

City Council Agenda Memo

From: Mike Struck, Community Development Director

Council Meeting: November 10, 2020

Subject: Tax Increment District #10 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 #10 to construct public improvements for the construction of 15th Street South and 7th Avenue South and associated water, sanitary sewer, storm sewer, and detention pond improvements. The improvements will complete the connection of two collector streets and expand the street network by connecting 20th Street South and 12th Street South via 7th Avenue South and Main Avenue to Medary Avenue with the completion of 15th Street South.

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 #10 plus the tax increment base of all other existing districts is 1.4% of the total assessed value of all taxable property in the City. State law restricts the maximum percentage to ten (10%) percent.

Item Details:

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.

Financial Consideration:

The City will front the project costs and be reimbursed by property tax increment generated within the district. Tax increment projections indicate approximately half of the total project costs could be reimbursed by the property tax increment generated within the district.

Strategic Plan Consideration:

Tax Increment Financing District #10 supports the economic development and workforce development goals of the City by providing public infrastructure supporting the development of commercial enterprises as well as a workforce housing project along 15th Street South.

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 project plan. The Development Review Team (DRT) recommends approval of the project plan as presented.

Supporting Documentation

Memo

Resolution

Minutes

Project Plan

Map