



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

## PUBLIC WORKS DEPARTMENT

300 Sixth Street


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### MEMORANDUM

TO: .16 Utility Fund Committee

THROUGH: Mayor Hanks

FROM: Dirk Jablonski, Public Works Director 

DATE: January 9, 2008

RE: Infrastructure Oversize Costs  
Morningstar Development

Morningstar Development is currently under consideration for designation as a TIF District. The water supply improvements, shown in orange on the attached plat, will be privately funded with repayment through the proposed TIF. Other water main improvements, shown in yellow, and sewer improvements, shown in pink, will be privately funded.

The water improvements shown in yellow and the sewer improvements shown in pink will be sized to meet just the needs of the development. The City has an interest in increasing the size of these pipes (oversizing) to meet the needs of the region. The elimination of the Elks Club Lift Station would be facilitated by the oversizing of the sewer. A larger water storage reservoir would also be needed. Oversizing costs have traditionally been borne by the City.

Following is a summary of the costs:

- TIF funded improvements: \$4,801,498\*
- Privately funded improvements: \$ 725,420
- Oversizing Costs: \$2,355,403\*
  
- includes \$1,000,000 for a larger reservoir

The oversizing costs shown include \$1,000,000 for a larger reservoir. The remainder, \$1,355,403, is for pipe oversizing.

It is hereby requested that \$2,355,403 be allocated from the .16 Utility Fund to pay for the City's oversizing costs.

The cost of the pipe oversizing would be reimbursed through connection fees. The reservoir cost, which is typically paid by the City, would be recovered through the TIF.