

Planning Commission Agenda Memo

From: Mike Struck, Community Development Director
Meeting: August 1, 2023
Subject: Creating Boundaries of Tax Increment District # 14
Person(s) Responsible: Mike Struck, Community Development Director

Summary:

The City of Brookings proposes to create a Tax Increment District Number Fourteen in the southern portion of the City of Brookings.

Background:

The use of tax increment financing (TIF) to fund public improvements within a specified area has become popular in the state. Many communities throughout the state have utilized tax increment financing to pay for extending roads, sewer, water, trails, and other infrastructure into areas to expedite development. As the name implies, only the tax increment (future growth in property tax revenues) is used to fund the improvements. The base, or property tax generated before the creation of the Tax Increment Finance District, continues to be paid to the taxing authorities. Tax Increment Districts are created to help attract private development. In turn, these developments expand employment opportunities, increase sales tax, and expand businesses into the community.

Item Details:

Tax Increment District # 14 boundaries consist of the area south of 20th Street S., east of Medary Avenue, and west of Bluegill Addition. The proposed public improvements consist of water, sanitary sewer, storm sewer, streets, drainage facilities, sidewalks, and site grading for the development of workforce housing.

The creation of Tax Increment District # 14 is a public/private partnership as the City intends to capitalize on the private sector improvements and increased property tax increment revenue to enhance park improvements at the Fishback Soccer Park. The developer will front the costs associated with the workforce housing project improvements and only be reimbursed the increment generated from the improvements. The total project costs are estimated in excess of \$8 million. The proposed improvements lie within the proposed boundaries of the district.

The legal description of the district is as follows:

N 1/2 NW 1/4 EXC E 650' & EXC W 1600' & EXC SUBSTATION ADDN & EXC W 150' & EXC N 40' IN SEC 1-109-50 7.05 AC

W 390' OF E 1040' IN SE 1/4 NW 1/4 SEC 1-109-50 7.27 AC

LOTS 12A & 12B, BLK 9, BLUEGILL ADDITION

W 1600' OF S 1/2 NW 1/4 EXC TRAIL ADD BLK 2 IN SEC 1-109-50

TRAIL ADDITION, BLK 2 EXC N 490'

All Located in the City of Brookings, Brookings County, South Dakota including within and adjacent rights-of-ways.

The notice was published one time at least 10 days but not more than 30 days prior to the public hearing consistent with SDCL 11-9-3. The Planning Commission must provide a recommendation on the district boundaries 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 resolution creating the boundaries for Tax Increment District # 14.

Supporting Documentation:

1. Notice
2. Memo
3. Resolution
4. Map