

City Council Agenda Item Memo

From: Mike Struck, Community Development Director

Meeting: May 13, 2025

Subject: Resolution 25-049: Maintenance Agreement with Sixth St. Development, LLC

Presenter(s): Mike Struck, Community Development Director

Summary and Recommended Action:

Staff recommends approval of the proposed resolution which will authorize the City Manager to sign a Maintenance Agreement with Sixth St. Development, LLC for Tax Increment District #17, detailing the developer's maintenance obligations and responsibilities in exchange for receiving tax increment revenue.

Item Details:

The City of Brookings created Tax Increment District #17 and approved an associated Project Plan describing the improvements associated with an economic development project. Latitude 44 is a mixed-use development located along 6th Street between 12th Avenue and 13th Avenue. The project will include approximately 114 residential units with main level commercial and parking. The Paragon is a multi-story residential project along Campanile Avenue between 6th Street and 7th Street comprising approximately 84 residential units.

The Tax Increment Financing Agreement details the obligations and responsibilities of the developer in exchange for receiving tax increment financing. The developer agrees to construct the two projects, as well as improvements within the public right-of-way, specifically improvements within the Campanile right-of-way which will enhance the entryway to South Dakota State University. The developer will front the costs of the project improvements and will only be reimbursed property tax increment generated from development occurring within the district.

This project is a public / private partnership whereby Brookings Municipal Utilities, South Dakota State University, and the City of Brookings worked cooperatively with the developer to ensure coordination, timing, and cost sharing of public improvements to benefit the neighborhood.

A separate maintenance agreement is necessary to acknowledge the rights, responsibilities, and obligations of the developer and successors from a maintenance perspective. The maintenance agreement will be perpetual while the tax increment financing agreement expires at the time the district is decertified.

Legal Consideration:

None.

Strategic Plan Consideration:

Sustainability – The City of Brookings will meet environmental, community and economic desires and needs without compromising future generations' quality of life by strategically planning, implementing and maintaining infrastructure and facilities.

Supporting Documentation:

Resolution

Agreement