some revenue there. Checking with a local self-service laundry, the cost for a wash/dry of a load is $5 or more – assuming just 2 loads a week minimum, a tenant would be spending over a $40 a month out of pocket for laundry. We believe strongly that tenants will see the value in the increased rent we will charge for in unit laundry – the tenants’ out of pocket expenses will likely remain the same and the time saved will be considerable.

**Purpose of the Tax Increment Financing:**

Put simply, in return for approval of Tax Increment Financing for this project we will agree to a 20 year period of holding rents lower than market and reserving half the units for income qualified tenants. The benefit to the City we believe is the addition of affordable housing in a developed area of the City, providing housing close to many employment opportunities and close to public transportation where the tenants will be able to find housing at a rent level that provides them current security and hopefully future mobility. And the project does not increase the burden on the City – there are no new roads to plow or repair, no new pipes to maintain, and no new streets to patrol.

**Project Costs to be Funded by Tax Increment Financing (estimated):**

1. Land Acquisition Costs: 
   - Land: $360,000
   - Appraisal: $5,000
2. Professional Fees: $120,000
3. Onsite Drainage/Utility Costs/Sidewalk Costs: $245,000
4. Imputed Administrative Fee: $20,000
5. Financing Costs: $928,574

Total: $1,678,574

**Preliminary Development Financing Plan:**

We are currently looking at financing the Tax Increment Financing with conventional private financing. Please see attached for letter of interest. For our proposed financing costs we have used an interest rate of 6.5%. We are also exploring financing the apartment complex using the Community Housing Development Program offered by South Dakota Housing Development Authority. We have attached the basic terms of that program as well, however we have not been accepted as of yet.

**Persons or Entities With an Interest in the Project:**

Creek Drive Apartments LLC is the sole owner of this project. James Letner, Peter Schmid, and Erik Braun are the owners of Creek Drive Apartments LLC.

**Pro Forma:**

Please see attached. The pro forma we have attached is based off receiving the Tax Increment Financing proposed as well as being approved for the Community Housing Development Program offered by the