

Planning Commission Agenda Memo

From: Mike Struck, Community Development Director
Meeting: February 4, 2025
Subject: Creating Boundaries of Tax Increment District # 17
Person(s) Responsible: Mike Struck, Community Development Director

Summary:

Action on a resolution creating the boundaries of Tax Increment District Number Seventeen. The City of Brookings proposes to create a Tax Increment District Number Seventeen along 6th Street and Campanile Avenue to support economic development.

Item Details:

The use of tax increment financing (TIF) to fund 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.

Tax Increment District # 17 boundaries consist of the following properties:

- Lot 1A, Block 4, Hill Park Addition (1224 6th Street)
- Lot 13A, Block 2, Sanderson's Addition (618 – 628 Campanile Avenue & 1310 7th Street)
- S 40' Lot 4, Lot 5, N 15' Lot 6, Block 1, Sanderson's Addition (615 Campanile Avenue)
- Including within and adjacent rights-of-ways

The proposed improvements consist of drainage improvements, site grading, street improvements, land assembly, and financing costs for the economic development project incorporating a mixture of commercial space and workforce housing.

The developer will front the costs associated with the project improvements and will only be reimbursed the increment generated from the improvements. The eligible project costs are estimated at \$9.48 million. The proposed improvements lie within the proposed boundaries of the district.

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 # 17.

Supporting Documentation:

1. Resolution
2. Notice
3. Map