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Rapid City Growth
Management Department
February 9, 2007

Ms. Karen Bulman
City of Rapid City
300 6th Street
Rapid City, SD 57702

Dear Karen:

This letter is to request an allocation of contingency funds of TID number 46 to the Park and Lift Station portions of the project plan. Attached is a summary of the costs to date and the requested allocations. The actual costs being greater than anticipated are summarized on the attached.

Additionally, we are requesting an increase of \$30,000.00 in the amount allocated for TID number 32 for the replacement of the drainage on Muirfield Drive. This is due to greater contract costs than estimated by our consulting engineer. The positive news is the major drainage project for Red Rock completed under our private development agreement at the same time as the Muirfield project was approximately \$120,000.00 under the TID project plan.

Please contact me with any questions you may have or additional information you may need.

Thank you in advance for your assistance.

Best regards,

Kevin L. Buntrock

<u>Date</u>	<u>Check #</u>	<u>Payee</u>		<u>Amount</u>	<u>Eng.</u>	<u>Const.</u>
6/1/2006	93300	Dream Design Int.	Design	\$ 140.24	\$ 140.24	
11/2/2006	93385	Lind Exco	Construction	\$ 120,672.39		\$ 120,672.39
11/4/2006	93402	Boschee Eng.	Engineering	\$ 2,222.93	\$ 2,222.93	
Total				<u>\$ 123,035.56</u>	\$ 2,363.17	\$ 120,672.39
						\$ 123,035.56
Original Allocation				<u>\$ 96,270.00</u>		
Variance				<u>\$ 26,765.56</u>		
Allocation request				<u>\$ 30,000.00</u>		

1. Our original engineers estimate was underestimated. Red Rock provided much of the seeding at our expense.
2. The other project component for the major drainage project was approximately \$120,000 under the project plan.

Preliminary Review of Proposed Tax Increment Project Revisions

Applicant: Kevin Buntrock, the Estates and Golf Club at Red Rock

Proposed Project Title: TID #32 – Second Revised Red Rock Estates

Purpose of Tax Increment District: The purpose of Tax Increment District #32 was to assist in the development of the Red Rocks area to included construction of a water storage facility, water main extension and storm water detention facilities. The Project Plan was approved on December 17, 2001. On February 20, 2006, the City Council approved the relocation of three detention ponds in lieu of the original location of one detention pond. On August 7, 2006, the City Council approved the revised Project Plan to allocate funds from the contingency line item for the construction of a drainage structure.

The proposed change would amend reallocate \$30,000 from the Contingency line item of the Necessary and Convenient Cost to the Drainage improvements line item of the Necessary and Convenient Cost.

The anticipated residential and commercial development in the area generates revenues to fund the identified improvement.

Boundaries: The boundaries include approximately 360 acres of property located north of the intersection of Sheridan Lake Road and Muirfield Drive.

Proposed Project Cost Reallocation:

	<u>Approved Costs</u>	<u>Changes</u>	<u>Amended Costs</u>
Reservoir storage	\$2,430,000.00		\$2,430,000.00
Reservoir storage design	\$180,000.00		\$180,000.00
Water booster station	\$87,000.00		\$87,000.00
Detention facilities	\$375,000.00		\$375,000.00
Detention facilities design	\$40,000.00		\$40,000.00
Financing Costs	\$2,226,132.85		\$2,226,132.85
Necessary and Convenient Costs:			
Contingency:			
Drainage improvements	\$96,270.00	\$30,000.00	\$126,270.00
Contingency	\$366,730.00	(\$30,000.00)	\$336,730.00
	<u>\$463,000.00</u>		<u>\$463,000.00</u>
Other	<u>\$10,000.00</u>		<u>\$10,000.00</u>
Total Costs	\$5,811,132.85		\$5,811,132.85