

# City Council Agenda Memo

**From:** Mike Struck, Community Development Director  
**Meeting:** September 22, 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 Tax Increment Financing (TIF) District Number Ten in the northeast 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 water, sanitary sewer, and storm sewer improvements. The street construction will enhance the transportation network by connecting Main Avenue to Medary Avenue and 12<sup>th</sup> Street South to 20<sup>th</sup> Street South. The estimated costs of the project are \$3 Million.

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 Planning Commission held a public hearing on the district boundaries on September 1, 2020. Once the district boundaries have been certified, a Project Plan will be brought forward for approval.

**Legal Consideration:**

None.

**Financial Consideration:**

The City will front the costs of the project and be reimbursed eligible project costs generated from development within the district. The estimated cost of the improvements is \$3 Million.

**Strategic Plan Consideration:**

The project is consistent with the Major Street Plan of the Comprehensive Plan by improving the transportation network and enhancing the connectivity of neighborhoods.

**Options and Recommendation**

The City Council has the following options:

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

The Planning Commission voted 8 – 0 recommending approval of the creation of Tax Increment Financing District #10 boundaries. DRT and staff recommend approval.

**Supporting Documentation:**

Memo

Resolution

Notice

Planning Commission Minutes

Map