

South Rapid City Tax Increment District

(1.) Detailed Project Description:

This Tax Increment District is proposed to assist in the development of property located along Catron Boulevard, South U.S. Highway 16, Sammis Trail, and Moon Meadows Drive. The Tax Increment Funds would be split into two proposed phases of construction. The first phase consists of the design and construction of sanitary sewer gravity main, water main, and the reconstruction of the intersection of South U.S. Highway 16 and Moon Meadows drive construction to include turn lanes and relocation of Sammis Trail access. The second (Moon Meadows) phase includes the design and installation of traffic signal at the intersection of South U.S. Highway 16 and Moon Meadows Drive and water. . The third proposed phase includes the design and installation of a lift station for the proposed residential areas. The immediate need is being requested in this proposal will be the start of phases I and II.

This project is part of an existing tax increment district number 70 created October 30th, 2008. The area included within the proposed tax Increment District includes approximately 658 acres beginning at Catron Blvd from Fifth Street to South U.S. Highway 16, south to Sammis Trail, and east to the proposed Hyland Crossing Subdivision as shown on Exhibit A. The approximate future land use for the proposed Tax Increment District include 340 acres of low density residential, 28 acres of medium density residential, 150 acres of commercial and 14 acres of right-of-way for South U.S. Highway 16 and Catron Boulevard. The “US Highway 16 Neighborhood Area Future Land Use Map” is attached.

The proposed improvements for sanitary sewer generally conform to the future plans shown in the “Conceptual Water and Sanitary Sewer System for Highway 16 Neighborhood Area Future Land Use Plan, February 28, 2005.”

The total estimated project cost is \$3,339,182.

(2.) Purpose of the Tax Increment Financing.

Phase 1: Sanitary Sewer Gravity Main

This part of the project phase will include approximately 6,600 lineal feet of 12” gravity main between Catron Boulevard and Moon Meadows Road just east of U.S. Highway 16.

In addition to providing additional service to areas unsewered within City limits this project plan will allow growth to continue in the proposed area creating more growth for the City. The estimated cost for the gravity sewer main and associated grading is near \$1,632,903 which includes design and construction costs.

PHASE II: Reconstruction of US HWY 16 AND Moon Meadows Intersection, to include Relocation of Sammis Trail.

The Major Street Plan shows a Proposed Principal Arterial road connecting south U.S. Highway 16 at Moon Meadows Drive to the Hyland Crossing Subdivision. Due to this new road alignment, the intersection of South U.S. Highway 16 and Moon Meadows Drive also requires construction and relocation/vacation of the Sammis Trail road for public safety. The South Dakota Department of transportation is requiring the reconstruction of the existing intersection in order to accommodate the expansion in this area. The new intersection will create two new turn lanes, one east bound and one west bound with paved medians between the through lanes and the turn lanes. The reconstruction of the intersection will include all incidental activities including traffic control, storm sewer modifications, grading, removals, striping, etc. This task also includes the installation of traffic signals for the reconstructed intersection of South U.S. Highway 16 and Moon Meadows Drive. Installation of these signals should be installed as determined by traffic Studies for the area. The estimated cost of the intersection reconstruction including the signals is \$1,319,302.

Moon Meadows 16” Water Main.

This includes crossing US HWY 16 with a 16” water main. This water main will continue to the east along the new proposed Moon Meadows Road. This water main will serve future development in this area. It is also our understanding that the City has planned for a well site and a reservoir within the area. The new 16 water main: will provide the major connections and the looping required for these components. This water main is regional in nature. The estimated costs associated with the water main construction are estimated at \$104,178.

(3) List of project costs to be funded: **See Tab 3**

A detailed list of costs to the project is included in line item proforma. To include Necessary and Incidental Costs and Contingency listed. The proposed project costs are to be the cost of project included in the TIF the total cost of the project is to encompass the developers total cost of infrastructure to develop the site. Further detail in items 6 and 7.

(4) Financing Plan: **See Tab 4**

A letter addressing the agreement to finance is included from Great Western Bank for the amount of TIF. Terms and Conditions are outlined in the letter. The developers benefiting from these improvements will front all of the costs associated with this Tax Increment District. Developers intend to borrow the funds necessary to complete these improvements and pay back the loan by the proceeds from the Tax Increment District.

(5) Applicant Identity: **See Tab 12**

Alta Terra, LLC is the name of the applicant. Included in the enclosed paperwork is the Letters of Incorporation for Alta Terra LLC showing membership and structure of the company.

(6)/(7) Proforma with Project Cost and Revenues/Statement and demonstration the project would not proceed without Tax Increment Financing: **See Tab 6/7**

The proforma showing cost vs. revenue is included and shows the project's need for the TIF which is also an answer to the requirement of number 7. With the project basic infrastructure costing well over 5 million dollars, plus the land purchase price in the basis for the ownership you will find a huge need for the TIF in order for the project to be feasible and essential to the progress of starting development in this area. Without the sewer and other infrastructure the development will not begin and without the help of the Tax Increment Financing the ownership will need to stop any further planning of projects in this area.

(8) Statement identifying the specific evaluation criteria: **See Tab 8**

This statement would come from the TIF# 70 already established by the city in October 30, 2008. According the city of Rapid City home page the TIF currently shows this evaluation. Criteria!

1. The project must demonstrate that it is not economically feasible without the use of Tax Increment Financing. In addition, if the project has site alternatives, the proposal must demonstrate that it would not occur in Rapid City without Tax Increment Financing.
2. The project will eliminate actual or potential hazard to the public. Hazards may include condemned or unsafe buildings, sites or structures.
3. All proceeds are used for the construction of public improvements and that project costs are limited to those specific costs associated with a site that exceed the typical or average construction costs.

(9) Conceptual plans, sketches, maps or site plans for the project:

Attached are the conceptual drawings of the plan, along with signage and building structure concepts to show the potential look of the developed area once the project is completed. With the amount dollars the developer will need to spend to bring these concepts to fruition it is imperative the TIF is granted. The site concepts also show potential uses planned in each of the areas.

(10) Development time schedule including specific phasing of improvements and project costs: **See Tab 10**

It is anticipated that construction of some of the components of the project will be started during the early spring of 2012, and continue to the fall of 2013. Phase I of the project will be completed by fall 2012. Phase II of the project will be completed by late summer 2013.

(11) List of other public improvements:

The project plan for the Tax Increment District includes the items listed in Figure 1. Additional improvements include several thousand feet of roads, utility mains, drainage detention ponds and major drainage facilities within the subdivision. Other offsite road and utility improvements along Moon Meadows Road are necessary to provide a safe access to the project. The estimated costs for the constructed public improvements not included in the Tax Increment District are estimated as listed below:

Internal Roads	\$1,500,000.00
Drainage Facilities	\$ 700,000.00
Major Internal Road	\$1,500,000.00
Offsite Moon Meadows	\$1,500,000.00
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Total Non-Tax Increment Improvements	\$5,200,000.00

For a detailed explanation see

(12) Corporate Papers: **See Tab 12**

The incorporated paperwork for Alta Terra is attached as number 12

(13) Financial Statements:

The financial records are not available as this is a new company and have not been filed as of this date.

(14) Wage Scale: **See Tab 14**

Although this infrastructure project would not have a wage scale applicable we heave attached a proposed scale that the development once receiving public utilities could perform has been attached as an idea of the magnitude of the potential in this area.