Planning Commission
Brookings, South Dakota
February 4, 2025

OFFICIAL MINUTES

Chairperson Scot Leddy called the meeting of the Planning Commission to order on Tuesday, February 4, 2025, at 5:30 PM in the Council Chambers Room #310 on the third floor of the City & County Government Center. Members present were Tanner Aiken, Billie Jo Hinrichs, Kyle Jamison, Scot Leddy, Jacob Limmer, Roger Solum, Nick Schmeichel and Debra Spear. Also present were Community Development Director Michael Struck and City Planner Ryan Miller. Also present were Reid Cummings, Angie Boersma, Sean Storhaug and David Jones.

Aiken recused himself from the Planning Commission for items 4c and 4d due to SDSU, his employer, being a recipient of the funding and his role as a collaborator on the project.

Item #4c – Tax Increment Finance District #17 Boundaries creation has been requested to support a public and private redevelopment project. The district would include Lot 1A in Block 4 of Hill Park Addition, Lot 13 in Block 2 of Sanderson's Addition and south 40' of Lot 4, Lot 5 and the North 15' of lot 6 of Sanderson's Addition.

(Schmeichel/Limmer) Motion to approve the Tax Increment Finance District #17 Boundaries. Role Call Vote: Jamison yes, Spear no, Hinrichs yes, Solum yes, Schmeichel yes, Limmer yes and Leddy yes. **MOTION CARRIED.**

Item #4d – Request to approve Project Plan for Tax Increment Finance District #17 to allow for Campanile Avenue improvements and infrastructure improvements.

(Schmeichel/Limmer) Motion to approve Project Plan for Tax Increment Finance District #17. Role Call Vote: Spear no, Hinrichs yes, Solum yes, Schmeichel yes, Limmer yes, Jamison yes and Leddy yes. **MOTION CARRIED.**

OFFICIAL SUMMARY

Item #4c – Tax Increment Finance District #17 Boundaries creation has been requested to support a public and private redevelopment project. The district would include Lot 1A in Block 4 of Hill Park Addition, Lot 13 in Block 2 of Sanderson's Addition and south 40' of Lot 4, Lot 5 and the North 15' of lot 6 of Sanderson's Addition. Staff recommends approval.

Storhaug, representative for the developer, was available for questions. Schmeichel asked if this project could move forward without the TIF. Storhaug explained that these projects would not be able to proceed without the TIF due to current interest rates and rental costs. Spear confirmed this was the same plan as previously approved by Planning Commission. Struck explained that the TIF's 20-year time limit begins as soon as it is approved by City Council and the developer fronts the cost of the improvements. Hinrich asked the benefit of the parking lot and road crossing 6th Street being included in the boundary. Struck explained that the boundary has to be contiguous and expenses associated with improvements to the parking lot and Campanile Avenue would qualify. Spear why this particular plan would qualify for a TIF where another may not. Struck stated that the Department of Revenue has 4 classifications Industrial, Economic, Workforce Housing and Local. The City of Brookings avoids Local Districts because it would increase the property taxes of each parcel in the school district containing the TIF. Industrial, Economic and Workforce Housing increases property taxes minimally across the entire state. This project is classified as Economic Development due to the commercial spaces in the 6th Street location. Hinrichs asked if the city initiated the TIF conversation. Storhaug was unsure who initiated the conversation. Jones, developer, when the development to the east was constructed interest rates were very different and building costs were lower which allowed them to do the project without seeking a TIF.

Item #4d – Request to approve Project Plan for Tax Increment Finance District #17 to allow for Campanile Avenue improvements and infrastructure improvements.

Storhaug was available for inquiries. Schmeichel asked what SDSU's interest is in the project. Struck explained that the university master plan would like to extend the campus gateway on Campanile Avenue to 6th Street. The rough estimate to widen the road and add a center median with plantings is $650k. SDSU will front their portion of the project cost and be reimbursed over time. Jamison asked about the affordable housing rent clause of the plan. Struck stated that HUD evaluates the rental rates annually to determine area median income. The developer keeps 100% of the TIF revenue for the first 5 years to reach stabilization and then TIF revenue is split with SDSU on a pro-rated basis. Developer is trying to stay within the 80% AMI for rental rates, but would not be required based upon the TIF classification of economic development. Hinrichs asked if any agreements have already been made. Struck said that no agreements have been finalized. Schmeichel asked if, in the future, Planning Commission could be made aware of an impending TIF applications prior to variance requests. Struck explained that the applications have proprietary information but he will look into what information can be shared in the future.

Item #5 – Adjourn

The meeting adjourned at 6:52 p.m.

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Ryan Miller Scot Leddy, Chairperson