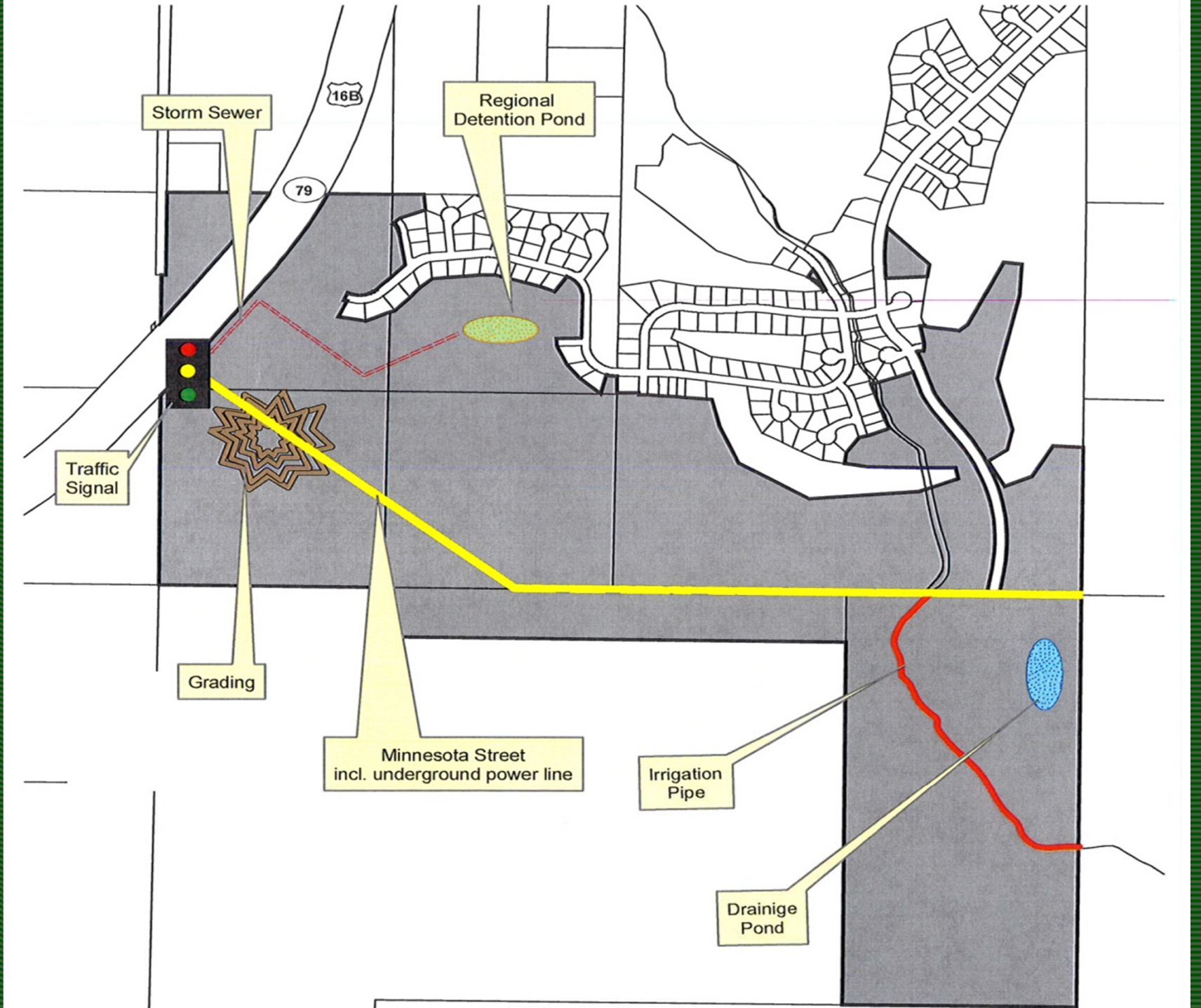


DREAM DESIGN
INTERNATIONAL, INC.

Minnesota Street TIF

Hani Shafai, PE

ent District. No. 65 – Minnesota Street Zoning Ma



EAST MINNESOTA STREET SECTION 21 EXTENSION

RAPID CITY, SOUTH DAKOTA

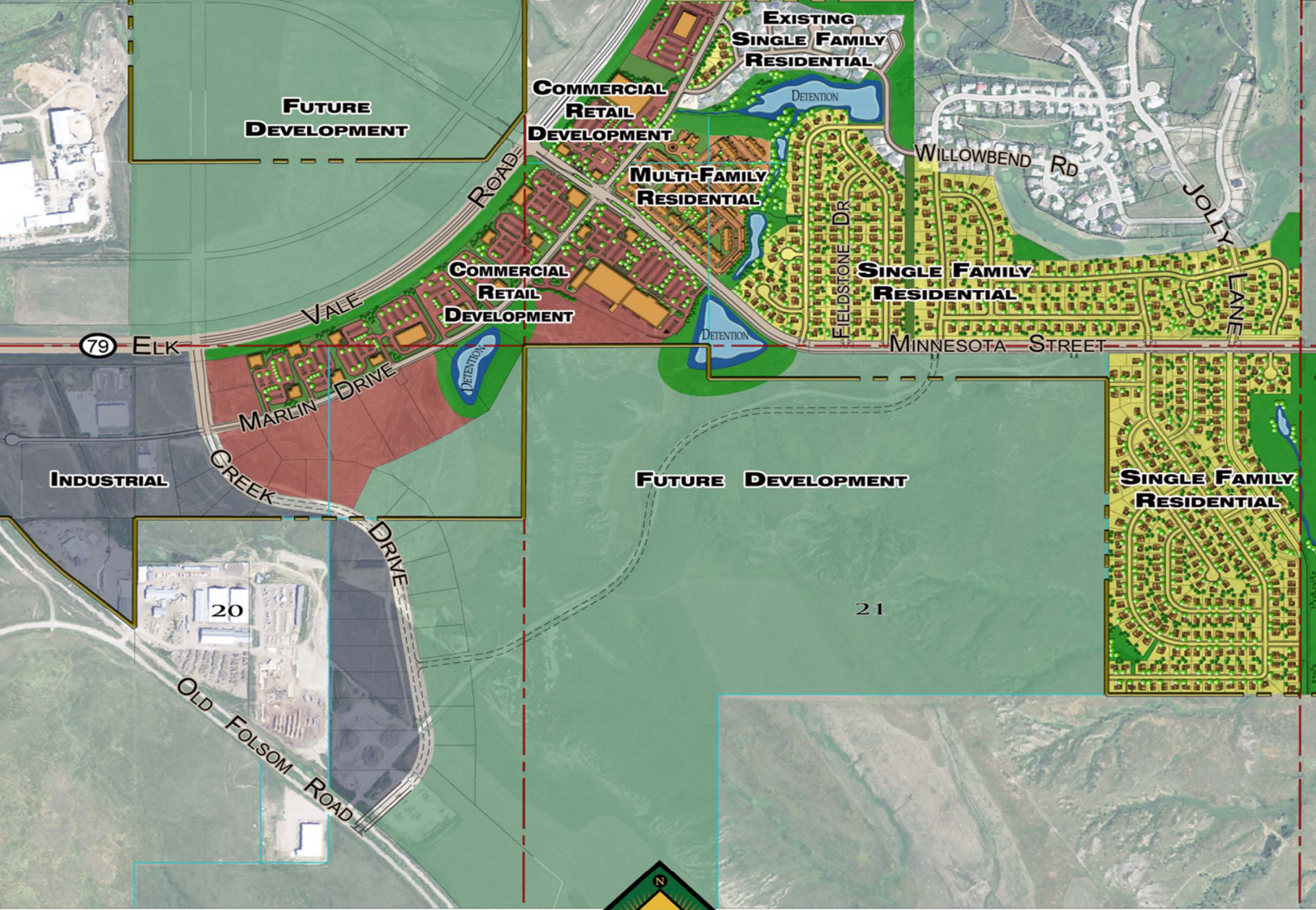
DDI PROJECT NO. 12-0644



DREAM DESIGN
INTERNATIONAL INC.

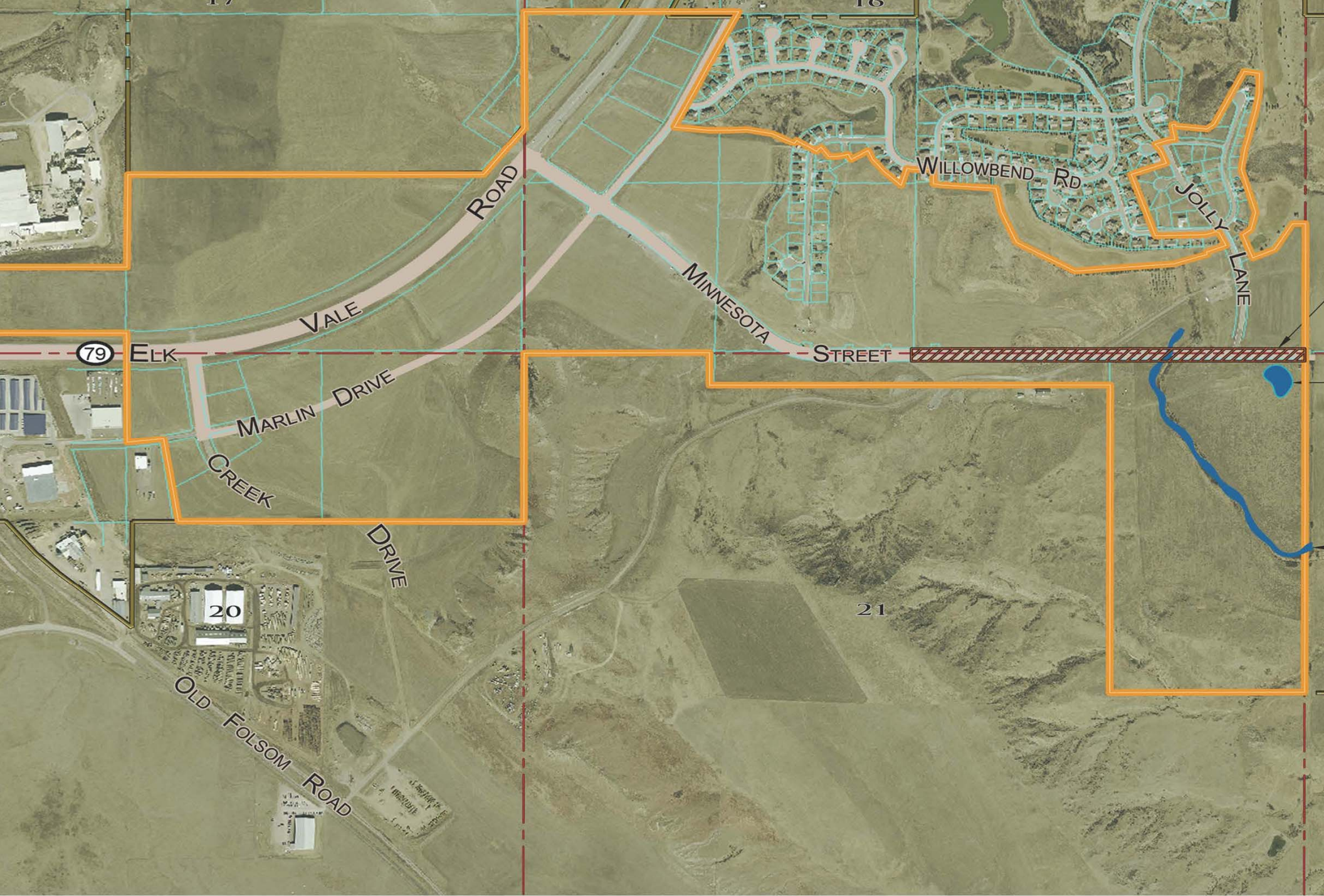
528 Kansas City Street, Suite 4 ♦ Rapid City, SD 57701
(P) 605.348.0538 ♦ (F) 605.348.0545 ♦ engineers@dreamdesigninc.com

SET # 14



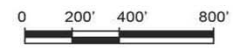
R · PLAN





MINNESOTA STREET TIF
RAPID CITY, SOUTH DAKOTA

JANUARY 28, 2013

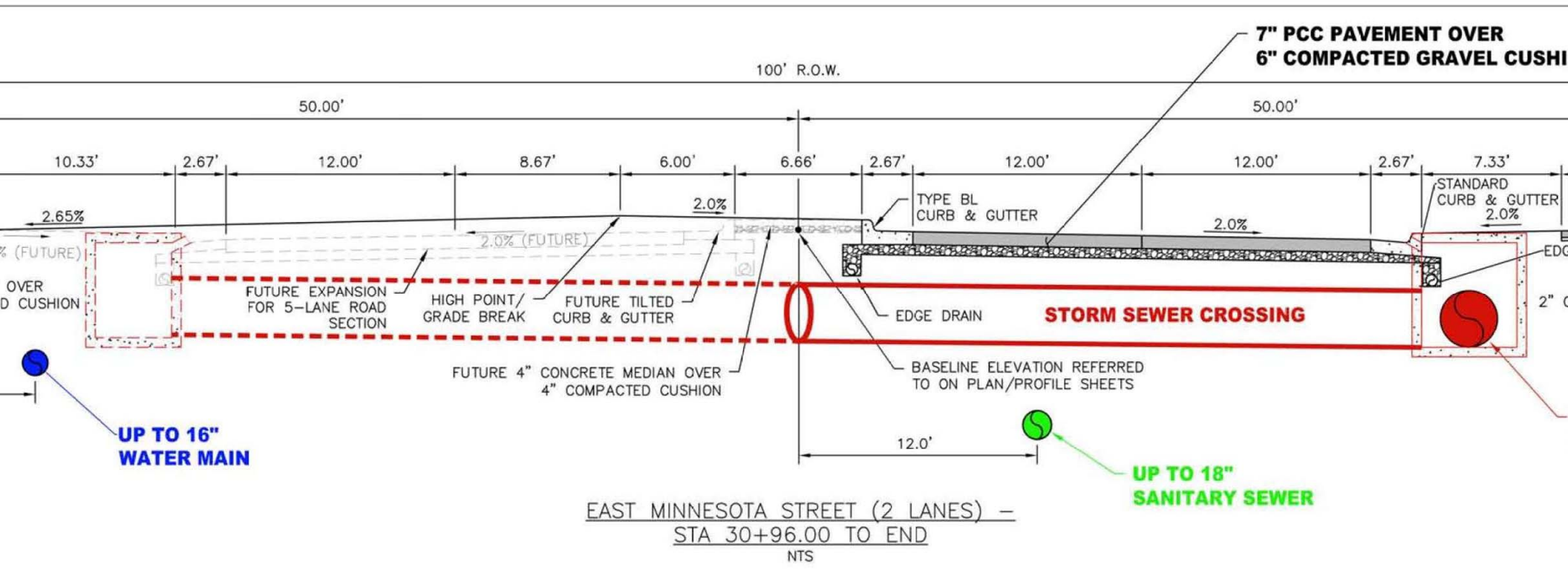


ed Probable Costs/TIF Improvements

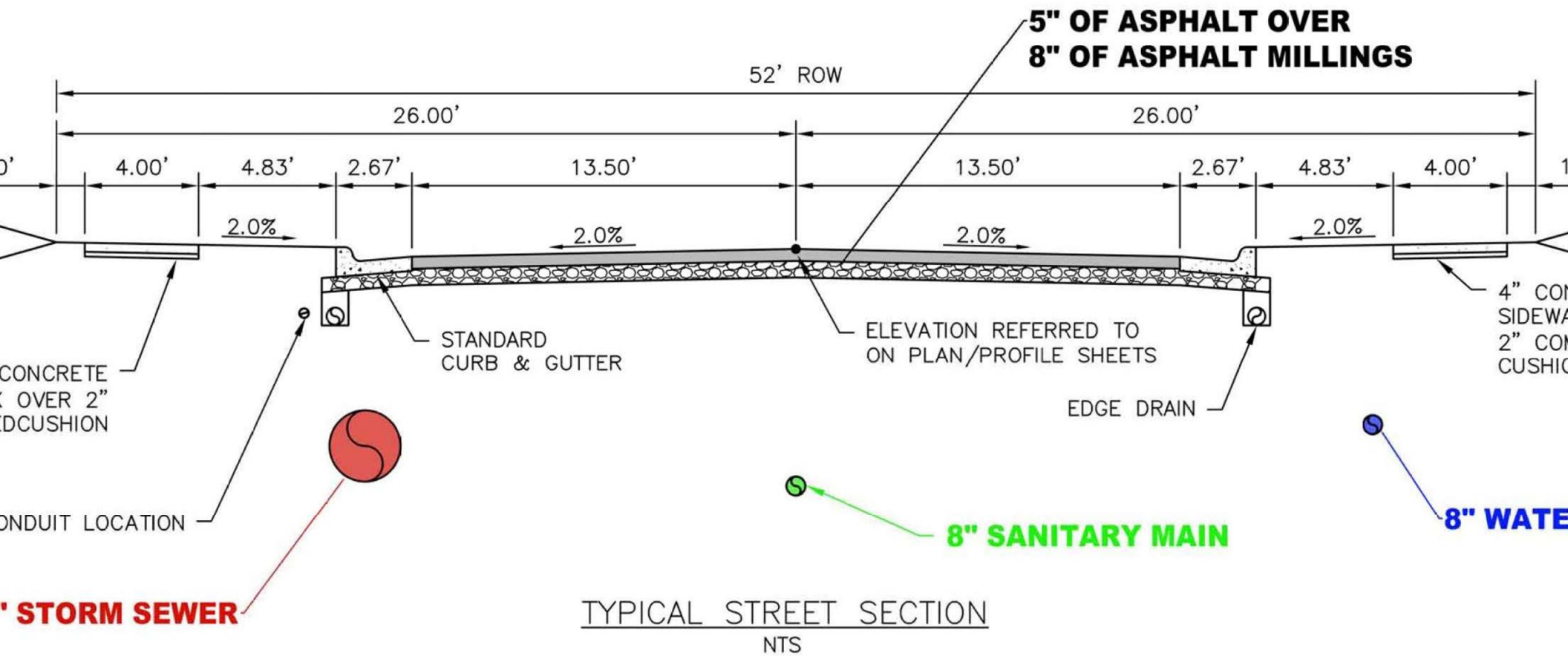
CAPITAL IMPROVEMENTS COSTS

ota Street	\$2,200
al Drainage Pond	\$450
n Pipe	\$220
line Relocation	\$55
onal Services Cost	\$190
gency Costs	\$240

Street Cross Section



Street Section



FIELDSTONE

SINGLE FAMILY RESIDENTIAL

MINNESOTA STREET





E. Minnesota St

Prior to Development

BASE



Paid to
County

Property Tax





HOMES
GARDEN
APARTMENTS

During TIF Life 10-20 Years



After TIF Expires

MENT

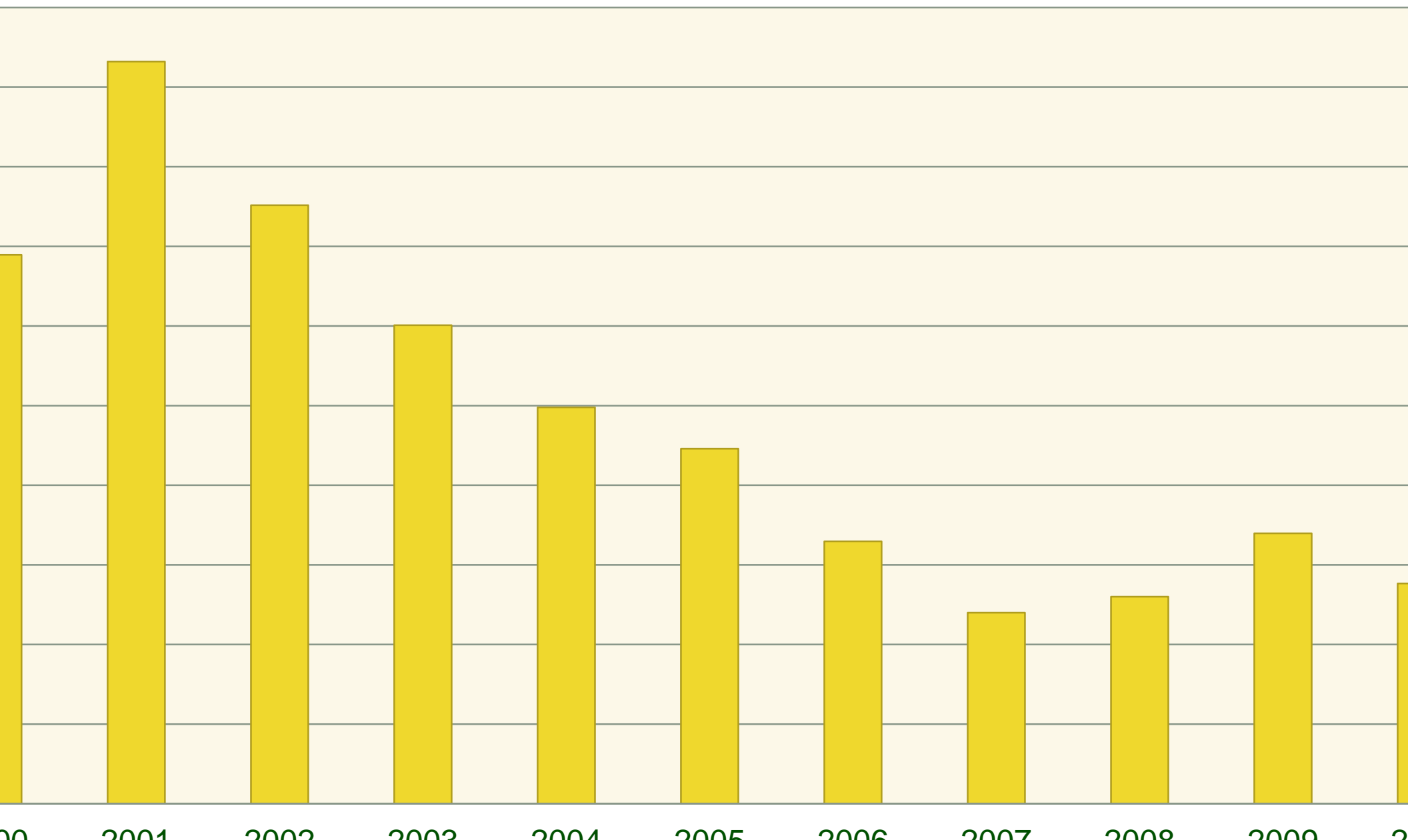
BASE



Paid to
County

Increment Financing

Tax Mill Levy



Increment Financing

MILL LEVY COMPARISONS

Y	RESIDENTIAL	CO
PENNINGTON COUNTY	17.1477	
MINNEHAHA COUNTY	19.4800	
	16.3600	
ROWN COUNTY	20.5400	

TIF Approval Process

TIF Application

TIF Committee Review and Approval

Planning Commission Review and Approval

Legal and Finance Committee Review and Approval

City Council Review and Approval

- 2010 for 2011 (payable 2012)

31,792.00

3,179.20

Base Valuation	Year Created	Prior Year	Current Year	Estimated	Date	Fund	Current Year Tax	Interest	Notes	
		Assessed Tax	Assessed Tax	Initial Number	of Years to Pay					TID
		Valuation per State	Valuation per State	Off	Expires	No.	Balance on TID Loan			
76,000.00	5-Oct-98	centrally assessed	centrally assessed	11	2018	0468	\$ 76,223.32	\$ -	9.00%	
60,323.00	17-Dec-01	\$ 4,547,600.00	\$ 4,547,600.00	13	2021	0103	\$ -	\$ 44,762.09		
502,300.00	18-Mar-02	\$ 4,621,100.00	\$ 11,921,300.00	12	2022	0788	\$ 23,778.44	\$ 60,324.50	7.50%	Paid/Dissolved early 2012
3,362,500.00	17-Feb-03	\$ 29,487,402.00	\$ 30,285,800.00	15	2023	0491	\$ 1,824,456.25	\$ 483,980.66	6.00%	
1,239,700.00	21-Apr-03	\$ 5,727,700.00	\$ 5,918,200.00	15	2023	0492	\$ 1,384,607.84	\$ 136,984.21	6.00%	
814,800.00	19-May-03	\$ 4,862,100.00	\$ 4,862,100.00	13	2023	0493	\$ 511,501.22	\$ 80,999.56	7.00%	
21,005,026.00	22-Jun-05	\$ 64,856,221.00	\$ 68,674,500.00	14	2025	0494	\$ 1,089,993.49	\$ 871,025.93	6.25%	5.34% City Rate
1,320,100.00	4-Aug-03	\$ 30,514,107.00	\$ 30,243,500.00	14	2023	0495	\$ 3,341,403.28	\$ 583,231.10	5.83%	
3,786,000.00	10-Apr-04	\$ 57,965,710.00	\$ 51,532,900.00	14	2024	0478	\$ 2,097,692.69	\$ 1,174,125.06	6.00%	
34,050,762.00	24-Sep-04	\$ 139,931,538.00	\$ 139,931,538.00	9	2024	0479	\$ -	\$ 26,142.96		
1,395,000.00	4-Oct-04	\$ 7,418,001.00	\$ 6,561,500.00	8	2024	0488	\$ 3,935,452.70	\$ 120,161.67	6.50%	
13,444,020.00	17-Jan-05	\$ 39,831,111.00	\$ 39,831,111.00	18	2025	0484	\$ -	\$ 44,438.97		
9,257,100.00	7-Nov-05	\$ 21,936,216.00	\$ 22,207,100.00	11	2025	0483	\$ 4,375,384.10	\$ 240,327.87	6.00%	9% max per agreement
51,051,625.00	17-Jan-05	\$ 81,923,547.00	\$ 77,728,500.00	13	2025	0486	\$ -	\$ 868,489.75	6.00%	Paid/Dissolved early 2012
650,000.00	2-May-05	\$ 2,038,400.00	\$ 2,065,000.00	18	2025	0485	\$ 381,769.11	\$ 27,699.26	5.85%	variable - this is current rate
132,480.00	5-Jul-05	\$ 5,886,401.00	\$ 5,625,800.00	18	2025	0487	\$ 345,575.99	\$ 114,793.56	7.00%	
547,190.00	3-Oct-05	\$ 21,037,809.00	\$ 21,591,000.00	13	2025	0473	\$ -	\$ 290,975.81	9.00%	NY Prime + .50 % (9% max)
40,011,020.00	17-Oct-05	\$ 90,811,354.00	\$ 90,929,100.00	9	2025	0470	\$ 859.16	\$ 705,214.31	5.34%	Paid/Dissolved early 2012
18,141,100.00	11-Nov-05	\$ 79,791,804.00	\$ 85,560,600.00	19	2025	0471	\$ 11,634,425.31	\$ 1,900,803.35	6.75%	5.83% City Rate
1,225,900.00	6-Feb-06	\$ 766,501.00	\$ 766,501.00	7	2026	0467	\$ -	\$ -		
1,793,865.00	2-Oct-06	\$ 19,451,000.00	\$ 19,956,700.00	18	2026	0465	\$ 211,692.20	\$ 327,359.13	8.25%	^^9.5% max per agreement
6,917,500.00	7-May-07	\$ 15,250,108.00	\$ 14,726,300.00	20	2027	0464	++	\$ 166,529.25	++	6.5% max per agreement
1,081,104.00	4-Jun-07	\$ 7,400,303.00	\$ 14,685,700.00	18	2027	0466	\$ 669,141.87	\$ 111,922.86	7.50%	NY prime + .25% (7.5% mir)
8,730,800.00	6-Aug-07	\$ 55,021,008.00	\$ 52,734,200.00	14	2027		++	\$ -	++	6% Max per project plan
968,781.00	4-Sep-07	\$ 2,819,101.00	\$ 4,928,800.00	20	2027	0433	\$ 5,342,194.99	\$ 36,589.02	6.50%	
109,900.00	22-Jan-08	\$ 125,600.00	\$ 135,700.00	10	2028	0427	++	\$ -	++	^^9% max per agreement
21,351,400.00	7-Apr-08	\$ 27,653,318.00	\$ 30,122,900.00	12	2028	0429	++	\$ 14,527.46	++	9% max per agreement
173,964.00	21-Apr-08	\$ 490,500.00	\$ 1,854,700.00	15	2028	0431	\$ 460,201.74	\$ 66,385.62	6.00%	^^9% max per agreement
5,754,423.00	21-Jul-08	\$ 14,277,400.00	\$ 15,303,700.00	14	2028	0472	++	\$ 131,755.25	6.50%	
22,894,400.00	15-Sep-08	\$ 27,024,600.00	\$ 24,966,500.00	10	2028	0430	++	\$ 70,301.06	++	9% max per agreement
11,014,600.00	21-Mar-11	\$ 11,014,600.00	\$ 11,014,600.00	11	2031		++	\$ -		9% max per agreement

282,863,683.00 6.65% \$ 874,482,160.00 \$ 891,213,450.00

\$ 37,706,353.70 \$ 8,699,850.27

**Approx City Portion
of Current Year Rev \$ 1,565,973.05**

\$419,351,104.70

<u>Tax Increment District</u>	<u>Status</u>	<u>Assessed Base Valuation - All Approved TIDs</u>	<u>Year Created</u>	<u>Dissolved or Not Created</u>	<u>October 2012 Assessed Current Tax Valuation (*)</u>	<u>OO Tax Increase / \$100k/yr *</u>	<u>TIF years</u>	<u>Pending Tax Increment Districts</u>	<u>6/12 cha Val</u>
the Parking	Created-2012	\$ 3,583,600	21-May-12		\$ 3,583,600	Econ Dev	19		\$
Approved TIDs		\$ 375,698,002			\$ 1,436,502,586	\$ 4.71			\$ 33,
Current TID		\$ 140,045,633							
Valuation		3.34%							
Current TID's									
<i>24 Paid TID's</i>									
<i>24 TID's</i>									
Valuation including Pending TIDs								\$ 140,045,633.00	
Valuation including Pending TIDs								3.34%	

Occupied Tax Increase compiled and submitted by the Rapid City Public School Business Office
 Base is calculated using the tax increment for the first year only
 Value in 2005 due to change in Project Plan costs/ and again 4/24/06 due to revised Project Plan costs of 12/19/05
 on revised 8/8/06 due to increase in Project Plan costs
 ally assessed rather than taxed by property tax
 olved Tax Increment Districts, the "Assessed Current Tax Valuation" data is for the year the district was dissolved. More recent data is
 e.

- s TID 44
- s TID 42
- s TID 41

Assessed Base for All TIFs = \$282,863,
% of City Valuation
e TIFs = 31

October 2012

Assessed Base for All TIFs = \$140,045,
% of City Valuation
e TIFs = 24

December 31, 2011

Value of Dissolved TIFs = \$142,818,050
Dissolved TIFs = 7

July 1, 2013

Dennis Zandstra Real Estate Holdings LLC
Attn: Mr. Steve Zandstra
PO Box 1940
Rapid City, SD 57709

RE: Conditional Financing Commitment
New Tax Increment District for E. Minnesota Street and related improvements

Dear Mr. Zandstra:

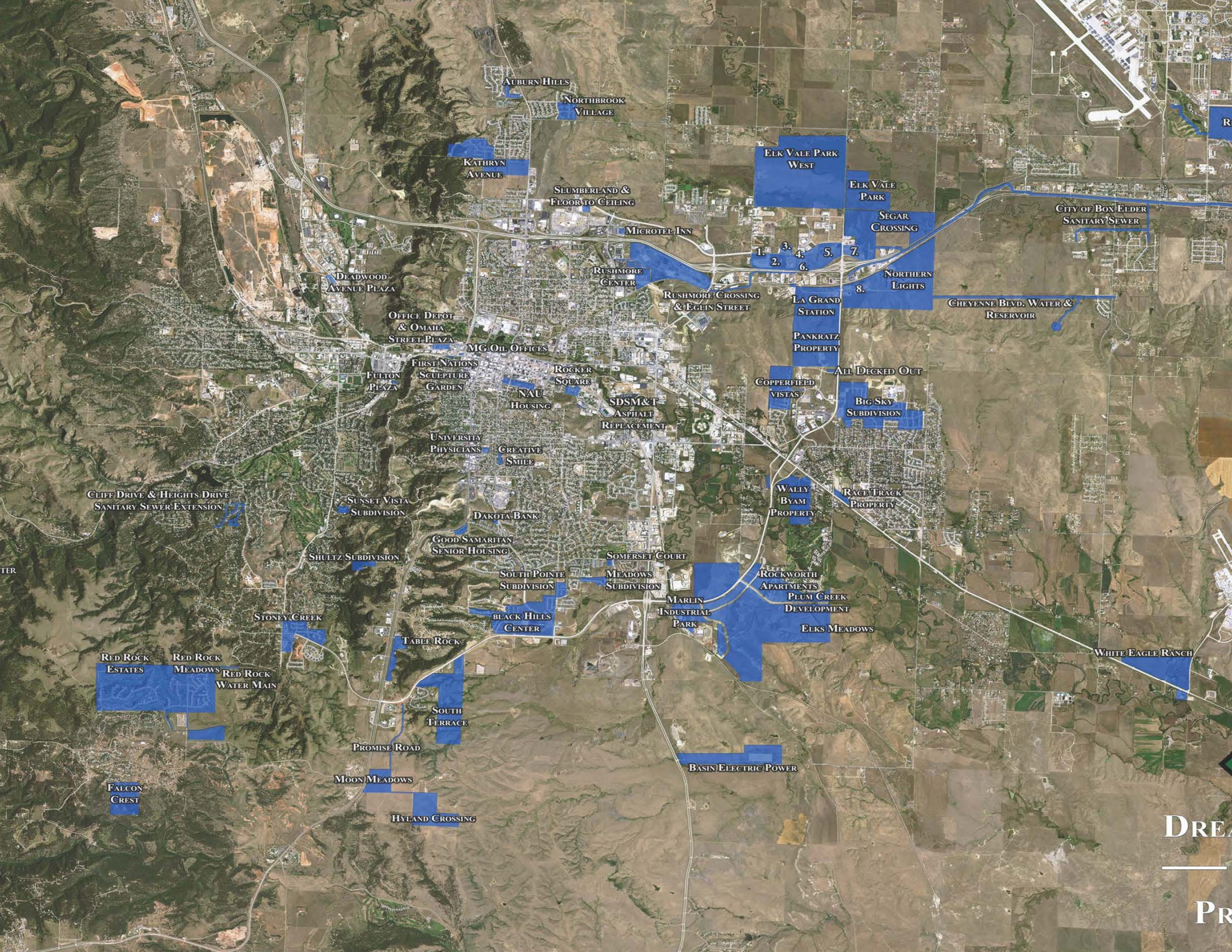
BankWest has conditionally approved a tax increment financing (TIF) loan to Dennis Zandstra Real Estate Holdings LLC. The \$3,925,000 TIF loan will be secured by the assignment of the new tax increment district payments along with limited guarantees by ownership. The proposed funds would pay costs for the E. Minnesota Street extension and related improvements. Preliminary loan terms include, but are not limited to, an initial maturity of 3 years from loan closing and a fixed interest rate of 6.0% if loan closing occurs by 9/1/2013.

This letter does not constitute a firm commitment to lend. BankWest is willing to move forward, contingent upon a number of factors, including the completion of due diligence, final credit approval, no material adverse changes and the satisfactory review and execution of mutually acceptable loan documentation, and such other terms and conditions as reasonably determined by BankWest.

Sincerely

A handwritten signature in black ink, appearing to read "Chad Miller", written over the word "Sincerely".

Chad Miller
Branch President
BankWest Rapid City



AUBURN HILLS
NORTHBROOK VILLAGE

KATHRYN AVENUE

SLUMBERLAND & FLOOR TO CEILING

ELK VALE PARK WEST

ELK VALE PARK

SEGAR CROSSING

CITY OF BOX ELDER
SANITARY SEWER

MICROTEL INN

1. 2. 3. 4. 5. 6. 7. 8.

DEADWOOD AVENUE PLAZA

RUSHMORE CENTER

RUSHMORE CROSSING & EGLIN STREET

NORTHERN LIGHTS

CHEYENNE BLVD. WATER & RESERVOIR

OFFICE DEPOT & OMAHA STREET PLAZA

MG OIL OFFICES

PANKRATZ PROPERTY

FULTON PLAZA

FIRST NATIONS SCULPTURE GARDEN

ROCKER SQUARE

ALL DECKED OUT

NAU HOUSING

SDSM&T ASPHALT REPLACEMENT

COPPERFIELD VISTAS

BIG SKY SUBDIVISION

UNIVERSITY PHYSICIANS

CREATIVE SMILE

CLIFF DRIVE & HEIGHTS DRIVE
SANITARY SEWER EXTENSION

SUNSET VISTA SUBDIVISION

DAKOTA BANK

WALLY BYAM PROPERTY

RACE TRACK PROPERTY

SHULTZ SUBDIVISION

GOOD SAMARITAN SENIOR HOUSING

SOMERSET COURT

ROCKWORTH APARTMENTS

PLUM CREEK DEVELOPMENT

STONEY CREEK

SOUTH POINTE SUBDIVISION

MEADOWS SUBDIVISION

MARLIN INDUSTRIAL PARK

ELKS MEADOWS

RED ROCK ESTATES

RED ROCK MEADOWS

RED ROCK WATER MAIN

TABLE ROCK

BLACK HILLS CENTER

WHITE EAGLE RANCH

SOUTH TERRACE

PROMISE ROAD

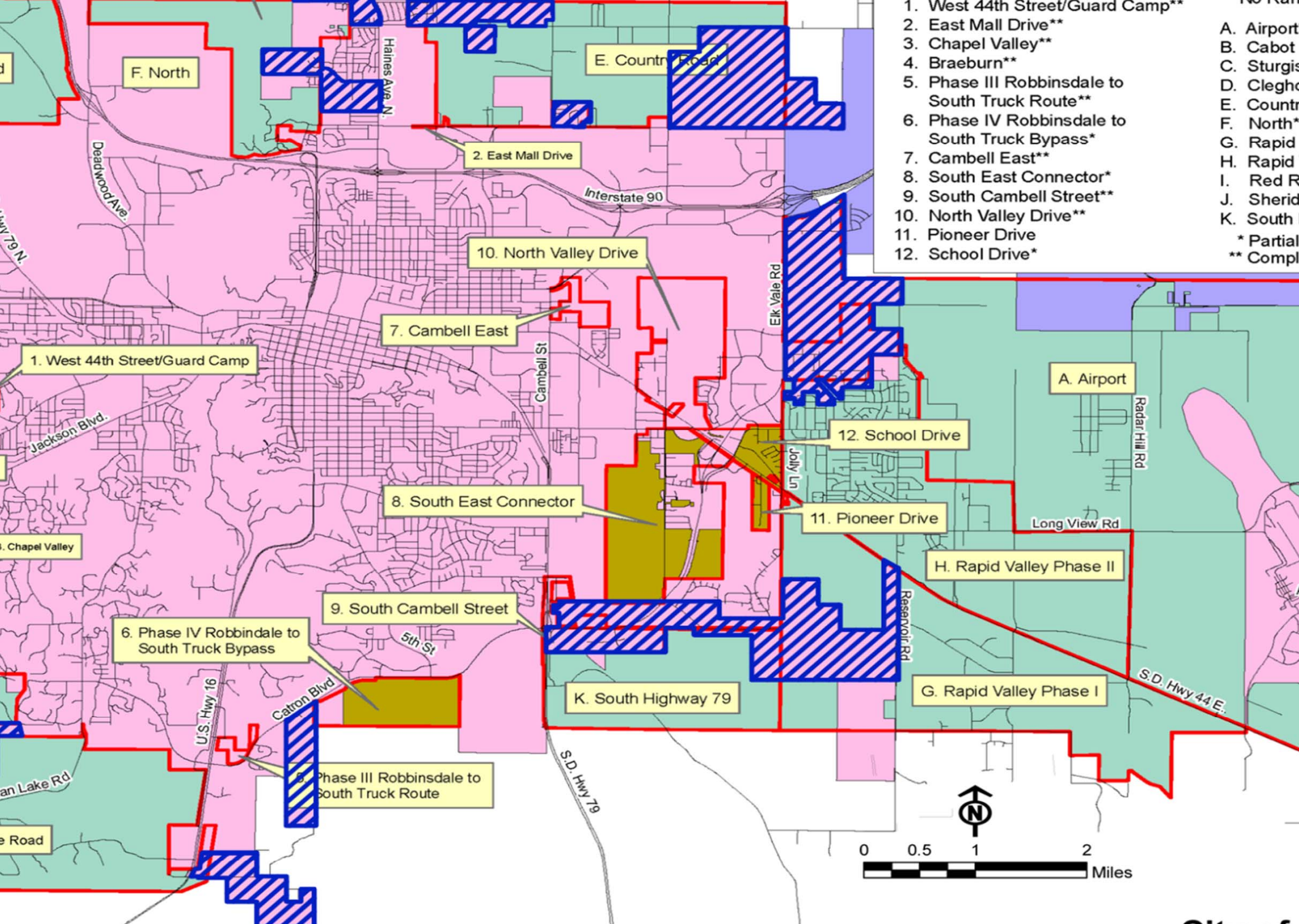
BASIN ELECTRIC POWER

FALCON CREST

MOON MEADOWS


HYLAND CROSSING

DREAM
PROJECT



- 1. West 44th Street/Guard Camp**
 - 2. East Mall Drive**
 - 3. Chapel Valley**
 - 4. Braeburn**
 - 5. Phase III Robbinsdale to South Truck Route**
 - 6. Phase IV Robbinsdale to South Truck Bypass*
 - 7. Cambell East**
 - 8. South East Connector*
 - 9. South Cambell Street**
 - 10. North Valley Drive**
 - 11. Pioneer Drive
 - 12. School Drive*
- A. Airport
 - B. Cabot
 - C. Sturgis
 - D. Cleghorn
 - E. Country Road
 - F. North*
 - G. Rapid Valley Phase I
 - H. Rapid Valley Phase II
 - I. Red Rock
 - J. Sheridan
 - K. South
- * Partial
** Compl

City
City Limits

 Short Term Priority
 Long Term Priority

 Areas Annexed by Dream Design International, Inc.

City of Rapid City
Corporate
Annexation



LEGEND

■	GENERAL COMMERCIAL - 38.62 ACRES
■	OFFICE COMMERCIAL - 33.13 ACRES
■	SINGLE FAMILY RESIDENTIAL - 154 LOTS
■	MULTI-FAMILY RESIDENTIAL - 6.91 ACRES
■	PARKLAND & OPEN SPACE - 36.5 ACRES
	PROPOSED R.O.W.
	PROPOSED MULTI-USE TRAIL

HEARTLAND EXPRESSWAY / ELK VALE ROAD
 CITY OF RAPID CITY SANITARY SEWER
 (Y 79 / 16)

TRACT H
 6.20 ACRES ±
 UNDER CONTRACT
 EXIST. EASEMENT FOR WYCOO GAS LINE

TRACT G
 9.14 ACRES ±

TRACT E
 3.00 ACRES ±

TRACT C
 2.97 ACRES ±

TRACT F
 6.91 ACRES ±
 UNDER CONTRACT
 MDR - 100 UNITS

TRACT D
 3.33 ACRES ±
 UNDER CONTRACT

3.51 ACRES ±

8.85 ACRES ±

2.68 ACRES ±

6.60 ACRES ±

11.49 ACRES ±

RAPID CREEK

Open Green Space & Park

RAPID CREEK

EXISTING GOLF COURSE

TRACT A
3.11 ACRES ±
UNDER CONTRACT

TRACT B
3.00 ACRES ±
UNDER CONTRACT

BLOCK 2
UNDER CONTRACT

BLOCK 1
UNDER CONTRACT

BLOCK 3
UNDER CONTRACT

WALNUT CIRCLE

PERALTA PLACE

GRUBB PLACE

OSBORN PLACE

OSBORN PLACE

OSBORN PLACE

LYLE LANE

MAKO SICA TRAIL

44



Long View Road

LONG VIEW RD

EASTMOR

DERRINGER RD

FLINTLOCKEY

SPRINGFIELD RD

KNUCKLEDUSTER RD

WESSOTT RD

BELTINGER RD



DREAM DESIGN
INTERNATIONAL, INC.

Thank You

City Approved IIF #65

DEVELOPER I FUNDED PROJECT COSTS

\$:	
ota Street	\$
reek Site Grading	
Water Pipe	
Costs for Oversize Detention Pond	
ota Street - Shared Costs	
Line Relocation	
Signal	
Service Costs	
Costs:	
al Interest	\$
y Costs:	
Costs:	
al Costs:	
nd Convenient Costs:	

City Approved IIF #65

DEVELOPER II FUNDED PROJECT COSTS

Costs:	
Lot 10 Street	
Large Pond	
Water Pipe	
Lot 10 Street - Shared Costs	
Utility Line Relocation	
Signal	
Service Costs	
Costs:	
Capital Interest	\$
Other Costs:	
Costs:	
Capital Costs:	
Land and Convenient Costs:	

and IID Cash Flow

NUMBER OF HOMES	EST. PRICE	TOTAL	INCREMENTAL TAX	BALANCE
0	\$ 200,000	\$ -	\$ -	\$ 3,355,000
0	\$ 200,000	\$ -	\$ -	\$ 3,656,950
0	\$ 200,000	\$ -	\$ -	\$ 3,986,076
0	\$ 200,000	\$ -	\$ -	\$ 4,344,822
130	\$ 200,000	\$ 26,000,000	\$ -	\$ 4,735,856
160	\$ 200,000	\$ 32,000,000	\$ -	\$ 5,162,083
190	\$ 200,000	\$ 38,000,000	\$ 460,954	\$ 5,626,671
320	\$ 200,000	\$ 64,000,000	\$ 567,328	\$ 5,672,117
350	\$ 200,000	\$ 70,000,000	\$ 673,702	\$ 5,615,280
380	\$ 200,000	\$ 76,000,000	\$ 1,134,656	\$ 5,446,953
410	\$ 200,000	\$ 82,000,000	\$ 1,241,030	\$ 4,802,523
440	\$ 200,000	\$ 88,000,000	\$ 1,347,404	\$ 3,993,720
470	\$ 200,000	\$ 94,000,000	\$ 1,453,778	\$ 3,005,751
0	\$ 200,000	\$ -	\$ 1,453,778	\$ 1,822,490
0	\$ 200,000	\$ -	\$ 1,453,778	\$ 532,736

FINANCING COSTS

\$

GENERAL INFRASTRUCTURE			
	6,145,200	6,145,200	
	713,800	713,800	
Pipe	425,000	425,000	
Relocation	307,000	307,000	
	140,000	140,000	
Land	450,000	450,000	
Tree	220,000	220,000	
STRUCTURE			
	8,400,000		
	450,000		
	1,000,000		
	1,800,000		
Ins	1,400,000		
DEVELOPMENT COSTS	21,451,000	8,401,000	
\$10,000/Acre	200	10,000	
	QUANTITY	NET REVENUE	TOTAL
Property (SQFT)	750,000	4	
)	871,200	2	
Potential (LOTS)	300	40,000	

Public & Private Improvements

	TOTAL DEV. COSTS	TIF** INFRASTRUCTURE	NON-TIF INFRASTRUCTURE
STRUCTURE IMPROVEMENTS			
	6,145,200	6,145,200	
	713,800	713,800	
Pipe	425,000	425,000	
Location	307,000	307,000	
	140,000	140,000	
d	450,000	450,000	
	220,000	220,000	
STRUCTURE IMPROVEMENTS			
	8,400,000		8,400,000
	450,000		450,000
	1,000,000		1,000,000
	1,800,000		1,800,000
ns	1,400,000		1,400,000
GENERAL IMPROVEMENTS			
Development	25,000,000		
	10,000,000		
	3,000,000		
	40,000,000		

IC Evaluation Criteria

It is located within an area that qualifies for Tax Incremental Districts under certain criteria. Some criteria include:

Criteria

1-9-8. Findings required as to blighted areas— likely to enhance value from improvements.

When implementing the provisions of this chapter, the resolution required to establish a district shall contain findings that:

more than twenty-five percent, by area, of the real property within the district is blighted area; and

improvements of the area are likely to enhance significantly the value of the real property in the district.

Public Evaluation Criteria

9. Areas conducive to disease or crime defined as blighted

Property has had one access point and without the establishment of a second access point in the district a second access would not exist. Emergency vehicle travel time to deliver patients to the Rapid City Regional Hospital is excessive. The property had inadequate fire protection and the construction of the project will improve regional fire protection capabilities. Eliminating the open water and placing the water within a closed conduit will eliminate the risk of exposure to the West Nile Virus.

10. Developed areas impairing growth defined as blighted

Property which by reason of:

Property has had no second access for fire protection and has inadequate fire protection. The lack of access and utilities in the district substantially impairs the sound growth of a municipality and retards the progress of the community.

Public Evaluation Criteria

-11. Open areas impairing growth defined as blighted.

If the community is predominantly open and which because of diversity of ownership, and lack of offsite improvements substantially arrests the sound growth of a municipality, and is a blighted area, a project must meet two of the following six criteria:

1. The project is not economically feasible without the use of Tax Incremental Financing.

2. The project will eliminate actual or potential hazards to public health including:

Improve the quality of public access

Provide for water loop to improve regional fire protection

Eliminate the risks of West Nile Virus

3. The project will bring new or expanded employment opportunities as demonstrated by proposed wage scales, employee benefits, and

Public Evaluation Criteria

Local Criteria

Project complies with the adopted Comprehensive Plan and other plans and regulations. Minnesota Street will relieve some access off HWY 44 and will provide for a future direct access as shown on the City of Rapid City Future Major Street Plan adopted in 2010. This project also provides for the necessary oversized sewer service as per adopted City comprehensive plans.

The use of Tax Increment Financing for the project will not result in the loss of existing tax revenues to the City and other taxing jurisdictions. The project will benefit from taxes generated by the project itself.

Project Costs: The project costs included in the Tax Incremental Financing are capital in nature and they are qualifying costs as per the city of Rapid City Investment Guidelines.

ation Estimate/Estimated Wage Scale

	Type of Business	# of Jobs	Full time	P
	Retail	70	40	3
	Hotels	20	10	10
	Retail	50	40	10
	Retaurant	15	12	3
	Totals	155	102	5

fits vary based on business operation and market conditions.

Jobs will be near \$50,000

ees will be at an average of \$12.00/hr

N JOBS (FIRST 15 YEARS VERTICAL CONSTRUCTION)				
CT COSTS		138,000,000		
@ 30%		41,400,000		



DREAM DESIGN
INTERNATIONAL, INC.

Thank You