

ENGINEERING

LANDSCAPE ARCHITECTURE

LAND PLANNING



DREAM DESIGN
INTERNATIONAL, INC.

CONSTRUCTION OBSERVATION

REAL ESTATE DEVELOPMENT

PROPERTY MANAGEMENT

08TI012

September 29, 2008

Ms Marcia Elkins
Growth Management Director
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Mall Ridge Lift Station Tax Increment District #55

Dear Ms Elkins:

Attached are four copies of an application to reallocate funds for the Mall Ridge Lift Station Tax Increment District #55. This district is located along Country Road from the west section line of Section 13 to 143rd Street. Reallocating funds will cover additional costs for design and construction of the Lift Station, installation of the Brookfield holding tank, and the lowering of the Brookfield force main.

We are proposing to pay for these additional costs by reallocating funds from items with remaining funds, which include the Freeland Meadows force main and gravity sewer design and construction, pumping and hauling of Brookfield holding tank, and Other Necessary and Convenient Costs.

After reallocating funds for the completed design and construction items, \$160,550.62 remains in the Tax Increment District. We are proposing to add a second Phase to this Tax Increment District – Reconstruction of West Nike and Country Road Intersection. This existing intersection does not meet the City of Rapid City's minimum design standards for intersections.

Please consider this letter as a request to reallocate funds in the existing Tax Increment District #55 and for further information, please refer to the attached Tax Increment District #55 Reallocation spreadsheet. The Developer and Dream Design International, Inc. thank you for your consideration. Please contact us if you have any questions.

Sincerely,
DREAM DESIGN INTERNATIONAL, INC.

Tonya Tordsen, PE
Project Manager
cc: Freeland Meadows, LLC

RECEIVED

SEP 29 2008

Rapid City Growth
Management Department

528 KANSAS CITY STREET, SUITE 4 ♦ RAPID CITY, SOUTH DAKOTA 57701
PHONE: 605.348.0538 ♦ FAX: 605.348.0545 ♦ DREAMDESIGNINC.COM

designing for a better world

DEVELOPMENT SERVICES CENTER

Growth Management Department

City of Rapid City

300 Sixth Street, Rapid City, SD 57701-2724

Phone: (605) 394-4120

Fax: (605) 394-6636

Web www.rcgov.com

**APPLICATION FOR
TAX INCREMENT
FINANCING****LEGAL DESCRIPTION**Legal Description *(Attached additional sheets as necessary)*Location Tax Increment District Fifty-Five Re-allocation

Size of Site-Acres

APPLICANTName Freeland Meadows, LLC Phone _____Address 801 Mt. Rushmore Road Fax _____City, State, Zip Rapid City, SD 57701

PROJECT PLANNER - AGENT

Name Dream Design Int, Inc. Phone 348-0538Address 528 Kansas City St., Ste. 4 Fax 348-0545City, State, Zip Rapid City, SD 57701

Property Owner Signature	Date	Property Owner Signature	Date
<u>Boyce Kennedy</u>	<u>4-1-08</u>		
Applicant Signature (if difference from Property Owner)	Date	Applicant Signature (if difference from Property Owner)	Date
<u>Boyce Kennedy</u>			
Print Name: <u>Boyce Kennedy</u>		Print Name: _____	
Title* <u>Managing member</u>		Title* _____	
*required for Corporations, Partnerships, Etc.		*required for Corporations, Partnerships, Etc.	

An application for the use of TIF must include the information listed below. The TIF Project Review Committee may waive any required information. **Attachments may be provided in order to fully provide the following information.**

APPLICATION INFORMATION <i>(attach additional sheets as necessary)</i>	Submitted
1. A detailed project description.	<input type="checkbox"/>
2. Purpose of the Tax Increment Financing.	<input type="checkbox"/>
3. List of project costs to be funded by the TIF.	<input type="checkbox"/>
4. A development financing plan, including sources of funds and loan terms.	<input type="checkbox"/>
5. A preliminary commitment for financing and/or equity.	<input type="checkbox"/>
6. A proforma indicating projected costs and revenues.	<input type="checkbox"/>
7. A statement and demonstration that the project would not proceed without the use of TIF.	<input type="checkbox"/>
8. A statement identifying the specific Mandatory and Discretionary evaluation criteria that the applicant believes the request meets <i>(Please refer to the Tax Increment Financing Guide for specific evaluation criteria).</i>	<input type="checkbox"/>
9. Preliminary plans for the project.	<input type="checkbox"/>
10. A development time schedule.	<input type="checkbox"/>
11. If applicable, a list of public improvements which will be constructed along with the project.	<input type="checkbox"/>
12. Corporation or partnership papers if applicable.	<input type="checkbox"/>
13. An audited financial statement of the corporation, partnership, or individual for the most recent five calendar year(s) or the life of the company if appropriate.	<input type="checkbox"/>

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**APPLICATION FOR
TAX INCREMENT
FINANCING**

14. A copy of the proposed wage scale, employee benefits package, and full and part time employment levels unless waived by the Tax Increment Financing Project Review Committee or, in the case of an affordable housing project, a copy of the applicable federal housing grant program.	<input type="checkbox"/>
15. Other information that may be required by the Project Review Committee.	<input type="checkbox"/>

TAX INCREMENT DISTRICT #55 REALLOCATION
SEPTEMBER, 2008

Project Costs	Approved Costs			Changes	Amended Costs
	Oct 2005	May 2006	July 2006		
<u>CITY FUNDED PROJECT COSTS:</u>					
Capital Costs:					
City's share of the lift Station	\$ 990,000.00	\$ 784,892.50	\$ 784,892.50	\$ 619.47	\$ 785,511.97
Financing Costs:					
Financing interest	\$ 718,654.76	\$ 484,100.95	\$ 617,469.65		\$ -
Contingency Costs:			\$ -		
Relocation Costs:			\$ -		
Organizational Costs:			\$ -		
Necessary and Convenient Costs:					
Design and construction maintenance of lift station		\$ 110,261.00	\$ 110,261.00	\$ 42,260.00	\$ 152,521.00
Brookfield force main		\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00
Brookfield force main construction		\$ 83,346.00	\$ 83,346.00	\$ 18,786.36	\$ 102,132.36
Holding tank construction		\$ 4,000.00	\$ 4,000.00	\$ 13,355.44	\$ 17,355.44
Pumping and Hauling of Brookfield Holding Tank			\$ 65,000.00	\$ (32,080.00)	\$ 32,920.00
Other Necessary and Convenient Costs	\$ 450,000.00	\$ 233,537.23	\$ 35,168.53	\$ (35,168.53)	\$ -
TOTAL WITHOUT FINANCING =	\$ 1,440,000.00	\$ 1,223,536.73	\$ 1,090,168.03	\$ 7,772.74	\$ 1,097,940.77
TOTAL	\$ 2,158,654.76	\$ 1,707,637.68	\$ 1,707,637.68		
<u>DEVELOPER FUNDED PROJECT COSTS:</u>					
Capital Costs:					
Developer's share of Lift Station	\$ 760,000.00	\$ 150,707.50	\$ 150,707.50	\$ 206,201.17	\$ 356,908.67
Professional Service Costs			\$ -		\$ -
Financing Costs:					
Financing interest	\$ 692,160.74	\$ 788,220.32	\$ 642,215.79		\$ -
Contingency Costs:			\$ -		\$ -
Relocation Costs:			\$ -		\$ -
Organizational Costs:			\$ -		\$ -
Necessary and Convenient Costs:					
Freeland Meadows force main		\$ 473,230.00	\$ 275,620.00	\$ (7,100.00)	\$ 268,520.00
Freeland Meadows gravity sewer		\$ 275,620.00	\$ 473,230.00	\$ (6,020.00)	\$ 467,210.00
Phase 2 - Intersection Reconstruction:					
West Nike and Country Road			\$ -	\$ 160,550.62	\$ 160,550.62
Other Necessary and Convenient Costs		\$ 215,400.00	\$ 361,404.53	\$ (361,404.53)	\$ -
TOTAL WITHOUT FINANCING =	\$ 760,000.00	\$ 1,114,957.50	\$ 1,260,962.03	\$ (7,772.74)	\$ 1,253,189.29
TOTAL	\$ 1,452,160.74	\$ 1,903,177.82	\$ 1,903,177.82		
TOTAL WITHOUT FINANCING =	\$ 2,200,000.00	\$ 2,338,494.23	\$ 2,351,130.06	\$ 0.00	\$ 2,351,130.06
TOTAL PROJECT COSTS =	\$ 3,610,815.50	\$ 3,610,815.50	\$ 3,610,815.50	\$ 0.00	\$ 3,610,815.50

Responsibility of City of Rapid City

Responsibility of Developer

FREELAND MEADOWS, LLC TID #55 DRAW REQUEST SUMMARY

Loan Number:

REQUEST NUMBER	DATE:	CAPITAL COSTS (LIFT STATION):	NECESSARY & CONVENIENT COSTS						TOTALS:
			DATE:	(FORCE MAIN):	DATE:	(GRAVITY SEWER):	DATE:	(OTHER):	
		\$150,707.50		\$275,620.00		\$473,230.00		\$361,404.53	
1			11/27/2006	\$2,607.00	12/28/2006	\$4,438.00			\$7,045.00
2			1/23/2007	\$184,501.73	1/23/2007	\$350,144.50			\$534,646.23
3			3/23/2007	\$7,098.75	3/23/2007	\$21,296.25			\$28,395.00
4			3/29/2007	\$14,317.85	3/23/2007	\$24,378.00			\$38,695.85
5			4/19/2007	\$359.15	4/19/2007	\$359.15			\$718.30
6			7/18/2007	\$54,506.53	7/18/2007	\$61,464.82			\$115,971.35
7			8/23/2007	\$4,541.77	8/23/2007	\$4,541.76			\$9,083.53
8			10/15/2007	\$586.98	10/15/2007	\$586.98			\$1,173.96
									\$0.00
TOTALS:		\$0.00		\$268,519.76		\$467,209.46		\$0.00	\$ 735,729.22
AMOUNT REMAINING:		\$150,707.50		\$7,100.24		\$6,020.54		\$361,404.53	

COUNTRY ROAD REGIONAL LIFT STATION SSO3-1255 / CIP 50376
COST SUMMARY

Construction	Contr. Total		TIF PROJECT PLAN COSTS			difference (total less actual)
			city	developer	total	
RCS Construction	\$ 1,141,801.17	\$ 1,141,801.17	\$ 784,892.50	\$ 150,707.50	\$ 935,600.00	\$ (206,201.17)
Qwest (phone line)	\$ 619.47	\$ 619.47				\$ (619.47)
Lift Station Design						
CETEC						
original contract	\$ 37,336.00	\$ 37,336.00				
Amend #1	\$ 70,000.00	\$ 107,336.00				
Amend #2	\$ 2,715.00	\$ 110,051.00				
Amend #3	\$ 6,872.00	\$ 116,923.00				
Amend #4	\$ 35,598.00	\$ 152,521.00	\$ 110,261.00		\$ 110,261.00	\$ (42,260.00)
Freeland Meadows Forcemain		unknown		\$ 473,230.00	\$ 473,230.00	unknown
Freeland Meadows Gravity Sewer		unknown		\$ 275,620.00	\$ 275,620.00	unknown
Brookfield Holding Tank - pumping						
May-06	\$ 812.00	\$ 812.00				
Jun-06	\$ 824.00	\$ 1,636.00				
Jul-06	\$ 1,820.00	\$ 3,456.00				
Aug-06	\$ 2,384.00	\$ 5,840.00				
Sep-06	\$ 3,000.00	\$ 8,840.00				
Oct-06	\$ 3,320.00	\$ 12,160.00				
Nov-06	\$ 3,160.00	\$ 15,320.00				
Dec-06	\$ 2,960.00	\$ 18,280.00				
Jan-07	\$ 4,200.00	\$ 22,480.00				
Feb-07	\$ 4,520.00	\$ 27,000.00				
Mar-07	\$ 4,880.00	\$ 31,880.00				
Apr-07	\$ 1,040.00	\$ 32,920.00	\$ 65,000.00		\$ 65,000.00	\$ 32,080.00
Brookfield Holding Tank - installation						
Rapid Construction	\$ 13,868.44					
J&D Precast	\$ 3,487.00	\$ 17,355.44	\$ 4,000.00		\$ 4,000.00	\$ (13,355.44)
Brookfield Force Main						
Design - Sperlich Consulting	\$ 7,499.93	\$ 7,499.93	\$ 7,500.00		\$ 7,500.00	\$ 0.07
Const. - Rapid Const	\$ 83,174.00					
Const. - Rapid Const (lowering)	\$ 18,958.36	\$ 102,132.36	\$ 83,346.00		\$ 83,346.00	\$ (18,786.36)
Other Necessary & Convenient Costs						
Subtotal		\$ 1,454,849.37	\$ 35,168.53	\$ 361,404.53	\$ 396,573.06	
Financing Costs (per TIF project plan)			\$ 1,090,168.03	\$ 1,260,962.03	\$ 2,351,130.06	\$ (249,142.37)
Total (per current TIF project plan)			\$ 617,469.65	\$ 642,215.79	\$ 1,259,685.44	
			\$ 1,707,637.68	\$ 1,903,177.82	\$ 3,610,815.50	