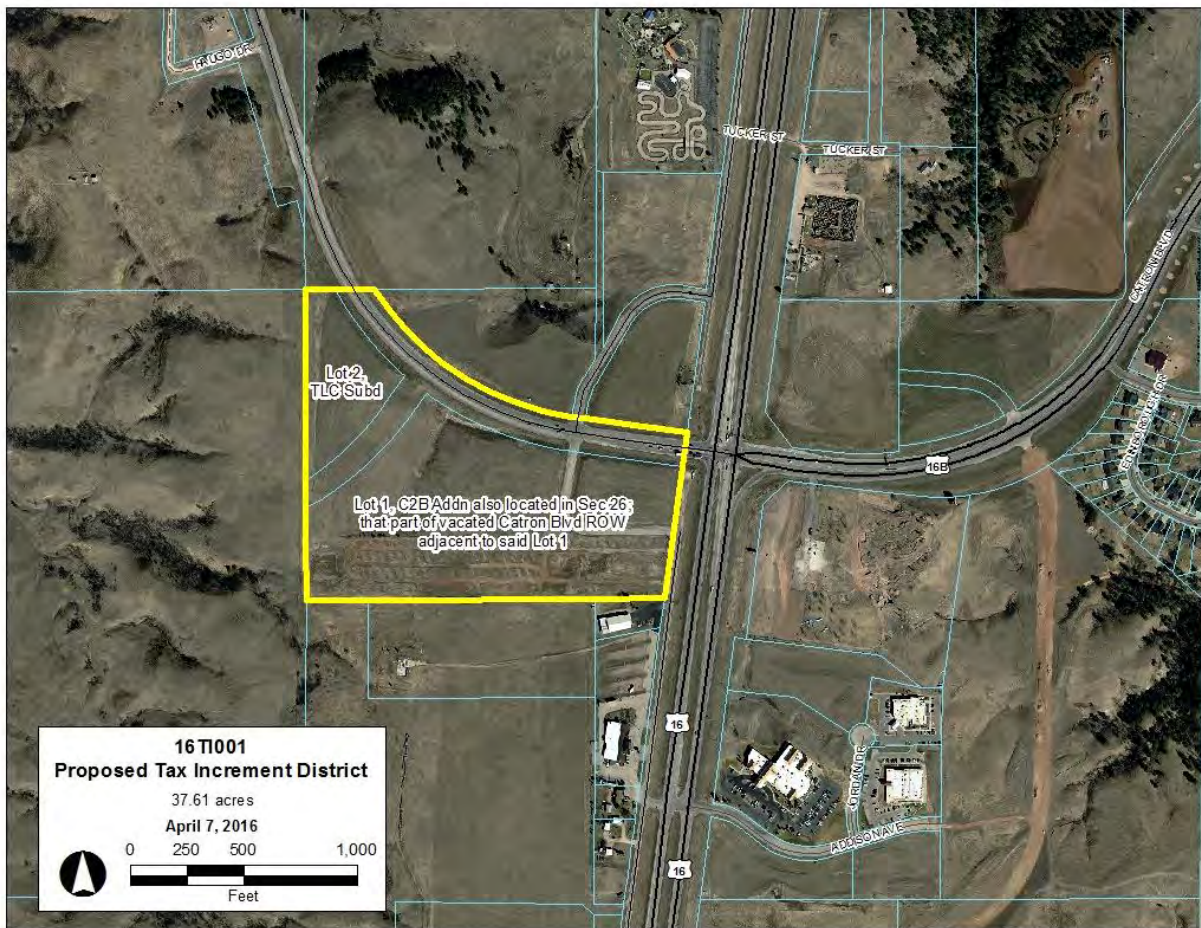


TAX INCREMENTAL PROJECT PLAN

RUSHMORE GATEWAY CORRIDOR CITY OF RAPID CITY



Prepared by the

Rapid City Community Planning and Development Services Department
April 2016

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 that levy property taxes (City, County, School, Water District).

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 as development occurs. 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 along south Mount Rushmore Road / US 16 Highway Corridor. With the Council's approval, the tax increment payment will be in the form of a grant used to secure an additional 150 workspaces within the new corporate office facility, anticipated to be no more than \$6,047,965, including financing costs. The total project costs are estimated at over \$77.5 million. The Tax Increment Funds will be utilized as an economic development grant as authorized by SDCL 11-9-15(8). The district boundary is located at the southwestern corner of the intersection of US Highway 16 and Catron Boulevard and includes 37.61 acres.

The Tax Increment Financing Committee met on January 14, 2016 to discuss the proposal for the Black Hills Corporation 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, by relocating an existing 550 employees throughout the community to one facility and by adding 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 550 existing employees into the new district and creating workspaces for an additional 150 employees. The average salary for the existing 550 employees is \$85,000.*

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, anticipated to occur until July 2021 when TID 70 is repaid.

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 total site costs include \$68,887,168 associated with the road grading and construction; the traffic signal installation; 205,000 sf building construction, furniture, fixtures and equipment to accommodate 550 existing employee seats and 150 additional employee seats; land acquisition; public utilities; water main oversizing; and sidewalk/bike path construction. In addition, there are third party management fees in the amount of \$5,256,369, \$433,074 for contingency costs and \$2,843,126 for interest expenses, for total site costs of \$77,419,737.

2. ECONOMIC FEASIBILITY STUDY

Current Valuation.

Tax Increment District # 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 locally assessed valuation for the proposed district is projected at \$4,296,700. However, the property transferred to a centrally assessed entity prior to January 1, 2016; as such, the anticipated centrally assessed valuation is \$4,532,200. 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. Black Hills Corporation anticipates requesting the South Dakota Department of Revenue to place the Rapid City Corporate Headquarters property within a special taxing district in order to capture any taxable revenue generated from the facility in lieu of the statewide central assessment process currently in place. This special taxing district revenue would then be forwarded to the City for payment of this District's approved Project Plan costs.

ANTICIPATED CERTIFIED BASE VALUATION OF PROPERTY

\$4,532,300

Expected Increase in Valuation.

ESTIMATED FUTURE VALUATION OF PROPOSED DISTRICT

Estimated 2015 Assessed Value of District	\$4,532,200
Estimated 2036 Assessed Value of project (year 20)	\$21,641,902
Other Anticipated Increases in Assessed Value	\$0
Estimated Increase in Assessed Value of Land*	\$0
Estimated 2036 Total Valuation (year 20)	\$26,174,102

*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 37 semi-annual payments over 17.5 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 from the estimated centrally-assessed valuation increase. 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 12/31/35: **\$9,175,386**

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

3. ESTIMATED SITE COSTS

BHC Corporate Site Cost Description	Total Estimated Site Costs
Capital Costs:	
Land acquisition (30.7 acres)	\$5,147,675
Building Construction (205,000 sf)	\$50,000,000
Furniture/Fixtures/Equipment (550 seats)	\$7,878,333
Additional office/Seating capacity (150 seats)	\$3,204,839
Public Utilities (storm/sewer/water)	\$489,462
Water Main Oversizing	\$26,769
Traffic Signal (Les Hollers Way/Catron Boulevard)	\$355,544
Roadway Grading/Base/Curb/Asphalt/Lighting/ Landscape	\$1,722,524
Sidewalks/Bike Path	\$62,022
Professional Costs:	
Third Party Project Management Fees	\$5,256,369
Financing Costs	
Interest	\$2,843,126
Contingency Costs	\$433,074
Necessary and Convenient	
TOTAL	\$77,419,737

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 Tax Increment District Funded Project Costs.

DETAIL OF PROJECT COSTS

Kind of Project	Number of Projects	Location ⁽¹⁾	Amount	Reference ⁽²⁾
Capital Costs			0	11-9-15(1)
Financing Costs			0	11-9-15(2)
Real Property Assembly			0	11-9-15(3)
Professional Fees			0	11-9-15(4)
Imputed Administrative Costs	1		\$20,000	11-9-15(5)
Relocation Costs			0	11-9-15(6)
Organizational Costs			0	11-9-15(7)
Discretionary Costs and Grants ⁽³⁾	1	District	\$6,047,965*	11-9-15(8)
Eligible Project Costs			\$6,067,965	

⁽¹⁾District shall mean the Tax Increment District

⁽²⁾**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.

⁽³⁾Grant funds include \$3,204,839 actual costs to provide 150 additional seats and \$2,843,126 in interest expense.

Description of costs to provide 150 additional seats*Rushmore Gateway Corridor**

Shell Office Space (Interior Buildout Cost) \$3,204,839 39,640 sf \$80.85/sf 150 Seats

Interior buildout cost includes:

Completion of 39,640 sf of interior office space (from concrete warm/dry shell space to fully occupiable Class-A office space); complete with floor coverings, finished walls, ceiling systems, lighting, safety, communications, data, security, furniture and all associated third party professional services (construction management, project management, architectural design, mechanical/electrical/plumbing engineering and design). The space will provide seating for an additional 150 occupants.

Professional fees are prorated for this portion of the work as follows: 205,000 (total sf of building) / 39,640 (sf of the Office Shell Space) = 19%. This portion of the professional services is attributed to the completion of the shell office space.

The following costs are specifically excluded from the calculation of professional fees: Structural/Civil engineering, exterior landscape design services, all legal fees and all internal labor expenses.

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 ⁽⁴⁾	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

Year Paid	Valuation Increase ⁽⁴⁾	Schools	County	City	Water	Total
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

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 # . 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.

⁽⁴⁾The Estimated Taxable Value Increase amounts are based on Black Hills Corporation (BHC) central-assessment. The state valuation model was utilized to calculate the difference between BHC'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 BHC on the above estimates.

PROJECTED AMORTIZATION TABLE

Loan amount ⁽¹⁾	\$3,204,839.00
Annual interest rate	5.50 %
Loan period in years	20
Number of payments per year	2
Start date of loan	7/1/2015
Optional extra payments	

Loan summary	
Scheduled payment	See Pro forma
Scheduled number of payments	40
Actual number of payments	37
Total early payments	\$ -
Total interest	\$2,843,125.86

Lender name: Black Hills Corporation

Pmt. No.	Payment Date	Beginning Balance	TIF Payment ⁽¹⁾	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	1/1/2016	\$3,204,839.00	\$0.00	\$0.00	-\$88,133.07	\$88,133.07	\$3,292,972.07	\$88,133.07
2	7/1/2016	\$3,292,972.07	\$0.00	\$0.00	-\$90,556.73	\$90,556.73	\$3,383,528.80	\$178,689.80
3	1/1/2017	\$3,383,528.80	\$0.00	\$0.00	-\$93,047.04	\$93,047.04	\$3,476,575.85	\$271,736.85
4	7/1/2017	\$3,476,575.85	\$0.00	\$0.00	-\$95,605.84	\$95,605.84	\$3,572,181.68	\$367,342.68
5	1/1/2018	\$3,572,181.68	\$0.00	\$0.00	-\$98,235.00	\$98,235.00	\$3,670,416.68	\$465,577.68
6	7/1/2018	\$3,670,416.68	\$0.00	\$0.00	-\$100,936.46	\$100,936.46	\$3,771,353.14	\$566,514.14
7	1/1/2019	\$3,771,353.14	\$0.00	\$0.00	-\$103,712.21	\$103,712.21	\$3,875,065.35	\$670,226.35
8	7/1/2019	\$3,875,065.35	\$0.00	\$0.00	-\$106,564.30	\$106,564.30	\$3,981,629.65	\$776,790.65
9	1/1/2020	\$3,981,629.65	\$0.00	\$0.00	-\$109,494.82	\$109,494.82	\$4,091,124.46	\$886,285.46
10	7/1/2020	\$4,091,124.46	\$0.00	\$0.00	-\$112,505.92	\$112,505.92	\$4,203,630.38	\$998,791.38
11	1/1/2021	\$4,203,630.38	\$118,680.01	\$118,680.01	\$3,080.17	\$115,599.84	\$4,200,550.21	\$1,114,391.22
12	7/1/2021	\$4,200,550.21	\$226,087.50	\$226,087.50	\$110,572.37	\$115,515.13	\$4,089,977.84	\$1,229,906.35
13	1/1/2022	\$4,089,977.84	\$227,139.50	\$227,139.50	\$114,665.11	\$112,474.39	\$3,975,312.73	\$1,342,380.74
14	7/1/2022	\$3,975,312.73	\$227,139.50	\$227,139.50	\$117,818.40	\$109,321.10	\$3,857,494.33	\$1,451,701.84
15	1/1/2023	\$3,857,494.33	\$227,692.00	\$227,692.00	\$121,610.91	\$106,081.09	\$3,735,883.42	\$1,557,782.93
16	7/1/2023	\$3,735,883.42	\$227,692.00	\$227,692.00	\$124,955.21	\$102,736.79	\$3,610,928.22	\$1,660,519.73
17	1/1/2024	\$3,610,928.22	\$228,257.00	\$228,257.00	\$128,956.47	\$99,300.53	\$3,481,971.74	\$1,759,820.25
18	7/1/2024	\$3,481,971.74	\$228,257.00	\$228,257.00	\$132,502.78	\$95,754.22	\$3,349,468.97	\$1,855,574.48
19	1/1/2025	\$3,349,468.97	\$228,801.50	\$228,801.50	\$136,691.10	\$92,110.40	\$3,212,777.86	\$1,947,684.87
20	7/1/2025	\$3,212,777.86	\$228,801.50	\$228,801.50	\$140,450.11	\$88,351.39	\$3,072,327.76	\$2,036,036.27
21	1/1/2026	\$3,072,327.76	\$229,357.50	\$229,357.50	\$144,868.49	\$84,489.01	\$2,927,459.27	\$2,120,525.28
22	7/1/2026	\$2,927,459.27	\$229,357.50	\$229,357.50	\$148,852.37	\$80,505.13	\$2,778,606.90	\$2,201,030.41
23	1/1/2027	\$2,778,606.90	\$229,915.00	\$229,915.00	\$153,503.31	\$76,411.69	\$2,625,103.59	\$2,277,442.10
24	7/1/2027	\$2,625,103.59	\$229,915.00	\$229,915.00	\$157,724.65	\$72,190.35	\$2,467,378.94	\$2,349,632.45
25	1/1/2028	\$2,467,378.94	\$230,473.50	\$230,473.50	\$162,620.58	\$67,852.92	\$2,304,758.36	\$2,417,485.37
26	7/1/2028	\$2,304,758.36	\$230,473.50	\$230,473.50	\$167,092.65	\$63,380.85	\$2,137,665.71	\$2,480,866.22
27	1/1/2029	\$2,137,665.71	\$231,033.00	\$231,033.00	\$172,247.19	\$58,785.81	\$1,965,418.52	\$2,539,652.03
28	7/1/2029	\$1,965,418.52	\$231,033.00	\$231,033.00	\$176,983.99	\$54,049.01	\$1,788,434.53	\$2,593,701.04
29	1/1/2030	\$1,788,434.53	\$231,594.00	\$231,594.00	\$182,412.05	\$49,181.95	\$1,606,022.48	\$2,642,882.99
30	7/1/2030	\$1,606,022.48	\$231,594.00	\$231,594.00	\$187,428.38	\$44,165.62	\$1,418,594.10	\$2,687,048.61

Pmt. No.	Payment Date	Beginning Balance	TIF Payment ⁽¹⁾	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
31	1/1/2031	\$1,418,594.10	\$232,155.50	\$232,155.50	\$193,144.16	\$39,011.34	\$1,225,449.93	\$2,726,059.94
32	7/1/2031	\$1,225,449.93	\$232,155.50	\$232,155.50	\$198,455.63	\$33,699.87	\$1,026,994.31	\$2,759,759.82
33	1/1/2032	\$1,026,994.31	\$232,718.50	\$232,718.50	\$204,476.16	\$28,242.34	\$822,518.15	\$2,788,002.16
34	7/1/2032	\$822,518.15	\$232,718.50	\$232,718.50	\$210,099.25	\$22,619.25	\$612,418.90	\$2,810,621.41
35	1/1/2033	\$612,418.90	\$233,283.00	\$233,283.00	\$216,441.48	\$16,841.52	\$395,977.42	\$2,827,462.93
36	7/1/2033	\$395,977.42	\$233,283.00	\$233,283.00	\$222,393.62	\$10,889.38	\$173,583.80	\$2,838,352.31
37	1/1/2034	\$173,583.80	\$233,848.00	\$173,583.80	\$168,810.25	\$4,773.55	\$0.00	\$2,843,125.86
38	7/1/2034	\$0.00	\$233,848.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,843,125.86
39	1/1/2035	\$0.00	\$234,414.50	\$0.00	\$0.00	\$0.00	\$0.00	\$2,843,125.86
40	7/1/2035	\$0.00	\$234,414.50	\$0.00	\$0.00	\$0.00	\$0.00	\$2,843,125.86

⁽¹⁾ Loan estimate based on actual cost to provide 150 additional employee seats

⁽²⁾ 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 estimated revenue remaining from the 1/1/21 payment is included in BHC's 1/1/2021 TIF payment.