

DEVELOPMENT SERVICES CENTER

Growth Management Department

City of Rapid City

300 Sixth Street, Rapid City, SD 57701-2724

Phone: (605) 394-4120

Fax: (605) 394-6636

Web: www.rcgov.com

**APPLICATION FOR
TAX INCREMENT
FINANCING**

LEGAL DESCRIPTION

Legal Description: See Attached Property Owners List

Location: South Rapid City, Catron Blvd and Highway 16 Neighboring Properties

Size of Site-Acres: 658 acres

APPLICANT

Name Hyland Park LLLP Phone _____

Address 2700 West Main Street Fax _____

City, State, Zip Rapid City, SD 57702

PROJECT PLANNER - AGENT

Name Dream Design International, Inc. Phone 348-0538

Address 528 Kansas City Street, Suite 4 Fax 348-0545

City, State, Zip Rapid City, SD 57701

Property Owner Signature	Date	Property Owner Signature	Date
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		<u>Richard A. Evans</u>	<u>6/9/08</u>
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Applicant Signature	Date	Applicant Signature	Date
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(if difference from Property Owner)		(if difference from Property Owner)	
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Print Name:		Print Name: <u>RICHARD A. EVANS</u>	
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Title*		Title* <u>GENERAL PARTNER</u>	
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*required for Corporations, Partnerships, Etc.

An application for the use of TIF must include the information listed below. The TIF Project Review Committee may waive any required information. **Attachments may be provided in order to fully provide the following information.**

APPLICATION INFORMATION (attach additional sheets as necessary)	Submitted
1. A detailed project description.	<input type="checkbox"/>
2. Purpose of the Tax Increment Financing.	<input type="checkbox"/>
3. List of project costs to be funded by the TIF.	<input type="checkbox"/>
4. A development financing plan, including sources of funds and loan terms.	<input type="checkbox"/>
5. A preliminary commitment for financing and/or equity.	<input type="checkbox"/>
6. A proforma indicating projected costs and revenues.	<input type="checkbox"/>
7. A statement and demonstration that the project would not proceed without the use of TIF.	<input type="checkbox"/>
8. A statement identifying the specific Mandatory and Discretionary evaluation criteria that the applicant believes the request meets (Please refer to the Tax Increment Financing Guide for specific evaluation criteria).	<input type="checkbox"/>
9. Preliminary plans for the project.	<input type="checkbox"/>
10. A development time schedule.	<input type="checkbox"/>
11. If applicable, a list of public improvements which will be constructed along with the project.	<input type="checkbox"/>
12. Corporation or partnership papers if applicable.	<input type="checkbox"/>
13. An audited financial statement of the corporation, partnership, or individual for the most recent five calendar year(s) or the life of the company if appropriate.	<input type="checkbox"/>
14. A copy of the proposed wage scale, employee benefits package, and full and part time employment levels unless waived by the Tax Increment Financing Project Review Committee or, in the case of an affordable housing project, a copy of the applicable federal housing grant program.	<input type="checkbox"/>
15. Other information that may be required by the Project Review Committee.	<input type="checkbox"/>

**Highway 16B Sewer
Tax Increment District
Legal Description**

Utility Lot 1 Par Subdivision; Tract 2 and Tract 3 of Par Subdivision; all located in Section 23, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.

Unplatted Portion of NE1/4 SW1/4 Lying N of Hwy Right-of-Way; Unplatted Portion of NW1/4 SW1/4 Lying N of Hwy Less Lot H1; Unplatted Portion of NW1/4 SW1/4 Lying South of Hwy, Right-of-Way Less Lot H1; Unplatted SW1/4 SW1/4, Less Lot H2 & Less Right-of-Way; all located in Section 24, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.

Tract A and Tract B of Meadow View Subdivision; Unplatted, E1/2 W1/2 NE1/4 NW1/4 and the W1/2 E1/2 NE1/4 NW1/4; Unplatted Portion of NE1/4 NW1/4 NW1/4 Lying East of Hwy 16 Less Shipman Heights Subdivision and Less Right-of-Way; Lot A Tucker Subdivision; Lot 1 Shipman Heights Subdivision; Unplatted Portion of SE1/4 NW1/4 NW1/4 Lying East of Hwy 16 Less Right-of-Way; Lot A Ranch Subdivision; Tract 1 of W1/2 NW1/4 Less Lot A of Ranch Subdivision, Less Connector Subdivision, Less Lots H1, H2, H3 & Right-of-Way; Tract AR2 Needles Subdivision; Tract B Needles Subdivision; Tract 1 Waterslide Addition; Unplatted Balance of S1/2 SE1/4 NW1/4; Unplatted Balance of NE1/4 SW1/4; Lot 4R and Lot 5 of Old Rodeo Subdivision; Lot 2 and Vacated Physician Drive Adjacent of Said Lot 2 Old Rodeo Subdivision; Lot 3 and Vacated Physician Drive Adjacent to Said Lot 3 Old Rodeo Subdivision; Lot 1 Less Lots 2, 3, 4R, 5 and ROW Old Rodeo Subdivision; Unplatted Lot B of SW1/4 SW1/4 Less RTY; Right-of-Way of Tucker Street; Right-of-Way of Promise Road; Right-of-Way of Jordan Drive; Right-of-Way of Addison Avenue; all located in Section 26, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.

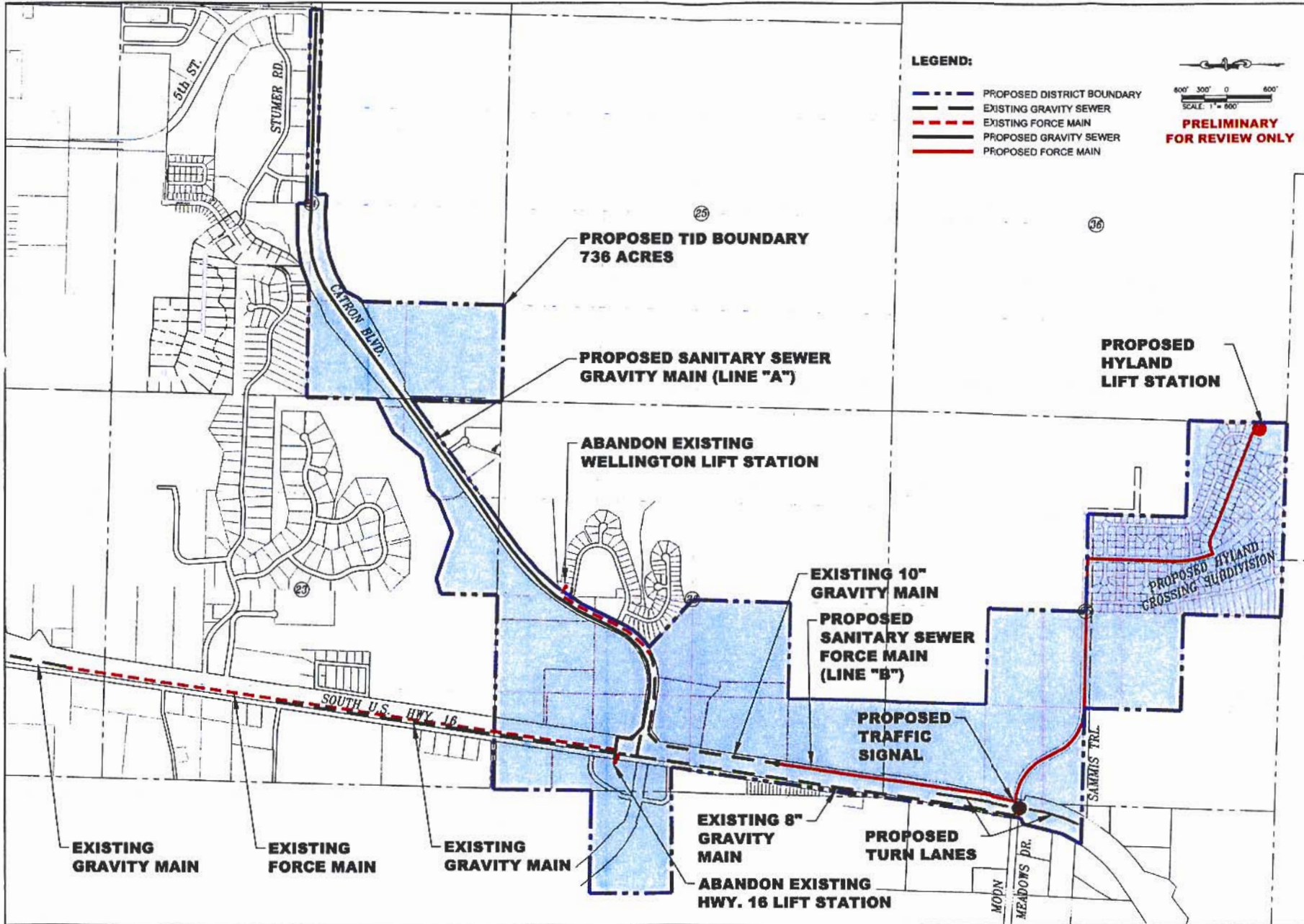
Lot 1 and Lot 2 of Connector Subdivision, all located in Sections 26 and 27, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.

Platted Tract 1 of SE1/4 NE1/4 Less Connector Sub & Less Lot H1, Section 27, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.

Unplatted NW1/4NW1/4 less Lot H1 and less right-of-way; Unplatted SE1/4NW1/4; Unplatted W1/2SE1/4 and SE1/4SE1/4; Unplatted NE1/4SW1/4; Unplatted SW1/4NW1/4 less Lot H1 and less right-of-way; all located in Section 35, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.

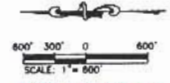
Right-of-Way of Catron Boulevard located in Sections 23, 24, 26, and the SE1/4 NE1/4 of Section 27, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.

Right-of-Way of U.S. Highway 16 located in Section 26, 27, NE1/4 of Section 34, and NW1/4 of Section 35, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota.



LEGEND:

- PROPOSED DISTRICT BOUNDARY
- EXISTING GRAVITY SEWER
- EXISTING FORCE MAIN
- PROPOSED GRAVITY SEWER
- PROPOSED FORCE MAIN



**PRELIMINARY
FOR REVIEW ONLY**

DREAM DESIGN INTERNATIONAL, INC.
 CIVIL ENGINEERING - LANDSCAPE ARCHITECTURE
 LAND DEVELOPMENT - CONSTRUCTION ADMINISTRATION

**PRELIMINARY
FOR REVIEW ONLY**

Area: AS SHOWN	Drawn By: TMT
Designed By: TMT	Check Date: 09/04
Design Date: 09/04	Project No: 24-0000-1
Prepared By: [Blank]	Survey Date: [Blank]

**SOUTH RAPID CITY
TAX INCREMENT DISTRICT**

EXHIBIT A
 PROPOSED DISTRICT
 BOUNDARY

1 of 1

SOUTH RAPID CITY TAX INCREMENT DISTRICT

1 - PROJECT DESCRIPTION:

This Tax Increment District is proposed to assist in the development of property located along Catron Boulevard, South US Highway 16, Sammis Trail, and Moon Meadows Drive. The Tax Increment Funds would be split into two phases of construction. The first phase consists of the design and construction of sanitary sewer gravity main, sanitary sewer lift station, sanitary sewer force main, the abandonment of two sanitary sewer lift stations, and the reconstruction of the intersection of South US Highway 16 and Moon Meadows Drive to include turn lanes. The second phase includes the design and installation of a traffic signal at the intersection of South US Highway 16 and Moon Meadows Drive.

The area included within the proposed Tax Increment District includes approximately 658 acres beginning at Catron Boulevard from Fifth Street to South US Highway 16, south to Sammis Trail, and east to the proposed Hyland Crossing Subdivision as shown on Exhibit A. The approximate future land use for the proposed Tax Increment District includes 340 acres of low density residential, 28 acres of medium density residential, 150 acres of commercial, and 140 acres of right-of-way for South US Highway 16 and Catron Boulevard. The "US Highway 16 Neighborhood Area Future Land Use Map" is included.

The proposed improvements for sanitary sewer generally conform to the future plans shown in the "Conceptual Water and Sanitary Sewer System for Highway 16 Neighborhood Area Future Land Use Plan, February 28, 2005".

The total estimated probable project cost is \$3,624,000. Figure 1 itemizes the proposed design and construction costs.

PHASE I

1.1 - SANITARY SEWER GRAVITY MAIN

The first project phase will include approximately 9,000 lineal feet of 8" to 18" gravity main along Catron Boulevard from the intersection of Catron Boulevard and Fifth Street to the intersection of Catron Boulevard and US Highway 16, shown on Exhibit A as Line "A".

Currently, wastewater flows by gravity to the existing Wellington Lift Station and Highway 16 Lift Station and is pumped north along US Highway 16 to a gravity line which eventually flows east to gravity sewer in Robbinsdale Subdivision. With the construction of the proposed sanitary sewer gravity main along Catron Boulevard, the need for these two lift stations will be eliminated. The addition of this sanitary sewer gravity main (Line "A") to

SOUTH RAPID CITY TAX INCREMENT DISTRICT

the City's sanitary sewer system will provide service to approximately 2,060 total acres as shown on Exhibit B.

In addition to providing additional service to areas unsewered within City limits, construction of the new gravity main will allow for a reduction of the sanitary sewer flow rates through the Robbinsdale Subdivision. Existing sanitary sewer flows are currently at or near pipe capacity along Nebraska, Centennial, and Liberty Streets.

The estimated cost for the gravity sewer main is \$1,404,000 which includes design, construction, and administration costs.

1.2 - ABANDONMENT OF EXISTING LIFT STATIONS

The first project phase includes the abandonment of two lift stations. The Wellington Lift Station is located at the intersection of Catron Boulevard and Wellington Drive in South Hill Subdivision and serves approximately 119 dwelling units. The lot is currently owned by the South Dakota Department of Transportation. This lift station is also known as the Edinborough Lift Station in the "Conceptual Water and Sanitary Sewer System for Highway 16 Neighborhood Area Future Land Use Plan, February 28, 2005".

The Highway 16 Lift Station is located at the northwest corner of the intersection of South US Highway 16 and Catron Boulevard in an easement adjacent to the South U.S. Highway. The lot is privately owned. The Highway 16 Lift Station currently serves approximately 300 acres of commercial development. The existing service area is inclusive of the sanitary sewer drainage area shown on Exhibit B.

With this project, the current flows to the Wellington Lift Station will be redirected east to the proposed sanitary sewer gravity main along Catron Boulevard to Fifth Street. Consequently, the Wellington Lift Station will be abandoned. Currently, sanitary sewer flows are pumped from this lift station to the Highway 16 Lift Station.

The Highway 16 Lift Station will be abandoned after sanitary sewer flows are redirected to the east to the proposed sanitary sewer gravity main. Current sanitary sewer flows are pumped through an existing force main to the north along South U.S. Highway. It is generally accepted that the Highway 16 Lift Station is at or near capacity.

Both lift stations will be abandoned and the land reclaimed in accordance with the City of Rapid City and the South Dakota Department of Natural Resources. The estimated cost of abandoning the existing lift stations is \$120,000.

SOUTH RAPID CITY TAX INCREMENT DISTRICT

1.3 - HYLAND LIFT STATION

The first project phase includes a proposed lift station located in the southeast corner of proposed Hyland Crossing Subdivision. It will serve all of proposed Hyland Crossing Subdivision (approximately 120 acres) and additional area west and north of the subdivision.

The drainage area to the lift station is shown in Exhibit C. This Lift Station will be located within Rapid City Limits and provide sanitary sewer service to approximately 395 acres of currently unsewered area.

The proposed Hyland Lift Station will receive waste water flows from approximately 49 acres of commercial and 346 acres of residential property. The Lift Station will be initially built with smaller pumps until additional development requires the installation of larger pumps.

The Hyland Lift Station will pump sanitary sewer flows to the north through an 8" force main which will connect to an existing sanitary sewer gravity main south of Catron Boulevard. The total estimated cost for design, construction, and administration of the lift station (excluding force main) is \$960,000.

1.4 - SANITARY SEWER FORCE MAIN

In addition to the Hyland Lift Station, the project includes a proposed force main which extends from the Hyland Lift Station at the southeast corner of Hyland Crossing and then northwest through Hyland Crossing Subdivision, west along proposed Moon Meadows Drive, and north along South US Highway 16 to an existing manhole and 10" sanitary sewer main at Addison Avenue which is south of Catron Boulevard. Approximately 12,500 lineal feet of 8" force main will be required to make this connection.

The existing sanitary sewer gravity main extends to the north crossing Catron Boulevard, west crossing South US Highway 16, and north to the Highway 16 Lift Station. With the construction of the proposed sanitary sewer gravity main along Catron Boulevard and the abandonment of the Highway 16 Lift Station, flows in the existing 10" sanitary sewer gravity main will be redirected east into the proposed sanitary sewer gravity main.

An existing 8" sanitary sewer gravity main is located along the west side of South US Highway 16 from Catron Boulevard to Moon Meadows Drive. Connecting the proposed force main to this sanitary sewer gravity main is not possible due to the undersized existing 8" pipe. Therefore the proposed force main must extend further north to Addison Avenue to

SOUTH RAPID CITY TAX INCREMENT DISTRICT

the existing 10" sanitary sewer gravity main.

In addition, construction of a gravity sewer in lieu of force main along South US Highway 16 is cost prohibitive and would not serve many properties. The properties east of South US Highway 16 naturally drain to the east away from a gravity sewer.

The estimated cost for design, construction, and administration of the force main is \$600,000.

1.5 - RECONSTRUCTION OF SOUTH US HIGHWAY 16 AND MOON MEADOWS INTERSECTION

The first project phase includes the proposed intersection reconstruction of South US Highway 16 and Catron Boulevard. The Major Street Plan shows a Proposed Principal Arterial road connecting South US Highway 16 at Moon Meadows Drive to the Hyland Crossing Subdivision. Due to this new road alignment, the intersection of South US Highway 16 and Moon Meadows Drive requires reconstruction. The South Dakota Department of Transportation is requiring the reconstruction of the existing intersection in order to accommodate the expansion in this area. The new intersection will create two new turn lanes, one east bound and one west bound with paved medians between the through lanes and the turn lanes. The reconstruction of the intersection will include all incidental activities including traffic control, storm sewer modifications, grading, removals, striping, etc. The estimated cost for design, construction, and administration of the intersection reconstruction is \$360,000.

PHASE II

1.6 - PROPOSED TRAFFIC SIGNALS FOR SOUTH U.S. HWY 16 AND MOON MEADOWS INTERSECTION

The second phase of this project will include the design and installation of traffic signals for the reconstructed intersection of South US Highway 16 and Moon Meadows Drive. Installation of these signals should be installed as determined by Traffic Studies for the area. The estimated cost for the design, construction, and administration of the traffic signal is \$180,000.

SOUTH RAPID CITY TAX INCREMENT DISTRICT

2 - TAX INCREMENT DISTRICT PURPOSE:

The project provides for regional public infrastructure improvements. The Tax increment District is being utilized to assist in funding some of the improvements.

3 - PROJECT COSTS:

The estimated probable costs for the project are as listed in the attached Figure 1. The total estimated cost for the project is \$3,624,000.

4 - DEVELOPMENT FINANCING PLAN:

The developers benefiting from these improvements will front all the costs associated with this Tax Increment District. Developers intend to borrow the funds necessary to complete these improvements and pay back the loan by the proceeds from the Tax Increment District.

5 - PRELIMINARY COMMITMENT FOR FINANCING:

There has been no commitment from a financial institution to fund the Tax Increment District. The developers have held preliminary discussions with willing financial institution to fund these improvements. None of these improvements will be funded by City funds.

SOUTH RAPID CITY TAX INCREMENT DISTRICT

6 - PERFORMA FOR PROJECT COSTS AND REVENUE:

The improvements included are regional in nature and their construction will enhance and allow several projects to become a reality. This project will open the door for several hundred acres of land along US Highway 16 allowing for commercial development along the south side of Rapid City. This project will also assist in eliminating two existing lift stations and reduce the sanitary sewer flows through South Robbinsdale. The developers state that the proposed South Rapid City projects including Hyland Park and others cannot be built without this Tax Increment District.

7 – MANDATORY AND DISCRETIONARY EVALUATION:

This proposed project meets the requirements for the mandatory TIF criteria 1.B.
The lack of sanitary sewer service along the south side of Rapid City has substantially impaired Rapid City's sound growth. This inadequacy has prevented the economic growth of this part of the community. The lack of commercial development in this part of the City has forced shoppers to travel to the north side of the City to perform basic shopping; resulting in added pressure on the transportation system of the City and forces people to drive extra miles to perform such basic tasks.

The project also meets the mandatory criteria 2.
The project plan complies with the adopted comprehensive plans for sanitary sewer service; it also complies with the adopted future major road plan and all adopted future land use plans.

This project also complies with mandatory criteria 3.
This project will not result in the net loss of pre-existing tax revenue to the City and other taxing jurisdictions. This project includes general commercial properties and is considered an economic development tax increment district. Development of properties outside this proposed district and adjacent to this project will create additional real state taxes that could not have been generated without this project.

In addition this project meets two of the additional criteria including:

- 1- The project can not be built without a tax increment district because of the high costs of the regional improvements required to allow this part of the community to grow.
- 2- The project will eliminate the additional sanitary sewer currently being pumped into the Robbinsdale sanitary sewer system which has inadequate capacity and has

SOUTH RAPID CITY TAX INCREMENT DISTRICT

a potential of back-up into existing homes.

- 3- The project will create construction jobs during its conception and will create several service oriented jobs including retail and professional such as the potential BHP office center.

The project also meets additional discretionary criteria:

- 1- All TIF proceeds are used for the construction of regional public improvements
- 2- The project opens up a utility/infrastructure deprived portion of the community for commercial development.
- 3- The project may allow for the expansion of existing businesses located within Rapid City including Wal-Mart and BHP.
- 4- The project costs are limited to those specific costs associated with the public improvements that exceed typical or average improvements required by the City.

8 - PRELIMINARY PLANS FOR THE PROJECT:

Attached with this application is a preliminary layout to show the location of the proposed improvements.

9 - DEVELOPMENT TIME SCHEDULE:

It is anticipated that construction of some of the components of the project will be started during the fall of 2008. Phase I of the project will be completed by August 2009. Phase II of the project will be completed within five years from the establishment of the Tax Increment District.

SOUTH RAPID CITY TAX INCREMENT DISTRICT

10 - LIST OF OTHER PUBLIC IMPROVEMENTS:

The project plan for the Tax Increment District includes the items listed in Figure 1. Additional improvements for the Hyland Crossing Subdivision include several thousand feet of roads, utility mains, drainage detention ponds and major drainage facilities within the subdivision. Other offsite road and utility improvements along Moon Meadows Road are necessary to provide a safe access to the project. The estimated costs for the constructed public improvements not included in the Tax Increment District are estimated as follows:

Local Internal Roads	14,000 linear feet	\$ 7,000,000
Drainage Facilities	2 facilities	\$ 700,000
Major Internal Road	3,500 linear feet	\$ 2,100,000
Offsite Moon Meadows	4,500 linear feet	\$ 2,700,000
TOTAL NON TAX INCREMENT IMPROVEMENTS		\$12,500,000

11 - CORPORATE PAPERS:

Several entities are involved with this project. All required corporate papers will be submitted prior to Planning Commission approval.

12 - FINANCIAL STATEMENTS:

Corporate financial records are not available at this time.

13 - WAGE SCALE:

The project allows for residential and commercial development. Wage scale items are not applicable. Wage rates are typical of those in the construction industry. The commercial wages for the commercial component of the development are not identified at this stage.

**SOUTH RAPID CITY
TAX INCREMENT DISTRICT IMPROVEMENTS
FIGURE 1**

ESTIMATED PROBABLE COSTS

ITEM	QUANTITY	UNIT COST	TOTAL	CONTINGENCIES	ENGINEERING	SUBTOTAL
SANITARY SEWER MAIN, LFT	9,000	\$ 130	\$ 1,170,000	\$ 117,000	\$ 117,000	\$ 1,404,000
ABANDON LIFT STATIONS, EACH	2	\$ 50,000	\$ 100,000	\$ 10,000	\$ 10,000	\$ 120,000
LIFT STATION, LS	1	\$ 800,000	\$ 800,000	\$ 80,000	\$ 80,000	\$ 960,000
SEWER FORCE MAIN, LFT	12,500	\$ 40	\$ 500,000	\$ 50,000	\$ 50,000	\$ 600,000
INTERSECTION RECONSTRUCTION, LS	1	\$ 300,000	\$ 300,000	\$ 30,000	\$ 30,000	\$ 360,000
TRAFFIC SIGNAL, LS	1	\$ 150,000	\$ 150,000	\$ 15,000	\$ 15,000	\$ 180,000
TOTAL						\$ 3,624,000

SOUTH RAPID CITY IMPROVEMENTS

ESTIMATED PROBABLE COSTS

ITEM	TOTAL	CONTINGENCIES	ENGINEERING	SUBTOTAL
CATRON BLVDSANITARY SEWER MAIN, LFT	\$ 1,170,000	\$ 117,000	\$ 117,000	\$ 1,404,000
OVER SIZE FOR SEWER FORCE MAIN, LFT	\$ 300,000	\$ 30,000	\$ 30,000	\$ 360,000
OVERSIZE FOR REGIONAL LIFT STATION, LS	\$ 400,000	\$ 40,000	\$ 40,000	\$ 480,000
OVERSIZE DAUL TURN LANES, LS	\$ 150,000	\$ 15,000	\$ 15,000	\$ 180,000
OVERSIZE AT MOON MEADOWS & HWY 16 TRAFFIC SIGNAL, LS	\$ 100,000	\$ 10,000	\$ 10,000	\$ 120,000
ABANDON LIFT STATIONS	\$ 100,000	\$ 10,000	\$ 10,000	\$ 120,000
TOTAL				\$ 2,664,000

PROJECTED TID CASH FLOW

YEAR	# OF HOMES EQ.	EST. PRICE	TOTAL	INCREMENTAL TAX	BALANCE	INTEREST
2008	30	\$ 200,000	\$ 6,000,000	\$ -	\$ 3,624,000	\$ 326,160
2009	60	\$ 200,000	\$ 12,000,000	\$ -	\$ 3,950,160	\$ 355,514
2010	160	\$ 200,000	\$ 32,000,000	\$ 106,374	\$ 4,305,674	\$ 387,511
2011	190	\$ 200,000	\$ 42,000,000	\$ 212,748	\$ 4,586,811	\$ 412,813
2012	220	\$ 200,000	\$ 44,000,000	\$ 567,328	\$ 4,786,876	\$ 430,819
2013	250	\$ 200,000	\$ 54,000,000	\$ 744,618	\$ 4,650,367	\$ 418,533
2014	280	\$ 200,000	\$ 56,000,000	\$ 780,076	\$ 4,324,282	\$ 389,185
2015	310	\$ 200,000	\$ 62,000,000	\$ 957,366	\$ 3,933,391	\$ 354,005
2016	340	\$ 200,000	\$ 68,000,000	\$ 992,824	\$ 3,330,031	\$ 299,703
2017	370	\$ 200,000	\$ 74,000,000	\$ 1,099,198	\$ 2,636,909	\$ 237,322
2018	400	\$ 200,000	\$ 80,000,000	\$ 1,205,572	\$ 1,775,033	\$ 159,753
2019	430	\$ 200,000	\$ 86,000,000	\$ 1,311,946	\$ 729,214	\$ 65,629
2020	460	\$ 200,000	\$ 92,000,000	\$ 1,418,320	\$ (517,103)	\$ (46,539)
2021	490	\$ 200,000	\$ 98,000,000	\$ 1,418,320	\$ (1,981,962)	\$ (178,377)
2022	520			\$ 1,418,320	\$ (3,578,658)	\$ (322,079)
2022	550			\$ 1,418,320	\$ (5,319,058)	\$ (478,715)
2023	580			\$ 1,418,320	\$ (7,216,093)	\$ (649,448)
2024	610			\$ 1,418,320	\$ (9,283,861)	\$ (835,548)
2025	640			\$ 1,418,320	\$ (11,537,729)	\$ (1,038,396)
2026	670			\$ 1,418,320	\$ (13,994,444)	\$ (1,259,500)
2027	700			\$ 1,418,320	\$ (16,672,264)	\$ (1,500,504)

PROJECTIONS ARE BASED ON :

- MILL LEVY OF 17.7290/\$1000 EVALUATION (RESIDENTIAL)
- ESTIMATED TAXABLE HOME VALUE IS \$200,000 FOR ASSESSMENT PURPOSES
- INTEREST RATE OF 9%
- PROJECTED COMMERCIAL DEVELOPMENT OF \$4,000,000 IN 2011.

**SOUTH RAPID CITY
TAX INCREMENT DISTRICT
PROPERTY OWNERS LIST**

PIN No.	Legal Description	Acres	Owner	Mailing Address
55344	Unplatted Portion of NE1/4 SW1/4 Lying N of Hwy Right-of-Way, Section 24, T1N, R7E, BHM, Pennington County, SD	0.27	Lazy P6 Land Company, Inc.	505 Catron Blvd., Rapid City, SD 57701
55343	Unplatted Portion of NW1/4 SW1/4 Lying N of Hwy Less Lot H1, Section 24, T1N, R7E, BHM, Pennington County, SD	24	S.D. Department of Transportation	2300 Eglin Street, Rapid City, SD 57703
41090	Utility Lot 1 Par Subdivision, Section 23, T1N, R7E, BHM, Pennington County, SD	0.91	Prairiewave Black Hills, LLC	PO Box 2115, Rapid City, SD 57709
41261	Tract 2 Par Subdivision, Section 23, T1N, R7E, Pennington County, SD	10.08	North Catron, LLC	PO Box 1820, Rapid City, SD 57709
41262	Tract 3 Par Subdivision, Section 23, T1N, R7E, BHM, Pennington County, SD	20	Phillips Real Estate Holding Company	PO Box 2670, Rapid City, SD 57709
58804	Tract B Meadow View Subdivision, Section 26, T1N, R7E, BHM, Pennington County, SD	5.6	Auckinleck Properties, LLC	PO Box 2800, Rapid City, SD 57709
43413	Tract A Meadow View Subdivision, Section 26, T1N, R7E, BHM, Pennington County, SD	7.37	Catron Boulevard Investors II, LLC	528 Kansas City Street, Rapid City, SD 57701
46413	Unplatted, E1/2 W1/2 NE1/4 NW1/4; W1/2 E1/2 NE1/4 NW1/4, Section 26, T1N, R7E, BHM, Pennington County, SD	20	Borden & Gabbs, LPI	PO Box 2800, Rapid City, SD 57709
59718	Unplatted Portion of NE1/4 NW1/4 NW1/4 Lying East of Hwy 16 Less Shipman Heights Subdivision & Less Right-of-Way, Section 26, T1N, R7E, BHM, Pennington County, SD	5.71	Borden & Gabbs, LPI	PO Box 2800, Rapid City, SD 57709
44866	Lot A Tucker Subdivision, Section 26, T1N, R7E, BHM, Pennington County, SD	5.04	Bonnie L. Flyte	PO Box 1414, Rapid City, SD 57709
59717	Lot 1 Shipman Heights Subdivision, Section 26, T1N, R7E, BHM, Pennington County, SD	1.42	Black Hills Federal Credit Union, % R Heacock	PO Box 1420, Rapid City, SD 57709

designing for a better world

**SOUTH RAPID CITY
TAX INCREMENT DISTRICT
PROPERTY OWNERS LIST**

PIN No.	Legal Description	Acres	Owner	Mailing Address
44466	Unplatted Portion of SE1/4 NW1/4 NW1/4 Lying East of Hwy 16 Less Right-of-Way, Section 26, T1N, R7E, BHM, Pennington County, SD	6.82	The Maze, Inc.	6075 Sheridan Lake Road, Rapid City, SD 57702
43168	Lot A Ranch Subdivision, Section 26, T1N, R7E, BHM, Pennington County, SD	10.01	Whiteford Enterprises, LLC	6303 S. Highway 16, Rapid City, SD 57701
51984	Tract 1 of W1/2 NW1/4 Less Lot A of Ranch Subdivision, Less Connector Subdivision, Less Lots H1, H2, H3 & Right-of-Way, Section 26, T1N, R7E, BHM, Pennington County, SD	6.5	Greg & Elizabeth Goeken	3 Cedar Chase Drive, Henderson, NV 89052
49016	Tract AR2 Needles Subdivision, Section 26, T1N, R7E, BHM, Pennington County, SD	12.76	Saint Patrick, LLC	6508 Wellington Drive, Rapid City, SD 57701
51495	Tract B Needles Subdivision, Section 26, T1N, R7E, BHM, Pennington County, SD	8.65	Blue Ocean, LLC	1718 Pevans Parkway, Rapid City, SD 57701
51982	Lot 1 Connector Subdivision, Sections 26 & 27, T1N, R7E, BHM, Pennington County, SD	4.79	F & D Shultz LMT Partnership	PO Box 8110, Rapid City, SD 57709
51983	Lot 2 Connector Subdivision, Sections 26 & 27, T1N, R7E, BHM, Pennington County, SD	2.99	F & D Shultz LMT Partnership	PO Box 8110, Rapid City, SD 57709
43465	Tract 1 Waterslide Addition, Section 26, T1N, R7E, BHM, Pennington County, SD	15.63	Rushmore Waterslide, Inc.	PO Box 1820, Rapid City, SD 57709
51965	Unplatted Balance of S1/2 SE1/4 NW1/4; Unplatted Balance of NE1/4 SW1/4, Section 26, T1N, R7E, BHM, Pennington County, SD	43	SSDH, Inc. % Richard E. Huffman	PO Box 1820, Rapid City, SD 57709
51985	Platted Tract 1 of SE1/4 NE1/4 Less Connector Sub & Less Lot H1, Section 27, T1N, R7E, BHM, Pennington County, SD	25.54	F & D Shultz Limited Partnership	PO Box 8110, Rapid City, SD 57709
60876	Unplatted NW1/4 NW1/4 Less Lot H1 & Less Right-of-Way, Section 35, T1N, R7E, BHM, Pennington County, SD	34.11	Hagg Brothers, LLC	PO Box 8008, Rapid City, SD 57709

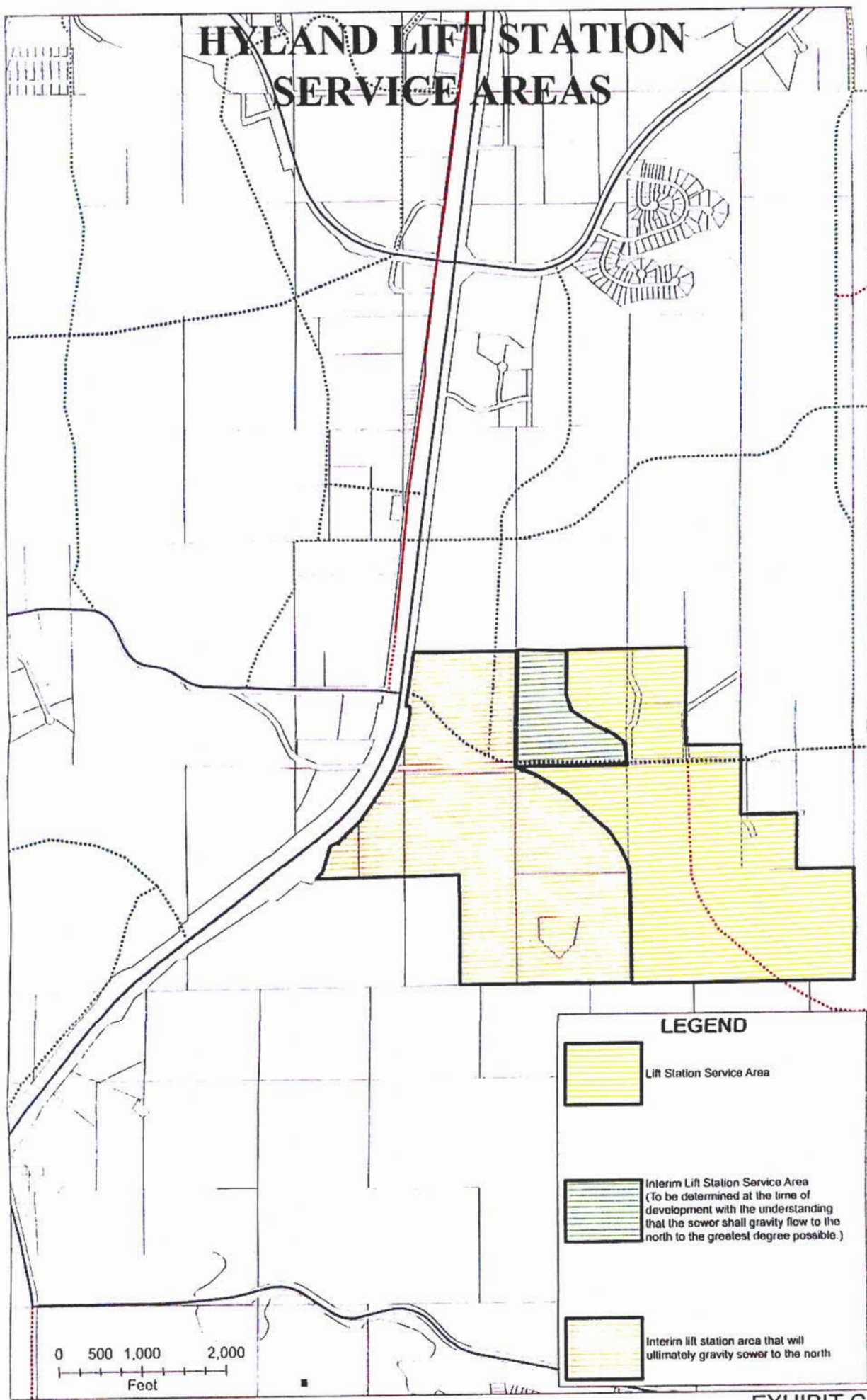
designing for a better world

**SOUTH RAPID CITY
TAX INCREMENT DISTRICT
PROPERTY OWNERS LIST**




PIN No.	Legal Description	Acres	Owner	Mailing Address
53298	Unplatted SE1/4 NW1/4, Section 35, T1N, R7E, BHM, Pennington County, SD	40	First Christian Church	730 Quincy Street, Rapid City, SD 57701
11254	Unplatted W1/2 SE1/4 and the SE1/4 SE1/4, Section 35, T1N, R7E, BHM, Pennington County, SD	120	Hyland Park, LLP	2700 W. Main Street, Rapid City, SD 57702
52949	Unplatted Portion of NW1/4 SW1/4 Lying South of Hwy, Right-of-Way Less Lot H1, Section 24, T1N, R7E, BHM, Pennington County, SD	7.12	Black Hills Corporation	PO Box 1400, Rapid City, SD 57709
11139	Unplatted SW1/4 SW1/4, Less Lot H2 & Less Right-of-Way, Section 24, T1N, R7E, BHM, Pennington County, SD	39.72	Black Hills Corporation	PO Box 1400, Rapid City, SD 57709
60356	Unplatted NE1/4 SW1/4 Section 35, T1N, R7E, BHM, Pennington County, SD	40	Frank B. Commerfield	1755 Sammis Trail, Rapid City, SD 57702
	South U.S. Hwy 16, Right-of-Way, in Sections 26, 27, 34 & 35, T1N, R7E, GHM, Pennington County, SD	62	S.D. Department of Transportation	2300 Eglin Street, Rapid City, SD 57703
	Catron Boulevard Right-of-Way, in Sections 23, 24 & 26, T1N, R7E, GHM, Pennington County, SD	78	S.D. Department of Transportation	2300 Eglin Street, Rapid City, SD 57703

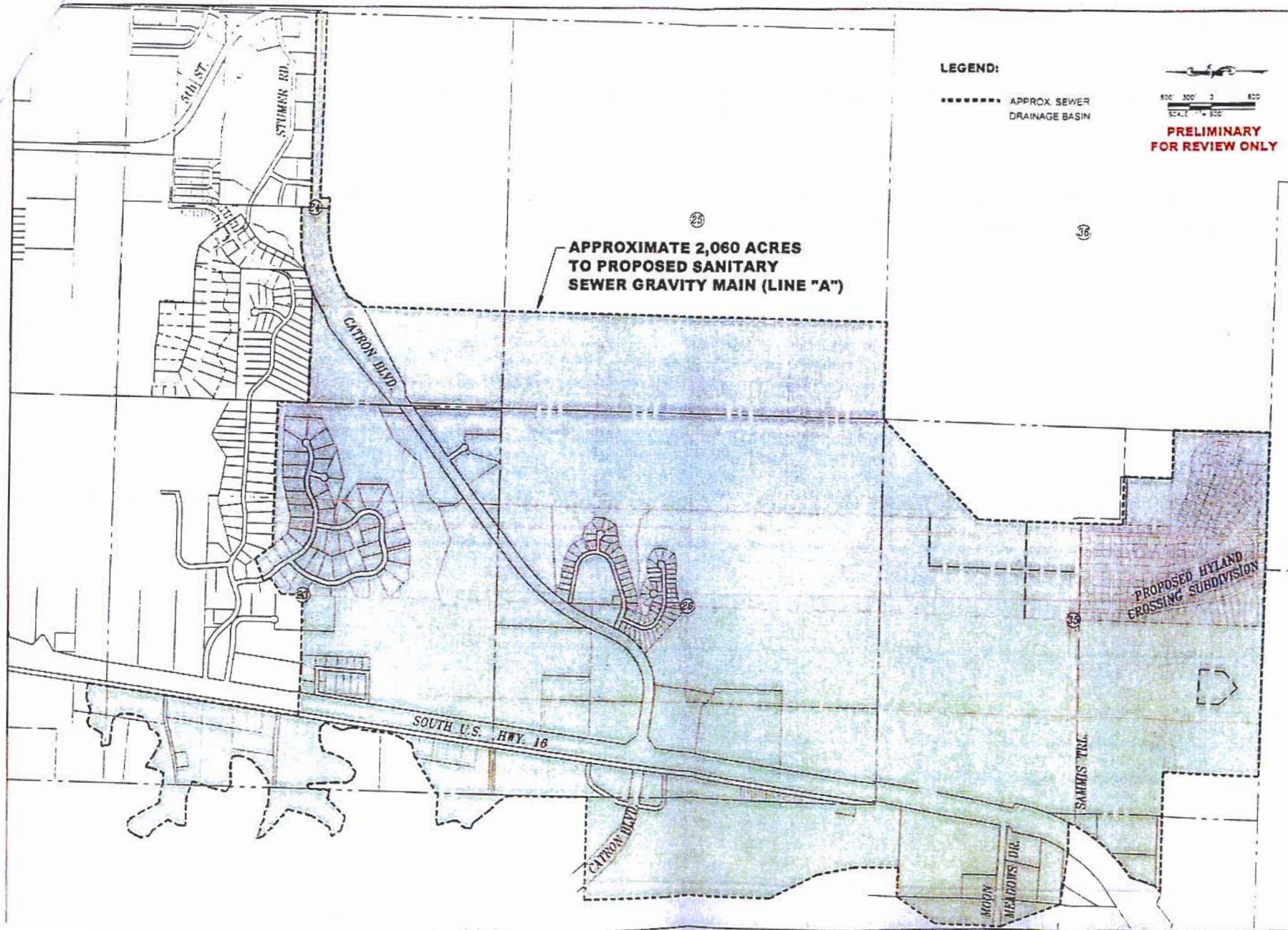
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HYLAND LIFT STATION SERVICE AREAS



LEGEND

-  Lift Station Service Area
-  Interim Lift Station Service Area
(To be determined at the time of development with the understanding that the sewer shall gravity flow to the north to the greatest degree possible.)
-  Interim lift station area that will ultimately gravity sewer to the north



DREAM DESIGN INTERNATIONAL, INC.
 CIVIL ENGINEERING - LANDSCAPE ARCHITECTURE
 LAND DEVELOPMENT - CONSULTING ARCHITECTURE



PRELIMINARY FOR REVIEW ONLY

Client	AS S-CWV
Designed By	TRV
Checked By	TRV
Drawn By	TRV
Date	04-2008
Revised By	TRV
Scale	AS S-CWV

**SOUTH RAPID CITY
 TAX INCREMENT DISTRICT**

EXHIBIT B
 SANITARY SEWER
 DRAINAGE BASIN

The Law Office of
GEORGE J. NELSON
G J N

2693D Commerce Rd.
Rapid City, South Dakota 57702

nelsonlaw@rushmore.com
Fax: 605-719-9471

Tel: 605-719-9470

March 10, 2005

Secretary of State
Division of Corporations
500 E. Capitol Ave., Suite 208
Pierre, SD 57501-5070

Re: Hyland Park L.L.L.P.

Greetings:

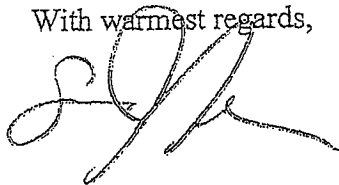
I enclose herewith an original and duplicate copy of Certificate of Amendment of the Certificate of Limited Partnership.

In addition, I enclose my Firm draft No. 1197 made payable to the South Dakota Secretary of State in the amount of \$100.00 for the filing fee.

Please file the Certificate of Amendment of the Certificate of Limited Partnership and return the duplicate copy with the file stamped by the Secretary of State.

Thank you for your courtesies in this matter and should you have any questions, do not hesitate to contact me.

With warmest regards,



George J. Nelson

GJN/cvw
Enclosures

cc: Clients

SECRETARY OF STATE
STATE CAPITOL
500 E. CAPITOL AVE.
PIERRE, S.D. 57501
(605)773-4845

Filed this 9th day of July, 2004
Chris Nelson
SECRETARY OF STATE

RECEIVED
JUL 09 2004
S.D. SEC. OF STATE

Statement of Qualification of a Domestic Limited Liability Limited Partnership

FILING FEE: \$100

Pursuant to SDCL 48-7-1106, the undersigned Limited Partnership hereby registers under SDCL 48-7A-1001 as a limited liability limited partnership.

1. The name, which shall contain the words "Registered Limited Liability Limited", or "L.L.L.P.", or "LLLP" as the last words of the name. is:
Hyland Park LLLP

2. The street address of its chief executive office and, if different, the street address of an office in this state if any;
1311 11th Street, Rapid City, SD 57701

3. The name of its registered agent: George J. Nelson, and the street address of its registered office:
2693D Commerce Rd., Rapid City, SD 57702

4. The partnership elects to be a limited liability limited partnership.

5. The deferred effective date of the registration if it is not to be effective upon filing of the registration: _____

I declare under penalty of perjury that the contents of the above statement are accurate.

Dated 7/6/04

[Signature]
(Partner Signature)

[Signature]
(Partner Signature)

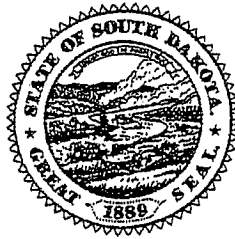
A statement must be executed by at least two partners.

Please submit one original for filing and one copy to receive date stamped acknowledgement of filing.

Effective 7/1/2002

Secretary of State

State Capitol, Ste. 204
500 East Capitol Avenue
Pierre, South Dakota
57501-5070
sdsos@state.sd.us



Chris Nelson
Secretary of State

Chad Heinrich
Deputy

To: GEORGE J NELSON
2693D COMMERCE ROAD
RAPID CITY SD 57702

From: Secretary of State Chris Nelson
Corporations Division

Date: May 26, 2004

Re: HYLAND PARK LIMITED PARTNERSHIP
Document Filings

The documents submitted on behalf of **HYLAND PARK LIMITED PARTNERSHIP** have been received and filed.

Enclosed is the acknowledgement with a receipt for the fee of \$100.00.

Thank you.

Secretary of State

State Capitol, Ste. 204
500 East Capitol Avenue
Pierre, South Dakota
57501-5070
sdsos@state.sd.us



Chris Nelson
Secretary of State

Chad Heinrich
Deputy

To: THE LAW OFFICE OF GEORGE J. NELSON
2693D COMMERCE RD
RAPID CITY SD 57702

From: Secretary of State Chris Nelson
Corporations Division

Date: July 9, 2004

Re: HYLAND PARK LLLP
Document Filings

The documents submitted on behalf of **HYLAND PARK LLLP** have been received and filed.

Enclosed is the acknowledgement with a receipt for the fee of \$100.

Thank you.

AGREEMENT OF LIMITED PARTNERSHIP

OF

HYLAND PARK LIMITED PARTNERSHIP

THIS AGREEMENT OF LIMITED PARTNERSHIP (the "Agreement") is made as of this 21st day of April __, 2004 among LAND RUSH PROPERTIES, INC., a South Dakota corporation (the "General Partner"), and those other persons (the "Limited Partners") who become parties to this Agreement by executing a Subscription Agreement.

AGREEMENT

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

Definitions:

The following capitalized and defined terms are hereby incorporated into this Agreement.

"Act" means the South Dakota Uniform Limited Partnership Act or the corresponding provisions of any succeeding laws.

"Affiliate" means (i) any person directly or indirectly controlling, controlled by or under common control with another person, (ii) any person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other person, (iii) any officer, director or Partner of such person, and (iv) if such other person is an officer, director or partner, any company for which such person acts in such capacity.

"Agreement" means this Agreement of Limited Partnership, including any amendments and supplements hereto.

"Book Basis" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes provided, however, (i) if property is contributed to the partnership, the initial Book Basis of such property shall

70 YEARS
OF SERVICE
1936-2006



Ketel Thorstenson, LLP

Certified Public Accountants/Business & Personal Consultants

Partners

John B. Walker, CPA
Michael H. Finnegan, CPA
F. Peter Bergman, CPA
Rex P. Vigoren, CPA
Donna J. Denker, CPA

Paul J. Thorstenson, CPA/ABV, CVA
Brent E. Siekman, CPA, MST
Stephen M. Schacht, CPA
Merle G. Karen, CPA

Denise M. Webster, CPA
Jean M. Smith, CPA
Fred F. Krush, Sr., CPA
Craig Steinman, CPA
Clark J. Kraemer, CPA

Of Counsel: Richard L. Siekman, CPA; Leroy B. Ketel, CPA

Hyland Park Limited Partnership
1311 11th Street
Rapid City, SD 57701

We have compiled the accompanying statements of assets, liabilities and capital – income tax basis of Hyland Park Limited Partnership as of December 31, 2006 and 2005, and the related statements of revenues and expenses – income tax basis for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Company for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of changes in partners' capital ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Partnership's assets, liabilities, capital, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Hyland Park Limited Partnership.

Ketel Thorstenson, LLP

KETEL THORSTENSON, LLP
Certified Public Accountants

January 2, 2007

3:21 PM
01/08/07
Accrual Basis

Hyland Park Limited Partnership
Statement of Revenues and Expenses - Income Tax Basis
For the Years Ended December 31, 2006 and 2005

	<u>Jan - Dec 06</u>	<u>Jan - Dec 05</u>
Ordinary Income/Expense		
Expense		
Miscellaneous	<u>0.00</u>	<u>0.00</u>
Total Expense	<u>0.00</u>	<u>0.00</u>
Net Ordinary Income	0.00	0.00
Other Income/Expense		
Other Income		
Interest Income	<u>5.54</u>	<u>466.64</u>
Total Other Income	<u>5.54</u>	<u>466.64</u>
Net Other Income	<u>5.54</u>	<u>466.64</u>
Net Income	<u><u>5.54</u></u>	<u><u>466.64</u></u>