

# Planning Commission Agenda Memo

**From:** Mike Struck, Community Development Director

**Meeting:** February 4, 2025

**Subject:** Action to Approve Tax Increment District # 17 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 #17 to construct improvements associated with an economic development project. 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 #17 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 # 17 proposes to construct improvements consisting of water, sanitary sewer, storm sewer, drainage facilities, sidewalks, site grading, curb and gutter, street surfacing, parking pavement, and median improvements associated with an economic development project.

The creation of Tax Increment District # 17 is a public/private partnership as the developer will construct the necessary improvements and South Dakota State University intends to construct public improvements enhancing Campanile Avenue between 6<sup>th</sup> Street and 7<sup>th</sup> Street. The developer and South Dakota State University are responsible for fronting their respective portion of the project costs and will be reimbursed only to the extent positive tax increment is generated. The total project costs are estimated at \$9.48 million. The proposed improvements lie within the proposed boundaries of the district.

The legal description of the district is as follows:

- Lot 1A in Block 4 of Hill Park Addition, an addition to the City of Brookings, Brookings County, South Dakota
- Lot 13A in Block 2 of Sanderson's Addition to the City of Brookings, Brookings County, South Dakota
- S 40' Lot 4, Lot 5, N 15' Lot 6, Block 1 of Sanderson's Addition to the City of Brookings, Brookings County, South Dakota

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 # 17.

**Supporting Documentation:**

1. Project Plan