



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Growth Management Department

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MEMORANDUM

TO: Rapid City Council

FROM: Karen Bulman, Planner II

DATE: September 11, 2008

RE: Oversizing Costs for Hwy 16B Sewer Tax Increment District

Based on conversations at the September 2, 2008 City Council meeting, there was interest in the potential for the City to be reimbursed for the oversizing costs of the lift station and force main that will provide service to the Hyland Crossing Subdivision.

Attached is a copy of the revised project costs indicating the City's reimbursement for the oversizing costs that could be incorporated into the updated Project Plan.

The City Council may wish to consider including the City's oversizing costs and approve the Project Plan with these revised costs.



EQUAL OPPORTUNITY EMPLOYER

Hwy 16B Sewer Project City Oversizing Costs

Proposal for Oversizing Costs paid by Developer and City:

\$2,050,000 Capital Costs for sanitary sewer main, abandon two lift stations, sewer force main oversizing, and lift station oversizing to be paid in 12 years with \$2,115,690.18 in interest costs. Project funded by developer and City.

Total Costs for Developer:

Capital Costs:	
Sanitary Sewer Main	\$ 1,350,000.00
Abandoning two Lift Stations	\$ 100,000.00
Professional Service Costs	
Engineering Costs:	
Sanitary Sewer Main	\$ 135,000.00
Abandoning two Lift Stations	\$ 10,000.00
Financing Costs:	
Financing interest	\$ 1,662,343.53
Contingency Costs:	\$ 72,500.00
Relocation Costs:	\$ 0
Organizational Costs:	\$ 0
Necessary and Convenient Costs:	\$ 72,500.00
<u>TOTAL</u>	<u>\$ 3,402,343.53</u>

Total Costs for City:

Capital Costs:	
City Oversizing Costs for lift station and force main	\$ 600,000.00
Professional Service Costs	
Engineering Costs:	
Oversizing costs for lift station and force main	\$ 60,000.00
Financing Costs:	
Financing interest	\$ 453,346.65
Contingency Costs:	\$ 30,000.00
Relocation Costs:	\$ 0
Organizational Costs:	\$ 0
Necessary and Convenient Costs:	\$ 30,000.00
<u>TOTAL</u>	<u>\$ 1,173,346.65</u>

Tax Increment District - Highway 16B Sewer Public Improvements - Revised with Oversizing Costs

