

# Planning Commission Agenda Memo

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

**Meeting:** September 1, 2020

**Subject:** Creating Boundaries of Tax Increment District # 10

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

**Summary:**

The City of Brookings proposes to create a Tax Increment Financing (TIF) District Number Ten in the south central portion of the city.

**Background:**

The use of tax increment financing to fund public improvements within a specified area has become very popular in the state. Many communities throughout the state have utilized TIF to pay for extending roads, sewer, 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 improvement. The base, or property tax generated before the creation of the TIF District, continues to be paid to the taxing authorities. TIDs are created to help local governments attract private development. In turn, these developments bring more jobs and business into the community, and everyone benefits in the long term.

**Item Details:**

TIF District #10 proposes to construct 15<sup>th</sup> Street South and 7<sup>th</sup> Avenue South along with the associated sewer, water, and storm sewer improvements. The proposed 15<sup>th</sup> Street South will enhance the transportation network by connecting Main Avenue to Medary Avenue. The proposed 7<sup>th</sup> Avenue South will complete the street linkage between 20<sup>th</sup> Street South and 12<sup>th</sup> Street South. The project also involves the necessary utility improvements to open up undeveloped commercial property on 7<sup>th</sup> Avenue South as well as a workforce housing project on 15<sup>th</sup> Street South. The City is proposing to enhance the drainage in the area by constructing a detention pond and improving the drainage channels. The estimated cost the improvements is \$3,000,000.

The legal description of the District is as follows:

Block 3 and 4, D & D Addition and abutting roads rights-of-way, City of Brookings, Brookings County, State of South Dakota

Lot 10, Block 13, Pheasant Nest Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Lot 1, Block 12, Pheasant Nest Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Lot 2A and 3A, Block 12A, Pheasant Nest Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Lot 5B, Block 13, Pheasant Nest Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Lot 10, Block 11, Pheasant Nest Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Lot 1, Block 2, McClemans Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

NE ¼ of SE ¼ Exc S 300' thereof, and Exc McClemans Addition of Section 35-T110N-R50W and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Lot 9 and 16A, Block 11, McClemans Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

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. Once the district boundaries have been certified, a Project Plan will be brought forward for the Planning Commission's review and recommendation.

**Options and Recommendation:**

The Planning Commission has the following options:

1. Approve as presented
2. Approve as amended
3. Deny

**Supporting Documentation:**

1. Notice
2. Memo
3. Resolution
4. Map