700 feet east of the intersection with North Valley Drive, in order to connect water mains to the Diamond Ridge Subdivision.
- 4) Introduce new Phase 1 project costs not previously included in the plan:
 - a. The reconstruction of Mickelson Drive approximately 1,900 feet in length extending south from E. Anamosa Street. This section of Mickelson Drive shall replace the street through Brookdale Estates mobile home park (located at 1702 E. Highway 44) and connect to the existing segment of Mickelson Drive that extends north from SD Highway 44 along the Western Dakota Technical Institute campus. This project element includes major grading, utility extension and adjustment, and surfacing. It also includes extending a 16” water main from East Anamosa’s 20” low pressure line to the south end of the newly constructed Mickelson Drive. The construction of arterial street lights with break-away poles spaced at around 200 feet along E. Anamosa Street within the entirety of Phase 1 (Revised Project Plan) boundary.
 - b. Pond 220 remains in Phase 1, which will be developer funded. The construction of detention ponds 310, 320, and 220 are in Phase 1.

- 5) Introduce the City as Developer 2, who will up front the costs of the booster station in Phase 1A to be repaid through the TID after the developer certifies the costs for Phase 1, which is anticipated sometime after 2035.
 - a. The financing of the Booster Station will be done by the City under the terms and discretion of the City’s Finance Director.
 - b. The imputed administrative fee of \$5,000 will be waived to accommodate separating out the booster station from phase 1 certification.
- 6) Phase 2 is not TIF funded.

The developer is Yasmeen Dream, LLC, and any reference in the original Project Plan to a “developer” will be considered as a reference to Yasmeen Dream, LLC.

The following sentence on page 11 in the original Project Plan shall be deleted:

“The financing method to be used in the funding of this Plan is to be obtained by Dream Design LLC, the developer.”

Said sentence shall be replaced with the following sentence:

“The financing method to be used in the funding of this Project Plan is to be obtained by Yasmeen Dream, LLC (developer).”

The following update to Exhibit A identifies the cost reallocations for Tax Increment District 84 and will replace the original project cost tables:

DESCRIPTION OF ITEM	Original Project Plan	TIF Funded Project Costs Amendment #1
PHASE 1- Developer I		
Capital Costs		
E Anamosa Street (grading & water mains)	\$3,902,227.95	\$3,309,429.21
E Anamosa Street construction (without services)	\$2,499,425.00	\$5,044,943.28
N Valley Drive Grading	\$1,047,900.00	\$1,047,900.00
Mickelson Drive (offsite, grading & 12” water main) *Changed to 16” water main with amendment*	\$813,068.00	\$1,195,528.54
Regional Drainage Improvements	\$809,726.65	\$809,726.65
Pond 220 (including Professional Fees and Contingencies)	-	\$400,000.00
Booster Station	\$950,000.00	\$570,000.00
Construction Costs – Phase I	\$10,022,347.60	\$12,377,527.68
Other Development Costs		
Professional / Construction Admin Fees	\$801,787.81	\$801,787.81
Regional Detention Land	\$608,000.00	\$608,000.00

DESCRIPTION OF ITEM	Original Project Plan	TIF Funded Project Costs Amendment #1
Acquisition		
Contingency	\$902,011.28	\$200,000.00
Mickelson Through Mobile Home Park	\$0	\$357,229.10
Lights Along E. Anamosa Street	\$0	\$790,000.00
Necessary and Convenient	\$20,000.00	\$20,000.00
Financing	\$6,058,359.93	\$9,738,703.42
TOTAL COSTS – PHASE I	\$18,412,506.62	\$24,893,248.01

DESCRIPTION OF ITEM	Original Project Plan	TIF Funded Project Costs Amendment #1
PHASE 1A- Developer II (CITY)		
Capital Costs		
Booster Station (Professional Fees & Contingencies)	\$0	\$4,477,000.00
Construction Costs – Phase I	\$0	\$4,477,000.00
Other Development Costs		
Financing	\$0	\$5,600,000.00
TOTAL COSTS – PHASE IA	\$0	10,077,000.00

DESCRIPTION OF ITEM	Original Project Plan	COSTS NOT FUNDED BY TIF
PHASE II - (Developer)		
Capital Costs		
E Anamosa Street Grading & Water Mains	\$3,051,068.90	\$3,061,570.00
E Anamosa Street construction (without services)	\$1,749,663.00	\$1,391,774.45
Regional Drainage Improvements	\$332,437.10	\$373,991.74
Construction Costs – Phase II	\$5,133,169.00	\$4,827,336.19
Other Development Costs		
Professional / Construction Admin Fees	\$359,321.83	\$359,321.83
Contingency	\$461,985.21	\$461,985.21
Necessary and Convenient	\$20,000.00	\$20,000.00
Financing	\$1,591,640.07	\$0.00
TOTAL COSTS – PHASE II	\$7,566,116.11	\$5,668,643.23

AMENDMENT #2 PROJECT PLAN

July 2024

Amendment #2 to the Project Plan will allow all grading costs associated with N. Valley Drive; striking out only allowing costs up to 300 feet from the centerline detailed on page 6. The total grading costs for N. Valley Dr. remain the same not to exceed \$1,047,900.