

# Planning Commission Agenda Memo

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

**Council Meeting:** September 7, 2021

**Subject:** Tax Increment District # 11 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 #11 to construct public improvements in Sweetgrass Drive and Tallgrass Parkway, shared use path along 20<sup>th</sup> Street South from Main Avenue to Medary Avenue, drainage improvements in and near the intersection of Medary Avenue and 20<sup>th</sup> 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 Developer is responsible to front the costs of the project improvements in Sweetgrass Drive and Tallgrass Parkway while the City is responsible to front the costs of the remaining 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 #11 plus the tax increment base of all other existing districts is 1.5% of the total assessed value of all taxable property in the City. State law restricts the maximum percentage to ten (10%) percent.

## **Item Details:**

Tax Increment District # 11 proposes to construct infrastructure improvements along Sweetgrass Drive and Tallgrass Parkway. Additional improvements include a shared-use path along 20<sup>th</sup> Street South and drainage improvements in and near the intersection of 20<sup>th</sup> Street South and Medary Avenue.

The infrastructure improvements in Sweetgrass Drive and Tallgrass Parkway will provided the necessary infrastructure to serve an approximately 40-acre commercial area while enhancing the street network. The shared-use path along 20<sup>th</sup> Street will connect the existing trail system between Main Avenue South and Medary Avenue.

Proposed drainage improvements in a near the intersection of Medary Avenue and 20<sup>th</sup> Street South will improve and enhance the overall drainage system for the community.

The creation of Tax Increment District # 11 is a public/private partnership as the property tax increment will be shared between the developer and the city, with each party responsible for fronting their respective project costs and being reimbursed only to the extent positive tax increment is generated. The total project costs are estimated in excess of \$4.5 million. The proposed improvements lie within the proposed boundaries of the district.

The legal description of the district is as follows:

N 1780' of NE ¼ EXC E 375' & EXC Platted Areas in Section 2-T109N-R50W and abutting roads rights-of-way, City of Brookings, Brookings County, State of South Dakota

Block 3A, Prairie Hills Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

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

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

N 490' of Block 2, Trail Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Substation Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Block 3, McClemons Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

NW ¼ of NW ¼ Exc Platted Areas in Section 1-T109N-R50W and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

Block 1, Nelson Fifth Addition and abutting road rights-of-way, City of Brookings, Brookings County, State of South Dakota

The Planning Commission must provide a recommendation on the district boundaries to the City Council for creation of a TIF District.

**Options and Recommendation:**

The Planning Commission has the following options:

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

The Development Review Team and staff recommend approval of the resolution creating the boundaries for Tax Increment District # 11.

**Supporting Documentation:**

1. Memo
2. Project Plan