

## Preliminary Review of Proposed Tax Increment Project

**Applicant:** Sperlich Consulting for Villaggio, LLC

**Proposed Project Title:** TID #61 Third Revised - The Villaggio at Golden Eagle

**Purpose of Tax Increment District:** The creation of this Tax Increment District and the Project Plan were approved October 2, 2006. The First Revised Project Plan submitted by Developer 1 (Villaggio, LLC) was approved September 17, 2007 to fund additional Sewer Lift Station Costs. The Second Revised Project Plan submitted by the City of Rapid City was approved January 22, 2008 to fund additional Sewer Main Costs. The purpose of this Tax Increment District was to assist in the development of infrastructure adjacent to the Villaggio at Golden Eagle and property owned by the City of Rapid City. The Tax Increment Funds were to be utilized for Vineyard Lane and Golden Eagle Drive, Promise Road, the extension of water, sewer, sidewalks, storm sewer, detention cells and sewer lift stations. The Project Plan is to be funded by two individual developers and the City of Rapid City.

Developer I (Villaggio, LLC) is now requesting the reallocation of Necessary and Convenient Costs to fund Civil Engineering Services and to reallocate additional Project Plan costs.

**The proposed change would reallocate the project costs, removing \$1,489.89 from Traffic Control, \$60,000.00 from Contingency and \$46,768.34 from the Necessary and Convenient cost line items and adding \$5,985.06 to the Sewer Lift Station, \$6,407.35 to the Detention Cell, \$6,986.20 to the Water Mains, \$12,494.59 to Streets/Sidewalks, \$872.78 to Storm Sewer line items, and adding \$75,512.25 Civil Engineering Services to the Necessary and Convenient line item.**

The anticipated residential and commercial development in the area will generate revenues to repay the costs of the identified improvements. This is an economic development Tax Increment District.

**Existing Boundaries:** The boundaries are located adjacent to Catron Boulevard, east of Sheridan Lake Road and west of U.S. Highway 16.

**Existing Base Valuation:** \$1,793,865 as determined by the South Dakota Department of Revenue.

### **Proposed Developer I (Villaggio, LLC) Project Cost Reallocation:**

<u>Capital Costs:</u>	<u>Approved Costs</u>	<u>Changes</u>	<u>Amended Costs</u>
<b>Sewer Lift Station</b>	<b>\$242,516.00</b>	<b>\$ 5,985.06</b>	<b>\$248,501.06</b>
<b>Detention Cell</b>	<b>\$ 9,792.00</b>	<b>\$ 6,407.35</b>	<b>\$ 16,199.35</b>
<b>Water Main</b>	<b>\$ 9,193.39</b>	<b>\$ 6,986.20</b>	<b>\$ 16,179.59</b>
<b>Streets/Sidewalks</b>	<b>\$181,194.99</b>	<b>\$ 12,494.59</b>	<b>\$193,689.58</b>
<b>Storm Sewer</b>	<b>\$ 16,285.47</b>	<b>\$ 872.78</b>	<b>\$ 17,158.25</b>
<b>Traffic Control</b>	<b>\$ 1,489.89</b>	<b>(\$ 1,489.89)</b>	<b>\$ 0</b>
<b>Sewer Mains</b>	<b>\$ 25,564.18</b>		<b>\$ 25,564.18</b>

Financing Interest	\$478,243.38		\$478,243.38
<b>Contingency Costs</b>	<b>\$ 60,000.00</b>	<b>(\$ 60,000.00)</b>	<b>\$ 0</b>
<b>Necessary/Convenient</b>	<b>\$168,484.00</b>	<b>(\$ 46,768.34)</b>	<b>\$121,715.66</b>
<b>Civil Engineering</b>	<b>\$ 0</b>	<b>\$ 75,512.25</b>	<b>\$ 75,512.25</b>
Total	\$1,192,763.30	\$ 0	\$1,192,763.30

**Identified Funding Sources:**

Financed by Developer I (Villaggio, LLC)

**Anticipated Time Frame:** Eight years

**Comments:** Interest rate in the approved Project Plan is 9.5%. **Current interest rate is 8.25%**