

Planning Commission Agenda Memo

From: Mike Struck, Community Development Director

Meeting: November 7, 2023

Subject: Tax Increment District # 15 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 #15 to construct improvements in south central portion of the community for an affordable housing project. The City of Brookings is proposing to partner with a private developer and utilize a portion of the tax increment revenue for public improvements along Main Avenue South between 8th Street South and Trail Ridge Road/12th Street South.

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 #15 plus the tax increment base of all other existing districts is less than two (2%) percent 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 # 15 proposes to construct public improvements consisting of water, sanitary sewer, storm sewer, drainage facilities, sidewalks, and site grading for the development of workforce housing meeting the needs of the 2022 Brookings Area Housing Study.

The creation of Tax Increment District # 15 is a public/private partnership as the developer will construct the necessary improvements for affordable housing project and the City intends to construct public improvements enhancing Main Avenue South between 8th Street South and Trail Ridge Road/12th Street South. 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 at \$5 million. The proposed improvements lie within the proposed boundaries of the district.

The legal description of the district is as follows:

- Outlots 7A, 7 and 8 Excluding Lot H1 and H2 in Lot 8 in City of Brookings
- Lot 2, Cree Village, Indian Hills Addition
- Main Avenue South rights-of-way from 8th Street South to 12th Street South/Trail Ridge Road

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

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 # 15.

Supporting Documentation:

1. Memo
2. Project Plan