

MEMORANDUM

TO: MAYOR SHAW
COUNCIL MEMBERS

FROM: BONNIE HUGHES

SUBJECT: DEFERRED ASSESSMENT
EXTENSION

DATE: NOVEMBER 21, 2000

In 1996 the City of Rapid City provided Community Development Block Grants funds to Fountain Springs Apartments for assistance in providing an adequate building pad for and infrastructure to the site of 48 units of affordable housing. Through that process the developer, Franklin Simpson, etal used the CDBG funds and SAB funds to facilitate the street network to get to the location of the apartments. These apartments are for occupancy by senior citizens with incomes at or below 60% of median family income.

The agreement on the deferred assessment was payment to be received when development of the land occurred or September 1, 2000, whichever happened first. Mr. Simpson has paid the SAB fund \$65,000 and has requested an extension on the repayment of the CDBG portion of the funds in the amount of \$125,000 to a date in the future. Mr. Simpson, etal is considering applying for another elderly tax credit project to build on the property subject to this assessment. CDBG funds DO NOT require that we recapture funds when infrastructure is installed. The benefit for the expenditure has already been determined by the occupancy of the apartments. However, I would prefer to recapture the funds if the project constructed does not benefit low and moderate-income persons, which was the eligibility of the CDBG funds.

With this understanding, I am recommending that the deferred assessment/non-access agreement with Franklin O. Simpson for the property legally described as: The NW ¼ of the SW ¼ less Part of Tract B and less Tract C both of Wesleyan Christian Center, the SW ¼ of the NW ¼ South of I-90 Less Part of Tract B of Wesleyan Christian Center be extended to September 1, 2004. Should these properties affected by this agreement be developed benefiting low and moderate income persons, the deferred assessment will be void, otherwise payment will be received as per the original agreement.

I have attached a copy of the original Agreement/Non-Access Easement approved by the Council.

AGREEMENT/NON-ACCESS EASEMENT

Agreement made as of the first day of September, 1996, by and between Franklin O. Simpson, ("Simpson"), and the City of Rapid City, ("City").

For and in consideration of the benefits to accrue to him and his heirs, successors, and assigns, from the construction by the City of Project No. DEV96-255, Harmony Heights Street Extension upon the right of way for Harmony Heights Lane as shown on the plat of Tract C of Wesleyan Christian Center as filed in the office of the Register of Deeds of Pennington County, South Dakota, at Plat Book 27, Page 81, Simpson hereby relinquishes for himself, his heirs, successors, and assigns, all right of access to, from, and between the following described property and Harmony Heights Lane, subject to the terms hereinafter set forth:

1. The real property which is the subject of this agreement is legally described as:

The Northwest Quarter of the Southwest Quarter (NW $\frac{1}{4}$ SW $\frac{1}{4}$) less Part of Tract B and less Tract C both of Wesleyan Christian Center; the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) South of I-90 Less Part of Tract B of Wesleyan Christian Center.

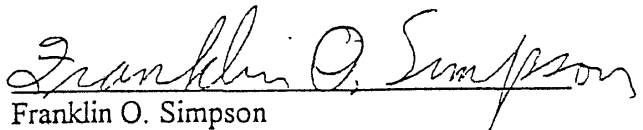
2. The rights relinquished shall include the right of vehicular access and any right of service to, from, or by any City-owned water or sewer utility.

3. The rights relinquished by this agreement shall be restored to Simpson, his heirs, successors, and assigns, upon payment to City of the sum of One Hundred Ninety Thousand Dollars (\$190,000.00).

4. One-half of the sum stated in Section 3 hereof shall be paid prior to platting or constructing any improvement on any lot abutting the north side of Harmony Heights Lane; one-half of the sum stated in Section 3 hereof shall be paid prior to platting or constructing any improvement on any lot abutting the south side of Harmony Heights Lane.

5. In any event, Simpson shall pay the full amount stated in Section 3 hereof not later than September 1, 2000.

65% CDAS \$125,000
35% SAB \$65,000


Franklin O. Simpson

CITY OF RAPID CITY

By: Jim Shaw
Mayor

ATTEST:

James F. Preston
Finance Officer

(SEAL)

State of South Dakota)

SS.

County of Pennington)

On this the 7th day of July, 1997, before me, the undersigned officer, personally appeared Franklin G. Simpson, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Margaret Paul
Notary Public, South Dakota

My Commission Expires:

(SEAL) 6-25-2003

State of South Dakota)

SS.

County of Pennington)

On this the 8 day of July, 1997, before me, the undersigned officer, personally appeared Jim Shaw and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, a

ADDENDUM TO AGREEMENT/NON-ACCESS EASEMENT

The terms and conditions of the Agreement/Non-Access Easement dated September 1, 1996, by and between Franklin O. Simpson and the City of Rapid City shall be extended until September 1, 2004. In addition, should any of the properties affected by the Agreement/Non-Access Easement be developed for residential housing benefiting low and moderate income persons, the deferred assessment will be void and payment will be received in accordance with the terms and conditions of the Agreement/Non-Access Easement.

Dated this ____ day of _____, 2000.

Franklin O. Simpson

CITY OF RAPID CITY

By: _____
Jim Shaw, Mayor

ATTEST:

Finance Officer

(SEAL)