

City Council Agenda Memo

From: Mike Struck, Community Development Director

Council Meeting: June 30, 2020

Subject: Dissolution TIF #3 (Valley View Addition)

Person(s) Responsible: Mike Struck, Community Development Director

Summary:

All project costs associated with Tax Increment District #3 (Valley View Addition) have been satisfied as of April 2019 and no further costs are associated with the project. This is a required process to dissolve the district according to SDCL 11-9-46.

Background:

Tax Increment District #3 was created on June 10, 2008 to assist in the infrastructure improvements for an affordable housing development. The Valley View Addition, was an affordable housing project in which a minimum of 65 single-family residential lots were developed with a maximum price of \$160,000. The project costs associated with the installation of the roads, curbing, pavements, street lighting, fire hydrants, water and waste water infrastructure was \$1,035,000 plus interest and administrative expenses.

Tax Increment District #3 expenses were paid in full as of April 2019. Any funds remaining in the Tax Increment District #3 account will be reimbursed to the appropriate tax entities, such as Brookings County, Brookings School District, City of Brookings, and East Dakota Water Development District.

Item Details:

The project costs associated with Tax Increment District #3 have been satisfied. Approval of the resolution will dissolve Tax Increment District #3 and the property taxes generated from the residential homes within the district will be distributed to the appropriate tax entities.

Legal Consideration:

South Dakota Codified Law 11-9-46, Termination of District, provides the guidance to dissolve a Tax Increment District.

11-9-46 Termination of district.

The existence of a district shall terminate when:

- (1) Positive tax increments are no longer allocable to a district under SDCL 11-9-25;
- or

- (2) The governing body, by resolution, dissolves the district, after payment or provision for payment of all project costs, grants, and all tax increment bonds of the district.

Strategic Plan Consideration:

None.

Financial Consideration:

Project costs associated with Tax Increment District #3 have been satisfied based upon the positive tax increment generated from the project.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a work session
5. Do nothing

Staff recommends approval of the resolution as presented.

Supporting Documentation:

Memo

Resolution

Map