

# PROJECT PLAN

TAX INCREMENT DISTRICT #76  
RUSHMORE GATEWAY CORRIDOR  
AKA BLACK HILLS ENERGY CORPORATE HEADQUARTERS

Prepared by the

Rapid City Community Planning and Development Services Department  
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## INTRODUCTION

Tax Increment Financing is a method of financing improvements and development in an area which has been determined to be blighted or which has been determined to create economic development according to the criteria set forth in SDCL 11-9. All this is done without incurring a general obligation for the taxpayers of the entire City.

The assessed value of a district is determined by the South Dakota Department of Revenue at the time the district is created by the City Council. This valuation is termed the Tax Increment Base Valuation for the district, or simply the "base valuation." As the property taxes for the property are paid, that portion of the taxes paid on the Base Valuation continue to go to those entities, (City, County, School, etc.), which levy property taxes.

When the assessed valuation of the district increases in succeeding years, the total property taxes paid by the owners of property in the district will increase accordingly. That increase in taxable valuation is the "increment." When the tax bills are paid, only that portion of the tax bill which results from the Base Valuation, is paid to the taxing entities. The remainder of the tax bill, known as the tax increment, is deposited into a special fund. It is this plan which determines how these accumulated funds will be used. It is anticipated that one or more of the properties in this proposed Tax Increment District will be used for commercial purposes. The creation of this Tax Increment District for economic development purposes will not require an additional levy to make up for the School District's share of the property taxes included in the Tax Increment.

This financing method is invaluable for encouraging economic growth since the amount of funds available for use by the project plan is directly related to the increase in valuation which a given project or development will create.

## OVERVIEW

This plan proposes that the approved Tax Increment District will stimulate job creation by expanding employment opportunities as demonstrated by the proposed wage scales, employee benefits and the additional full-time employees, and assist in the development of critical public infrastructure to serve the general public as well as new commercial development along south Mount Rushmore Road / US 16 Highway Corridor. The Tax Increment Funds will be utilized to extend public infrastructure including water, sewer and storm water, road construction, traffic signal and the construction of sidewalk/bike path. With the Council's approval, the tax increment payment will be in the form of a grant used to secure the additional 150 workspaces within the new corporate office facility. The district boundary is located at the southwestern corner of the intersection of US Highway 16 and Catron Boulevard. The estimated project costs are \$6,827,321.

The Tax Increment Financing Committee met on January 14, 2016 to discuss the proposal for the Rushmore Gateway Corridor aka Black Hills Energy Corporate Headquarters. The recommendation to create a new tax increment district was based on the requirements of SDCL 11-9-8, wherein:

- (1) Not less than twenty-five percent, by area, of the real property within the district is a blighted area or not less than fifty percent, by area, of the real property within the district will stimulate and develop the economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and
- (2) The improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district.

This new district will be financed by the Developer.

The Committee also confirmed that based on the information provided in the application, the proposed development meets the following two local criteria established within the City of Rapid City's Tax Increment Policy:

- (3) the project will not provide direct or indirect assistance to retail or service businesses competing with existing businesses in the Rapid City trade area; and
- (4) the project will bring new or expanded employment opportunities as demonstrated by proposed wage scales, employee benefits and an additional 150 full time employees.

Additional discretionary criteria met by this proposal includes the following:

- (1) The project will generate at least one full-time job for each \$10,000 in principal value of the tax increment financing proposal, or would create a minimum of 50 new jobs. *The Developer anticipates an estimated 150 additional employee workspaces created directly from the tax increment financing.*
- (7) The project involves the expansion of an existing business located within Rapid City. *The Developer anticipates relocating 500 existing employees into the new district and creating workspaces for an additional 150 employees.*

The City Finance Officer will review and analyze the proposed financing terms and forward a recommendation for approval or disapproval to the City Council along with the Developer's Agreement or proposal for refinancing. For purposes of developing the project plan, all interest expenses are to be calculated utilizing a fixed rate not to exceed 9 percent annual interest as directed by the adopted Tax Increment Financing Guidelines. However, the applicant has requested that a 5.5 percent annual interest rate be used, as this will allow the district costs, plus the underlying TID 70 costs to be paid

in full within 20 years. With the City Council's approval, this 5.5% interest amount shall be included in the project plan and at no time during the term of the project shall the actual interest expense exceed the amount budgeted in the project plan. An Imputed Administrative Fee in the amount of \$20,000 shall be charged by the City of Rapid City to every Tax Increment District for which a Project Plan is approved. This fee shall be paid to the City as a project cost from the tax increment fund balance in year five of the Tax Increment District. All project expenditures must be completed within five years of the creation of the district. Should the tax increment revenues exceed the anticipated loan payments, the district debt would be retired early resulting in the full value of the property being returned to the tax rolls more quickly.

On February 6, 2012, the City Council approved the Project Plan for Tax Increment District #70. This District included more than 712 acres, including the property within the current proposal. Because SDCL 11-9-6 allows overlapping district boundaries, when overlapping districts occur, any increment generated within the common boundary is directed to the first district created until those project costs are repaid. The Project Plan for District 70 includes \$3,339,182 in public infrastructure improvements and \$3,071,346.30 in financing costs, for a maximum total of \$6,410,528.30 in reimbursable costs. The increment generated from the current proposal will be allocated to TID 70 project costs until repaid, with an anticipated TID 70 repayment date of July 2021.

### PROJECT PLAN SUMMARY

This plan establishes the total project costs, as well as the Tax Increment District funded costs.

#### Elements of the Project Plan

This Project Plan, as required by SDCL 11-9-13, will address the following elements:

- 1) Public Works and Other Improvements;
- 2) Economic Feasibility Study;
- 3) Project Costs;
- 4) Fiscal Impact Statement; and,
- 5) Financing Method Description.

Additionally, the following exhibits are offered:

- I. General Vicinity map;
- II. Tax Increment District Boundary Map;
- III. Map of Existing Zoning;
- IV. Map of Existing Land Use; and,
- V. Map of Public and Other Improvements.

The Statement of Method for Relocating Displaced Persons, as well as the Statement of Changes Needed in the Master Plan, Building Codes and Ordinances do not apply to this Project Plan and have not been included in this document as there are no persons

that will be displaced with approval of this Plan nor are there any changes needed in the City's Master Plan, existing Building Codes or Ordinances.

## **ELEMENTS OF THE PROJECT PLAN**

### **1. PUBLIC WORKS AND OTHER IMPROVEMENTS**

The project plan includes \$3,221,619 in capital costs associated with the public infrastructure and the traffic signal installation. In addition, the project plan includes \$254,508 in professional design services and project/construction management costs.

### **2. ECONOMIC FEASIBILITY STUDY**

#### Current Valuation –

Tax Increment District #76 has been created in accordance with SDCL 11-9-2 to 11-9-11. A vicinity map as well as a boundary map is attached. As of this date, the 2015 assessed valuation for the proposed district is projected at \$4,296,700. In accordance with SDCL 11-9-20, the certification of the base value will be requested from the South Dakota Department of Revenue following creation and approval of the district by the City Council.

#### ANTICIPATED CERTIFIED BASE VALUATION OF PROPERTY

\$4,296,700

#### Expected Increase in Valuation –

#### ESTIMATED FUTURE VALUATION OF PROPOSED DISTRICT

Estimated 2015 Assessed Value of District	\$4,296,700
Estimated 2036 Assessed Value of project (year 20)	\$73,876,128
Other Anticipated Increases in Assessed Value	\$0
Estimated Increase in Assessed Value of Land*	\$0
Estimated 2036 Total Valuation (year 20)	\$78,172,828

\*For purposes of this Tax Increment District, the increase in land value is not included in these estimates. Any additional land value will pay off the loan earlier than anticipated.

#### Revenue Estimates from Tax Increments

The Plan anticipates 40 semi-annual payments over 20 years, including the repayment of TID 70. The potential negative short-term impact on the various taxing entities will be offset by the increase in the tax base in future years.

2015 Non Agriculture Tax Levies and Percentage of Total Levy

<u>Taxing Entity</u>	<u>Tax Levy</u>	<u>Percentage of Total Levy</u>
Rapid City Area School District	13.638	62.65%
Pennington County	4.822	22.15%
City of Rapid City	3.278	15.06%
West Dakota Water District	0.030	0.14%
Total Mill Levy	21.768	100.00%

Anticipated 2015 Non Agriculture Tax Rate: 0.021768

The estimated tax increment available to pay for project costs in the Plan can be calculated by multiplying the anticipated tax rate by the increment in valuation. This calculation results in the following tax increments, which become available as taxes are paid for the applicable periods.

PROJECTED TAX INCREMENT INCOME

<u>ASSESSMENT DATE</u>	<u>YEAR TAXES PAID</u>	<u>PROJECTED INCREMENT IN VALUATION</u>	<u>ESTIMATED TAXABLE VALUE INCREASE*</u>	<u>YEARLY TAX INCREMENT PAYMENTS</u>	<u>6 MONTH TOTAL</u>
Nov. 2016	2018	\$54,770,290	\$18,413,550	\$400,826	\$200,413
Nov. 2017	2019	\$73,876,128	\$21,448,050	\$466,881	\$233,441
Nov. 2018	2020	\$73,876,128	\$20,767,800	\$452,073	\$226,037
Nov. 2019	2021	\$73,876,128	\$20,818,400	\$453,175	\$226,587
Nov. 2020	2022	\$73,876,128	\$20,869,101	\$454,279	\$227,139
Nov. 2021	2023	\$73,876,128	\$20,919,904	\$455,384	\$227,692
Nov. 2022	2024	\$73,876,128	\$20,971,808	\$456,514	\$228,257
Nov. 2023	2025	\$73,876,128	\$21,021,814	\$457,603	\$228,801
Nov. 2024	2026	\$73,876,128	\$21,072,922	\$458,715	\$229,358
Nov. 2025	2027	\$73,876,128	\$21,124,132	\$459,830	\$229,915
Nov. 2026	2028	\$73,876,128	\$21,175,445	\$460,947	\$230,474
Nov. 2027	2029	\$73,876,128	\$21,226,860	\$462,066	\$231,033
Nov. 2028	2030	\$73,876,128	\$21,278,378	\$463,188	\$231,594
Nov. 2029	2031	\$73,876,128	\$21,330,000	\$464,311	\$232,156
Nov. 2030	2032	\$73,876,128	\$21,381,726	\$465,437	\$232,719
Nov. 2031	2033	\$73,876,128	\$21,433,552	\$466,566	\$233,283
Nov. 2032	2034	\$73,876,128	\$21,485,483	\$467,696	\$233,848
Nov. 2033	2035	\$73,876,128	\$21,537,519	\$468,829	\$234,414
Nov. 2034	2036	\$73,876,128	\$21,589,658	\$469,964	\$234,982
Nov. 2035	2037	\$73,876,128	\$21,641,902	\$471,101	\$235,550

**TOTAL TAX INCREMENT EXPECTED TO ACCRUE BY 12/31/33:**

\$9,175,386

NOTE: Tax increment payments are calculated using 100% of estimated future property valuation and 100% of expected 2015 mill levy. The Estimated Taxable Value Increase is an estimated based on South Dakota's central assessment formula.

**3. PROJECT COSTS**

Capital Costs – The capital costs of \$3,221,619 included in the Project Plan are for public infrastructure including Les Hollers Way and Energy Park Drive construction with storm, water and sewer, water main oversizing within Les Hollers Way, installation of a traffic signal at Les Hollers Way and Catron Boulevard, and a sidewalk/bike path on the south side of Energy Park Drive. (Capital Costs include City street projects and may be expended as a grant at the City's discretion.)

Financing Costs – The financing costs for this Project Plan are dependent on the interest rate obtained. The interest rate used for this project plan is 5.5%. It is estimated that the financing costs will total \$3,351,194. If a lower interest rate is obtained, the project costs will be repaid more quickly and the property will be returned to the tax rolls sooner. (Financing Costs may be expended as a grant at the City's discretion.)

Professional Service Costs – Professional service costs for Engineering and Professional fees in the amount of \$254,508 are anticipated in the Project Plan. (Professional Service Costs may be expended as a grant at the City's discretion.)

Relocation Costs – No relocation costs are anticipated in the Project Plan.

Organizational Costs – No organizational costs are anticipated in the Project Plan.

Contingency Costs – No contingency costs are anticipated in the Project Plan.

Necessary and Convenient Payments – No necessary and convenient costs are anticipated in the Project Plan.

Imputed Administrative Costs – All Tax Increment District actions require municipal staff time to prepare and enact. The City shall be reimbursed on March 22, 2021, for its administrative costs in the amount of \$20,000. However, in no case shall the City be reimbursed less than \$1 on March 22, 2021.

<b>Project Cost Description</b>	<b>Total Estimated Project Costs</b>	<b>TIF Funded Project Costs</b>
<b>Capital Costs:</b>		
Land acquisition (30.7)	\$4,869,513	\$0
Building Construction (200,000 sf)	\$50,000,000	\$0
Furniture/Fixtures/Equipment (550 seats)	\$7,878,333	\$0
Additional office/Seating capacity (150 seats)	\$2,475,000	\$0
Public Utilities (storm/sewer/water)	\$601,078	\$601,078
Water Main Oversizing	\$26,769	\$26,769
Traffic Signal (Les Hollers Way/Catron Boulevard)	\$393,570	\$393,570
Roadway Grading/Base/Curb/Asphalt/ Lighting/Landscape	\$2,133,636	\$2,133,636
Sidewalks/Bike Path	\$66,566	\$66,566
<b>Professional Costs:</b>		
Project Management and Administrative Fees	\$5,256,369	\$254,508
<b>Financing Costs</b>		
Interest	\$3,351,194	\$3,351,194
<b>Contingency Costs</b>	\$433,074	\$0
<b>Necessary and Convenient</b>		
<b>TOTAL</b>	<b>\$77,485,102</b>	<b>\$6,827,321</b>
Imputed Administrative Costs*		\$20,000
City of Rapid City		

\*The imputed administrative costs are interest-free, are not included in the total project costs, and are to be paid from the balance remaining in the Tax Increment District #76 fund available to the City Finance Officer on March 22, 2021.



Costs of Public Works or Improvements. In accordance with SDCL § 11-9-13, the following is the kind, number, location and dollar amount of estimated Project Costs, costs of public works and improvements.

### DETAIL OF PROJECT COSTS

Kind of Project	Number of Projects	Location <sup>(1)</sup>	Amount	Reference <sup>(2)</sup>
Capital Costs <sup>^</sup>	5	District	\$3,221,619	11-9-15(1)
Financing Costs <sup>^</sup>	1	District	\$3,351,194	11-9-15(2)
Real Property Assembly				11-9-15(3)
Professional Fees				11-9-15(4)
Administrative Costs <sup>^</sup>	1	District	\$254,508	11-9-15(5)
Relocation Costs				11-9-15(6)
Organizational Costs				11-9-15(7)
Discretionary Costs and Grants				11-9-15(8)
Eligible Project Costs			\$6,827,321	

<sup>^</sup> Capital costs, financing costs and administrative costs may be expended as a grant at the City's discretion.

<sup>(1)</sup>District shall mean the Tax Increment District

<sup>(2)</sup>**SDCL §11-9-14. Project costs defined.** "Project costs" are any expenditures made or estimated to be made, or monetary obligations incurred or estimated to be incurred, by a municipality which are listed in a project plan as grants, costs of public works, or improvements within a tax incremental district, plus any costs incidental thereto, diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by the municipality in connection with the implementation of the plan.

**SDCL 11-9-15. Specific items included in project costs.** Project costs include:

- (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds or notes issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the Project Plan, are sufficient to pay the principal of and interest on the tax incremental bonds or notes when due;
- (2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for Project Costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;
- (3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a Project Plan;
- (4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;
- (5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a Project Plan;
- (6) Relocation costs;
- (7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and
- (8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans.

#### 4. FISCAL IMPACT STATEMENT

The impact on taxing entities can be derived from determining the tax increment anticipated during the life of the district. The true impact on taxing entities of the Plan is the increase in valuation of the property within the Tax Increment District. The taxing entities are only foregoing that income during the life of the district and will realize that income as soon as the debt from the project costs in the Plan is retired. The purpose of this Plan is to encourage that increase in valuation.

At first glance it may appear that the negative impact on the various entities is notable. But when it is considered that without the use of the Tax Increment Finance proposed in this plan it is very likely that there would be no increase in the taxable value of the property within this district or, at least, any increase would be significantly delayed, the impact can be considered truly positive.

#### NET IMPACT ON TAXING ENTITIES

Year Paid	Valuation Increase <sup>(3)</sup>	Schools	County	City	Water	Total
2018	\$18,413,550	\$251,124	\$88,790	\$60,360	\$552	\$400,826
2019	\$21,448,050	\$292,509	\$103,422	\$70,307	\$643	\$466,881
2020	\$20,767,800	\$283,231	\$100,142	\$68,077	\$623	\$452,073
2021	\$20,818,400	\$283,921	\$100,386	\$68,243	\$625	\$453,175
2022	\$20,869,101	\$284,613	\$100,631	\$68,409	\$626	\$454,279
2023	\$20,919,904	\$285,306	\$100,876	\$68,575	\$628	\$455,384
2024	\$20,971,808	\$286,014	\$101,126	\$68,746	\$629	\$456,514
2025	\$21,021,814	\$286,695	\$101,367	\$68,910	\$631	\$457,603
2026	\$21,072,922	\$287,393	\$101,614	\$69,077	\$632	\$458,715
2027	\$21,124,132	\$288,091	\$101,861	\$69,245	\$634	\$459,830
2028	\$21,175,445	\$288,791	\$102,108	\$69,413	\$635	\$460,947
2029	\$21,226,860	\$289,492	\$102,356	\$69,582	\$637	\$462,066
2030	\$21,278,378	\$290,195	\$102,604	\$69,751	\$638	\$463,188
2031	\$21,330,000	\$290,899	\$102,853	\$69,920	\$640	\$464,311
2032	\$21,381,726	\$291,604	\$103,103	\$70,089	\$641	\$465,437
2033	\$21,433,552	\$292,311	\$103,353	\$70,259	\$643	\$466,566
2034	\$21,485,483	\$293,019	\$103,603	\$70,429	\$645	\$467,696
2035	\$21,537,519	\$293,729	\$103,854	\$70,600	\$646	\$468,829
2036	\$21,589,658	\$294,440	\$104,105	\$70,771	\$648	\$469,964
2037	\$21,641,902	\$295,152	\$104,357	\$70,942	\$649	\$471,101

<sup>(3)</sup>The Estimated Taxable Value Increase amounts are based on Black Hills Energy (BHE) being centrally-assessed. The state valuation model was utilized to calculate the difference between BHE's unit valuation with and without the project to get to the Estimated Taxable Value Increase specifically for the project. Because the state valuation model contains many variables and allows certain discretions on the part of the state assessor, multiple assumptions were made in the calculation from BHE on the above estimates for BHE's piece.

## 5. FINANCING METHOD

The Applicant anticipates financing this Plan and will be responsible for any interest payments due that are not available from Tax Increment District #76. If the tax increment revenues exceed the anticipated loan payments, the debt will be retired early.

The debt on the Tax Increment District Project Costs covered in the Plan will be retired by deposits made in the Tax Increment District as taxes are paid on the property in succeeding years. The City of Rapid City Finance Officer will make the disbursements from that fund in accordance with this Plan. According to SDCL 11-9-25, positive tax increments will be allocated to that fund until the debt from the project costs is retired or fifteen years following the last expenditure from the Project Plan whichever comes first. The final payment from this Plan is scheduled to be made on January 1, 2036.

The projected amortization rate schedule is listed below showing the amount to be financed by the Developer using a 5.5% interest rate.

### PROJECTED AMORTIZATION TABLE

Pmt. No.	Payment Date	Beginning Balance	TIF Payment <sup>(1)</sup>	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	1/1/2016	\$3,476,127.00	\$0.00	\$0.00	-\$95,593.49	\$95,593.49	\$3,571,720.49	\$95,593.49
2	7/1/2016	\$3,571,720.49	\$0.00	\$0.00	-\$98,222.31	\$98,222.31	\$3,669,942.81	\$193,815.81
3	1/1/2017	\$3,669,942.81	\$0.00	\$0.00	-\$100,923.43	\$100,923.43	\$3,770,866.23	\$294,739.23
4	7/1/2017	\$3,770,866.23	\$0.00	\$0.00	-\$103,698.82	\$103,698.82	\$3,874,565.05	\$398,438.05
5	1/1/2018	\$3,874,565.05	\$0.00	\$0.00	-\$106,550.54	\$106,550.54	\$3,981,115.59	\$504,988.59
6	7/1/2018	\$3,981,115.59	\$0.00	\$0.00	-\$109,480.68	\$109,480.68	\$4,090,596.27	\$614,469.27
7	1/1/2019	\$4,090,596.27	\$0.00	\$0.00	-\$112,491.40	\$112,491.40	\$4,203,087.67	\$726,960.67
8	7/1/2019	\$4,203,087.67	\$0.00	\$0.00	-\$115,584.91	\$115,584.91	\$4,318,672.58	\$842,545.58
9	1/1/2020	\$4,318,672.58	\$0.00	\$0.00	-\$118,763.50	\$118,763.50	\$4,437,436.08	\$961,309.08
10	7/1/2020	\$4,437,436.08	\$0.00	\$0.00	-\$122,029.49	\$122,029.49	\$4,559,465.57	\$1,083,338.57
11	1/1/2021	\$4,559,465.57	\$118,680.01	\$118,680.01	-\$6,705.29	\$125,385.30	\$4,566,170.86	\$1,208,723.87
12	7/1/2021	\$4,566,170.86	\$226,087.50	\$226,087.50	\$100,517.80	\$125,569.70	\$4,465,653.06	\$1,334,293.57
13	1/1/2022	\$4,465,653.06	\$227,139.50	\$227,139.50	\$104,334.04	\$122,805.46	\$4,361,319.02	\$1,457,099.03
14	7/1/2022	\$4,361,319.02	\$227,139.50	\$227,139.50	\$107,203.23	\$119,936.27	\$4,254,115.79	\$1,577,035.30
15	1/1/2023	\$4,254,115.79	\$227,692.00	\$227,692.00	\$110,703.82	\$116,988.18	\$4,143,411.98	\$1,694,023.49
16	7/1/2023	\$4,143,411.98	\$227,692.00	\$227,692.00	\$113,748.17	\$113,943.83	\$4,029,663.81	\$1,807,967.32
17	1/1/2024	\$4,029,663.81	\$228,257.00	\$228,257.00	\$117,441.25	\$110,815.75	\$3,912,222.56	\$1,918,783.07
18	7/1/2024	\$3,912,222.56	\$228,257.00	\$228,257.00	\$120,670.88	\$107,586.12	\$3,791,551.68	\$2,026,369.19
19	1/1/2025	\$3,791,551.68	\$228,801.50	\$228,801.50	\$124,533.83	\$104,267.67	\$3,667,017.85	\$2,130,636.86
20	7/1/2025	\$3,667,017.85	\$228,801.50	\$228,801.50	\$127,958.51	\$100,842.99	\$3,539,059.34	\$2,231,479.85
21	1/1/2026	\$3,539,059.34	\$229,357.50	\$229,357.50	\$132,033.37	\$97,324.13	\$3,407,025.98	\$2,328,803.99
22	7/1/2026	\$3,407,025.98	\$229,357.50	\$229,357.50	\$135,664.29	\$93,693.21	\$3,271,361.69	\$2,422,497.20
23	1/1/2027	\$3,271,361.69	\$229,915.00	\$229,915.00	\$139,952.55	\$89,962.45	\$3,131,409.14	\$2,512,459.65
24	7/1/2027	\$3,131,409.14	\$229,915.00	\$229,915.00	\$143,801.25	\$86,113.75	\$2,987,607.89	\$2,598,573.40

25	1/1/2028	\$2,987,607.89	\$230,473.50	\$230,473.50	\$148,314.28	\$82,159.22	\$2,839,293.61	\$2,680,732.62
26	7/1/2028	\$2,839,293.61	\$230,473.50	\$230,473.50	\$152,392.93	\$78,080.57	\$2,686,900.68	\$2,758,813.19
27	1/1/2029	\$2,686,900.68	\$231,033.00	\$231,033.00	\$157,143.23	\$73,889.77	\$2,529,757.45	\$2,832,702.96
28	7/1/2029	\$2,529,757.45	\$231,033.00	\$231,033.00	\$161,464.67	\$69,568.33	\$2,368,292.78	\$2,902,271.29
29	1/1/2030	\$2,368,292.78	\$231,594.00	\$231,594.00	\$166,465.95	\$65,128.05	\$2,201,826.83	\$2,967,399.34
30	7/1/2030	\$2,201,826.83	\$231,594.00	\$231,594.00	\$171,043.76	\$60,550.24	\$2,030,783.07	\$3,027,949.58
31	1/1/2031	\$2,030,783.07	\$232,155.50	\$232,155.50	\$176,308.97	\$55,846.53	\$1,854,474.10	\$3,083,796.11
32	7/1/2031	\$1,854,474.10	\$232,155.50	\$232,155.50	\$181,157.46	\$50,998.04	\$1,673,316.64	\$3,134,794.15
33	1/1/2032	\$1,673,316.64	\$232,718.50	\$232,718.50	\$186,702.29	\$46,016.21	\$1,486,614.35	\$3,180,810.36
34	7/1/2032	\$1,486,614.35	\$232,718.50	\$232,718.50	\$191,836.61	\$40,881.89	\$1,294,777.74	\$3,221,692.25
35	1/1/2033	\$1,294,777.74	\$233,283.00	\$233,283.00	\$197,676.61	\$35,606.39	\$1,097,101.13	\$3,257,298.64
36	7/1/2033	\$1,097,101.13	\$233,283.00	\$233,283.00	\$203,112.72	\$30,170.28	\$893,988.41	\$3,287,468.92
37	1/1/2034	\$893,988.41	\$233,848.00	\$233,848.00	\$209,263.32	\$24,584.68	\$684,725.09	\$3,312,053.60
38	7/1/2034	\$684,725.09	\$233,848.00	\$233,848.00	\$215,018.06	\$18,829.94	\$469,707.03	\$3,330,883.54
39	1/1/2035	\$469,707.03	\$234,414.50	\$234,414.50	\$221,497.56	\$12,916.94	\$248,209.47	\$3,343,800.48
40	7/1/2035	\$248,209.47	\$234,414.50	\$234,414.50	\$227,588.74	\$6,825.76	\$20,620.74	\$3,350,626.25
41	1/1/2036	\$20,620.74	\$21,187.81	\$20,620.74	\$20,053.66	\$567.07	\$0.00	\$3,351,193.32
42	7/1/2036	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,351,193.32

<sup>(1)</sup> TID 70 estimated payoff is within the first six months of 2021. Black Hills Corp TIF payment was estimated at a 20.845% value of the TID 70 final payment. The balance of the estimated revenues from 1/1/21 were included in BHE's 1/1/2021 TIF payment. Any required payment after the 20 year life of the District shall be ineligible for TIF reimbursements.