



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

Finance Office Department

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MEMO

To: Mayor Sam Kooiker & City Council

From: Pauline Sumption

Date: July 1, 2013

RE: TID 74/65 Background Information Minnesota St Extension

As background information, the original Minnesota Street extension TID (#65) had total estimated costs that could be certified as part of the tax increment of \$33,956,176.65, which includes \$23,594,976.65 in estimated interest costs; Developer I total is \$19,531,025.03 and Developer II total is \$14,425,151.62.

In 2010, Developer I certified project costs of \$4,902,156.40 for which they were responsible. This did not include any financing costs. At this time, tax payments are not sufficient to make even the interest payment that is due on the loan. The balance of the loan according to my amortization schedule as of 12/31/2012 was \$5,651,984.22 and continues to increase due to capitalized interest expense. Until the property tax revenue exceeds the interest due, we will continue to see the loan balance increase even more.

In 2013, we are expected to receive approximately \$147k. Although the property tax amount is increasing, it is still not projected to be sufficient to cover the interest expense accruing at this time.

Please let me know if you should have any questions regarding this information.



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