



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Growth Management Department

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MEMORANDUM

TO: Legal and Finance Committee
City Council

FROM: Karen Bulman, Planner II

DATE: January 5, 2006

RE: TID # 57 - Plum Creek – Extension of Minnesota Street

At the December 19, 2005 City Council meeting, a request was made for staff to provide additional information regarding the inclusion of City oversizing costs for the extension of Minnesota Street to the edge of the City limits in the Tax Increment District.

Oversizing costs for the City included in the current Project Plan are for approximately 500 feet of Minnesota Street at a cost of \$356,000. Staff has revised the number included in the Tax Increment Financing District for Phase I at \$400,000 oversizing costs rather than the original \$356,000. In addition, \$500,000 in oversizing costs has been included in Phase II or Year 5 of the Plan. Based on the attached amortization schedules, the Project Plan will pay off in 19 years. The two amortization schedules are based on the developer incurring 70% of the revenues and the City incurring 30% of the revenues for Phase I in the first four years, and the developer incurring 50% of the revenues and the City 50% of the revenues for the addition of Phase II starting in the fifth year. (This is based on the percentage of Project costs allocated to the City and the developer). All City costs would be paid in the year 2021 and the developer costs would be paid in the year 2024.

Please contact me if you have any additional questions.



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