

Planning Commission Agenda Memo

From: Mike Struck, Community Development Director

Meeting: July 10, 2023

Subject: Tax Increment District # 13 Project Plan

Person(s) Responsible: Mike Struck, Community Development Director

Summary:

Adoption of a project plan detailing the proposed improvements, associated costs, and the plan for financing the improvements.

Background:

The City of Brookings is proposing the creation of Tax Increment District #13 to construct improvements in northeast quadrant of Interstate 29 and 6th Street, commonly known as the Brookings Marketplace. The City of Brookings is proposing to partner with a private developer and transfer Block 9, Wiese Addition to the developer for the construction of a big box retailer and supplemental outlots for retail, restaurants, and office space.

State law (SDCL 11-9-13) requires the Planning Commission adopt a project plan for each tax increment district and submit the plan to the governing body. The plan must contain specific information as stated in SDCL Chapter 11.

The Developer is responsible to front the costs of the project improvements and will only be reimbursed property tax increment generated from development occurring within the district. The aggregate assessed value of the taxable property in Tax Increment District #13 plus the tax increment base of all other existing districts is 1.4% of the total assessed value of all taxable property in the City. State law restricts the maximum percentage to ten (10%) percent.

Item Details:

Tax Increment District # 13 proposes to construct public improvements consisting of water, sanitary sewer, storm sewer, streets, drainage facilities, sidewalks, landscaping, and site grading for the development of a big box retailer and supplemental outlots for commercial development.

The creation of Tax Increment District # 13 is a public/private partnership as the developer will construct the necessary improvements for pad sites for a big box retailer and supplemental commercial outlots. The developer is responsible for fronting the project costs and will be reimbursed only to the extent positive tax increment is

generated. The total project costs are estimated in excess of \$17 million. The proposed improvements lie within the proposed boundaries of the district.

The legal description of the district is as follows:

Lot 2, Block 1, Wiese Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

West 134' of Lot 3, Block 1, Wiese Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Block 9, Wiese Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

32nd Avenue rights-of-way from 6th Street north six hundred (600') feet

The Planning Commission must provide a recommendation on the project plan to the City Council for creation of a TIF District.

Options and Recommendation:

The Planning Commission has the following options:

1. Approve as presented
2. Approve as amended
3. Deny

Staff recommends approval of the project plan for Tax Increment District # 13.

Supporting Documentation:

1. Memo
2. Project Plan