



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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## OFFICE OF THE CITY ATTORNEY

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### MEMORANDUM

TO: Legal & Finance Committee , City Council

FROM: Carla Cushman, Assistant City Attorney

DATE: July 10, 2013

RE: Tax Increment District Seventy Developer's Agreement

Item 30 on this Legal and Finance agenda concerns a *Contract for Construction of Private Improvements through Private Developer Tax Increment District Number Seventy* between the City and Alta Terra Development, LLC. This TIF is generally described as the South Highway 16 Sanitary Sewer TIF.

The Project Plan for TIF 70 was approved in December 2011. According to the Developer, the project costs approved in the Project Plan include the entire cost of Moon Meadows Drive and the entire cost of the water main to be installed along Moon Meadows Drive. Because these costs were included in the Project Plan, the Agreement in front of you would reimburse Developer for its total cost to construct Moon Meadows Drive and for the total cost to install a sixteen inch water main along Moon Meadows Drive (not to exceed the amount listed in the project costs).

Based on the discussion which just occurred at Council concerning the project costs in TID 74, we wanted to make sure you are aware that this agreement for TID 70 would reimburse developer from the TIF funds for the entire cost – not just any oversize costs – to construct Moon Meadows and to install a water main.

Additionally, the Agreement would permit Developer to be reimbursed from TIF 70 funds in the installation of a 12 inch sanitary sewer main between Catron Boulevard and Moon Meadows Drive; the installation of a traffic signal, to the degree warranted by traffic studies; and improvements to the intersection at Highway 16 and Moon Meadows Drive. To my knowledge, no one has disputed that these improvements are regional in nature and appropriate for reimbursement out of TIF funds.

If you have any further questions, please feel free to give me a call at any time.