

City Council Agenda Memo

From: Mike Struck, Community Development Director

Council Meeting: November 10, 2020

Subject: Tax Increment District #9 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 #9 to construct public improvements for the Svennes Industrial Park to extend the street network with the construction of 24th Street and associated storm sewer improvements. Additional project costs include drainage improvements in 32nd Avenue, expansion of the drainage channel and pond, and 32nd Avenue street improvements.

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 City 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 #9 plus the tax increment base of all other existing districts is 1.3% of the total assessed value of all taxable property in the City. State law restricts the maximum percentage to ten (10%) percent.

Discussion:

The Project Plan provides an estimate of property tax increment generated from private development within the district, a schedule of the project improvements and costs, criteria meeting the state statutes for determination of a blighted area, economic feasibility of the project, and additional items satisfying the statutory requirements for a project plan.

Legal Consideration:

None.

Strategic Plan Consideration:

Tax Increment Financing District #9 supports the economic development goals of the City by putting infrastructure in place to support the development of industrial land.

Financial Consideration:

The City will front the project costs and be reimbursed by property tax increment generated within the district.

Options and Recommendation:

The City Council has the following options:

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

The Planning Commission voted 8 – 0 recommending approval of the project plan. The Development Review Team (DRT) recommends approval of the project plan as presented.

Supporting Documentation

Memo

Resolution

Minutes

Project Plan

Map