

## Preliminary Review of Proposed Tax Increment Project Plan

**Applicant:** Founders Park, LLC

**Proposed Project Title:** TID #50 - Third Revised Federal Beef Tax Increment District

**Purpose of Tax Increment District:** The creation of this Tax Increment District and the Project Plan were approved December 20, 2004. The purpose of Tax Increment District #50 was to assist in the acquisition, demolition, clean up and redevelopment of the former Federal Beef meat packing plant property located west of West Boulevard North and I-90 and north of Omaha Street and off-site water improvements to assist in the redevelopment of the area. The Project Plan was to be funded by two individual developers and the City of Rapid City.

The First Revised Project Plan to fund Philadelphia Street costs, submitted by Developer B (Century Development), was approved November 7, 2005 and the base was then recertified. The Second Revised Project Plan submitted by Developer B to fund additional Philadelphia Street Costs and Necessary and Convenient Costs due to increased construction costs was approved January 22, 2008.

Developer A (Founders Park, LLC) is now requesting the reallocation of Contingency Costs and additional Project Plan costs based on the actual costs of the project.

**The proposed change would reallocate project costs by removing \$215,716.56 from the Demolition, Clean-up and Grading line item and \$224,878 from Contingency and adding \$115,850.50 to Off Site Water System, \$55,244.63 to Grading-Utilities-Street, \$147,308.41 to Professional Services, and \$122,191.02 to Financing Costs line items for Developer A.**

**An additional \$5,000 Imputed Administrative Fee to be paid to the City has been added in accordance with the new Tax Increment Financing Guidelines. The additional Imputed Administrative Fee of \$5,000 will be paid to the City from the Contingency Cost line item.**

The anticipated commercial and residential development in the area would generate revenues to repay the costs of the identified improvement.

**Approved Boundaries:** The boundaries are located north of West Omaha Street and west of West Boulevard North. The District includes the former Federal Beef plant, the Executive Golf Course, additional property proposed for development located north of the former Federal Beef plant, property extending along I-90 to Anamosa Street, and a portion of the City's Greenway.

**Existing Base Valuation:** \$ 9,257,100 as determined by the South Dakota Department of Revenue

**Proposed Project Cost Reallocation for Developer A:**

Capital Costs:	Approved Costs	Changes	Amended Costs
<b>Demolition, Clean up, grading</b>	<b>\$ 1,150,000.00</b>	<b>(\$215,716.56)</b>	<b>\$ 934,283.44</b>
Land Acquisition	\$ 1,000,000.00		\$1,000,000.00
<b>Off-site Water system</b>	<b>\$ 250,000.00</b>	<b>\$115,850.50</b>	<b>\$ 365,850.50</b>
<b>Grading, utilities, streets</b>	<b>\$ 530,122.00</b>	<b>\$ 55,244.63</b>	<b>\$ 585,366.63</b>
<b>Professional Service Costs</b>	<b>\$ 90,000.00</b>	<b>\$147,308.41</b>	<b>\$ 237,308.41</b>
Financing Costs:			
<b>Financing interest</b>	<b>\$ 4,208,290.10</b>	<b>\$122,191.02</b>	<b>\$4,330,481.12</b>
<b>Contingency Costs:</b>	<b>\$ 229,878.00</b>	<b>(\$229,878.00)</b>	<b>\$ 0</b>
<b>Additional Imputed Admin</b>	<b>\$ 0</b>	<b>\$ 5,000.00</b>	<b>\$ 5,000.00</b>
Relocation Costs:	\$ 0		
Organizational Costs:	\$ 0		
Necessary and Convenient Costs:	\$ 0		
<b><u>TOTAL</u></b>	<b><u>\$ 7,458,290.10</u></b>	<b><u>\$ 0.00</u></b>	<b><u>\$7,458,290.10</u></b>

Imputed Administrative Costs  
City of Rapid City \$ 2,050

**Identified Funding Sources:**

Financed by Developer A (Founders Park, LLC)

**Anticipated Time Frame:** 13 years

**Comments:** Interest rate in the approved Project Plan is 9.0%. **Current interest rate is 6.00%.**