

## Davison County TIF #4

### Executive Summary

#### Location:

- NW1/4 EX LOT A OF JOHNSON'S SUB & EX H1 H2 RY
- SW1/4 EX RY & H2 AND EX SW1/4 OF SW1/4 OF SW1/4 OF SEC 11 LYING WEST OF RR R-O-W & LYING E OF H-2

All Located in Davison County, South Dakota including within and adjacent rights-of ways

#### TID Boundary Map



#### Improvements Map



**Per SDCL 11-9-15, TIF Eligible Project Costs Include:**

1. Capital Costs
2. Financing Costs
3. Real Property Assembly Costs
4. Professional Service Costs
5. Imputed Administrative Costs
6. Relocation Costs
7. Organizational Costs
8. Payments and Grants Made

**TIF Eligible Project Costs**

- \$79,656,000

**TIF Request**

- \$21,221,000

<b>Category</b>	<b>Subcategory</b>	<b>Total Cost</b>
Site Work and Underground Utilities		\$21,221,000
	Grading and Earthwork (Plant)	\$8,284,000
	Grading and Earthwork (Rail)	\$3,554,000
	Roadways (in-plant)	\$6,891,000
	Underground Utilities (Water/Sewer/Gas)	\$2,492,000
Rail		\$12,447,000
Piling		\$8,906,000
MV Electrical Distribution		\$4,353,000
General Conditions (TIF Allocation based on % project cost)		\$2,552,000
<b>Subtotal, Raw Construction Costs (TIF)</b>		<b>\$49,479,000</b>
Project Contingency (% of construction costs allocated to TIF Items)		\$4,948,000
Engineering Costs (proportion allocated to TIF items)		\$2,388,000
Owners Costs		\$22,841,000
	Road Improvement	\$1,000,000
	Natural Gas Interconnect	\$250,000
	Potable Water Connection	\$150,000
	Electrical Interconnect and Substation	\$3,100,000
	Waste Water Force Main to WWTP	\$1,241,000
	Capitalized Interest Expenses	\$17,100,000
<b>Total Project Costs (TIF)</b>		<b>\$79,656,000</b>

## Total Project Costs

- \$503,971,758

# TECHNICAL MEMO



**Date:** 02.10.2023  
**Project:** HPP Greenfield Plant FEL3  
**KFI Project Number:** 22-0036.01  
**Submitted by:** Thomas Paitrick, P.E.  
  
**Subject:** Project Cost Estimate – TIF (rev 1)  
 Mitchell, SD

### PROJECT BACKGROUND

High Plains Processing, LLC (HPP) is planning a Greenfield facility for the extraction and refining of sunflower and soybean feedstocks. KFI Engineers (KFI) is the lead engineering firm that HPP has selected to assist with the development of the project. As part of project development, KFI has produced a comprehensive project budget with the assistance of partner firms, budgetary contractor pricing, and supplemented from KFI's internal cost database. HPP has requested that KFI prepare a summary of the estimate with cost components that may be eligible for a TIF with the state of South Dakota.

### Project Budget

<b>Construction</b>	
Site Work and Underground Utilities	\$ 21,221,000
Rail	\$ 12,447,000
Piling	\$ 8,906,000
Concrete and Masonry	\$ 15,135,000
Structural Steel	\$ 27,872,000
Exterior Enclosures	\$ 8,969,000
Interior Construction	\$ 6,482,000
Equipment	\$ 82,418,000
Grains	\$ 51,902,000
Mechanical Contractors	\$ 51,250,000
Electrical/Controls Construction	\$ 49,702,000
Specialty Contractors	\$ 12,215,000
General Conditions	\$ 18,901,000
<b>Subtotal Raw Construction Costs</b>	<b>\$ 367,420,000</b>
Project Contingency	\$ 36,800,000
<b>Subtotal Construction Costs</b>	<b>\$ 404,220,000</b>
<b>Engineering &amp; Construction Fees</b>	
Engineering	\$ 18,700,000
Construction Management	\$ 4,000,000
Escalation	\$ 14,000,000
Excise Tax	\$ 9,556,037
Sales and Use Tax	\$ 8,161,721
<b>Indicative Project Cost</b>	<b>\$ 458,637,758</b>
<b>Owners Costs</b>	<b>\$ 45,334,000</b>
<b>Total Cost</b>	<b>\$ 503,971,758</b>

- The following shows the tax increment revenue projections for Davison County TIF #4

School 10.608	County 3.778	City 0.306	Fire 0.205	Water 0.061	Abulance 0	Total 14.958	Equalized 90%
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Construction Year	Valuation Year	Revenue Year	Project Increment 1	Project Increment 2	Project Increment 3	Project Increment 4	Total Amount Available for D/S
2023	2024	2025	\$ 499,178				\$ 499,178
2024	2025	2026	\$ 1,060,754				\$ 1,060,754
2025	2026	2027	\$ 1,247,946	\$ -			\$ 1,247,946
2026	2027	2028	\$ 1,247,946	\$ -	\$ -		\$ 1,247,946
2027	2028	2029	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2028	2029	2030	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2029	2030	2031	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2030	2031	2032	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2031	2032	2033	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2032	2033	2034	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2033	2034	2035	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2034	2035	2036	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2035	2036	2037	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2036	2037	2038	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2037	2038	2039	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2038	2039	2040	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2039	2040	2041	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2040	2041	2042	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
2041	2042	2043	\$ 1,247,946	\$ -	\$ -	\$ -	\$ 1,247,946
			<b>\$ 22,775,013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,775,013</b>

<b>\$ 90,000,000 Projected Valuation</b>					
Revenue Year	Projected Assessment	Projected Valuation	Taxable Valuation	Valuation Increase	Taxation
2023	0%	\$ -	\$ -	3%	\$ -
2024	0%	\$ -	\$ -	3%	\$ -
2025	40%	\$ 36,000,000	\$ 33,372,000	3%	\$ 499,178
2026	85%	\$ 76,500,000	\$ 70,915,500	3%	\$ 1,060,754
2027	100%	\$ 90,000,000	\$ 83,430,000	3%	\$ 1,247,946
2028	100%	\$ 90,000,000	\$ 83,430,000	3%	\$ 1,247,946

*The tables above are only projections. The final valuation of the project will be set by an independent appraiser hired by Davison County. If the valuation comes in at a lower amount than projected, it is at no liability to Davison County. The total amount of TIF requested is \$21,221,000.*