City of Mitchell SOUTH DAKOTA

Planning Commission Agenda
City Council Chambers, City Hall, 612 N. Main Street
April 8, 2024

1. **12:00 PM Call to Order**
2. **Roll Call**
3. **Declaration Of Conflicts Of Interests**
4. **Approve Agenda**
5. **Approval of Previous Minutes: March 25, 2024**
6. **Schedule Next Meeting: April 22, 2024**
7. **Variance Permit: Lori Schulz**
   Lori Schulz has applied for a Variance Permit for a front yard setback of 15' vs 25' to build a 17' x 9' front porch; located at 714 E 1st Ave, legally described as Lot 11, Block 21 F.M. Greens Addition, City of Mitchell, Davison County, South Dakota. The said real property is zoned R2 Single Family Residential District.
8. **Variance Permit: Lynn Eckmann**
   Lynn Eckmann has applied for a Variance Permit for a side yard corner setback of 8' vs 20' to place a 12' x 20' storage shed; located at 1528 Pebble Beach Road, legally described as Lot 29, Block 4, Lakeview 1st Addition, City of Mitchell, Davison County, South Dakota. The said real property is zoned R2 Single Family Residential District.
9. **Rezone Hearing and Recommendation: MAHI has requested a portion of Lot 1 and Lot 10, Block 1-B, Ridge View on Foster Addition be changed from UD Urban Development District to R3 Medium Residential District; portion of Lots 6 through 10, Block 1-B, Ridge View on Foster Addition be changed from R4 High Density Residential District to R3 Medium Density Residential District; portion of Tract DR1-A, Ridge View on Foster Addition be changed from R3 Medium Density Residential District to R4 High Density Residential District**
10. **Hearing and Action on Establishing the Boundaries and Approval of the Project Plan for Tax Increment Financing District #33**
11. **Other Business:**
12. **Public Input:**
    If you need to address the Board on an item that was not on the agenda, excluding personnel items, please come forward to the podium and state your name and your concern. Presentations are limited to three minutes. Items will be considered but no action will be taken at this time.
13. **Adjourn**

Individuals with disabilities who require special assistance to take part in this meeting may contact one of the following at City Hall (605) 995-8420 at least 24 hours prior to the meeting with requests for assistance: Human Resources Officer or the City Administrator.

Planning Commission
City Council Chambers, City Hall, 612 N. Main Street
March 25, 2024

1. Call to Order

Chairperson Larson called the March 25, 2024City Planning Commission Meeting to order at 12:00 P.M. noon in the Council Chambers, City Hall, 612 N Main Street.

2. Roll Call

Quorum is met, simple majority vote required for all items.Present:
Doescher, Doescher, Genzlinger, Havlik, Jirsa (telephonically), Larson, Osterloo, Schmitz, Sonne.
Absent: None
Staff Present: Ellwein, Mayor Everson, Jenniges, J Johnson.

3. Declaration Of Conflicts Of Interests

Sonne item #9 and #10.
Jirsa item #9 and #10.

4. Approve Agenda

Motion by Schmitz, seconded by Osterloo to approve the proposed agenda. Roll call vote: Genzlinger – aye, Havlik – aye, Jirsa – aye, Larson – aye, Osterloo – aye, Schmitz – aye, Sonne – aye. 7 aye, 0 nay; motion carried.

5. Approval of Previous Minutes: March 11, 2024

Motion by Jirsa, seconded by Osterloo to approve the proposed minutes of the March 11, 2024 Planning Commission Meeting. Roll call vote: Genzlinger – aye, Havlik – aye, Jirsa – aye, Larson – aye, Osterloo – aye, Schmitz – aye, Sonne – aye. 7 aye, 0 nay; motion carried.

6. Schedule Next Meeting: April 8, 2024

Motion by Schmitz, seconded by Genzlinger to set the date for the next Planning Commission Meeting for April 8, 2024. Roll call vote: Genzlinger – aye, Havlik – aye, Jirsa – aye, Larson – aye, Osterloo – aye, Schmitz – aye, Sonne – aye. 7 aye, 0 nay; motion carried.

7. Rezone Hearing and Recommendation: Harris Properties LLC-909 N Lawler St-be rezoned from Central Business District (CB) to High Density Residential District (R4)

Harris Properties LLC is requesting the following property legally described as; Lot 4 & North 5' of Lot 5, Block 11, D.A. Scott's 1st Addition, City of Mitchell, Davison County, South Dakota; be changed from CB Central Business District to R4 High Density Residential District AND THE OFFICIAL ZONING MAP BE CHANGED TO REFLECT THE SAME.

Jenniges noted letters were sent out to neighbors, notice published in the official paper and sign posted. There was one letter in favor and one opposed to the rezone. The applicant was not present to answer questions.

Jenniges also noted all the properties on the west side of Lawler St are legal non-conforming since residences are not permitted or conditional use on the main grade. R4 High Residential District allows dwellings on main grade which is across the street. At this time, the applicant is requesting the rezone so he can put a single family dwelling on the lot. It is noted that the existing lot is 55' wide, so any multi-family dwellings would most likely have to be built with multiple stories. The applicant recently flipped the house to the north and sold that as a single family dwelling.

Terry Sabers of MAHI stated the reason for the rezone is that the applicant can use one of the governor's houses he has allotted for MAHI on this property. The applicant intends to sell the property instead of renting.

Motion by Schmitz, seconded by Sonne to recommend approval of the rezone. Roll call vote: Genzlinger – aye, Havlik – aye, Jirsa – aye, Larson – aye, Osterloo – aye, Schmitz – aye, Sonne – aye. 7 aye, 0 nay; motion carried.

8. Plat: Tract 1 of Volesky Properties Addition, in the West 7 Rods of the NE 1/4 of the NE 1/4; and in Lot 3B of the NW 1/4 of the NE 1/4 of Section 26, T 103 N, R 60 W of the 5th P.M., Davison County, South Dakota; as requested by Volesky Properties LLC

Jenniges noted this lies outside the city limits but within the ETJ, so the zoning jurisdiction is the city's. The county will hear this at their April meetings. The applicant is parceling off one of the dwelling units located on the parcel. It meets the requirements for zoning in Urban Development. The applicant was not present to answer questions.

Motion by Genzlinger, seconded by Schmitz to approve the plat. Roll call vote: Genzlinger – aye, Havlik – aye, Jirsa – aye, Larson – aye, Osterloo – aye, Schmitz – aye, Sonne – aye. 7 aye, 0 nay; motion carried.

9. Plat: Lot 1 of Finley First Addition to the City of Mitchell, Davison County, South Dakota; as requested by Austen LLC

Jenniges noted the vacated street and alleyway in this area that are noted on the plat. The applicant is replatting the area for future development. The plat meets zoning requirements for Transportation, Warehouse and Commercial. The applicant was not present to answer questions.

Motion by Havlik, seconded by Schmitz to approve the plat. Roll call vote: Genzlinger – aye, Havlik – aye, Jirsa – abstain, Larson – aye, Osterloo – aye, Schmitz – aye, Sonne – abstain. 5 aye, 0 nay, 2 abstain; motion carried.

10. Plat: Lot 1 of Archer First Addition, a subdivision of Lots B-1 and B-2 within Lot B,

and Lot C, formerly a portion of Irregular Tract No. 4A in the South 1/2 of Section 22, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota; as requested by Austen LLC

Jenniges noted the city has requested utility easements be placed on the first page of the plat, SPN is working on it to have them completed for the Council agenda. The applicant is replatting the area for future development. The plat meets zoning requirements for Highway Business. The applicant was not present to answer questions.

Motion by Genzlinger, seconded by Schmitz to approve the plat with updated first page. Roll call vote: Genzlinger – aye, Havlik – aye, Jirsa – abstain, Larson – aye, Osterloo – aye, Schmitz – aye, Sonne – abstain. 5 aye, 0 nay, 2 abstain; motion carried.

11. Plat: Lots 12 and 14, Block 4 of the Woods First Addition, a subdivision of the East 1/2 of the SW 1/4 of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota; as requested by CJM Consulting Inc

Jenniges noted this follows the master plan for the area. The applicant is platting some of the last lots in the area. The applicant was not present to answer questions.

Motion by Osterloo, seconded by Genzlinger to approve the plat. Roll call vote: Genzlinger – aye, Havlik – aye, Jirsa – aye, Larson – aye, Osterloo – aye, Schmitz – aye, Sonne – aye. 7 aye, 0 nay; motion carried.

12. Other Business:

None.

13. Public Input:

None.

14. Adjourn

Chairperson Larson adjourned the meeting at 12:15 P.M.

____

Jay A. Larson
Planning Commission Chairperson

City of Mitchell
SOUTH DAKOTA

TO: THE MITCHELL PLANNING COMMISSION AND CITY COUNCIL OR BOARD OF ADJUSTMENT, THE CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA.

The undersigned applicant(s) and owner(s) is hereby making an application pursuant to the provisions of the City of Mitchell Zoning Code.

The names and addresses of the current property owners within one hundred and forty feet (140') of the applicant's property (excluding streets and alleys) will be notified upon the filing of this application, plats being the exception.

Applicant(s) request that dates be set for public hearings before the Mitchell Planning Commission and City Council or City Board of Adjustment. Furthermore, the applicant(s) request the City of Mitchell to publish the appropriate notice(s) in accordance with the City of Mitchell's Ordinances.

☐ **Rezoning** *$250 application due with the application.*

- Applicant is request to rezone property from ________________ District to ________________ District.

☒ **Variance** *$150 application fee due with application.*

- Description of Variance: Front yard setback of 15' vs 25'
- Description of Hardship: Current house sits at 24'-6" from sidewalk and applicant would like to build a 17' x 9' porch addition.

☐ **Conditional Use Permit** *$150 application fee due with application*

- Description of Conditional Use: ________________

☐ **Plat Application** *$100 application fee due with application*

This Application is for the following described real property:

Legal Description: Lot 11, Block 21, F.M. Greens Addition, City of Mitchell, Davison County, South Dakota.

Property Address: 714 E 1st Ave

Dated this 14 of March, 2024

Lori Schulz
APPLICANT

Lori Schulz
OWNER


E 2ND AVE
Mark Vance
James & Geraldine Hunt
Spencer & Kathryn Gross
Chris Collins
Travis Wagner
Encore Business Ventures LLC
Gary Wolton
James Soper
617
621
625
701
705
711
713
717
723
801
805
809
815
817
N CAPITAL ST
Lori Schulz
Variance Permit
Front yard setback 15' vs 25'
for 9' x 17' porch addition
R & M Rentals LCC
Lynnette Schilling
103
N WINSOR ST
800
804
816
618
620
622
700
704
710
712
720
James & Kay Tegethoff
Larry Weisser
E 1ST AVE
Seventh Day Adventist Church
Mark & Tammy Davis
April & Joseph Wenzel
Leoda Zenz-Rorex
S WINSOR ST
Roth Family Trust
701
801
813
819
Mid Dakota Properties VII LLC
619
621
709
713
717
Rebecca Callies
S CAPITAL ST
Gina O'Day
Michael Andachter
Dean Robideau
Jeremy Nielsen
Clint Weyand
Larry & Susan Tubbs


700 E 1ST AVE
704 E 1ST AVE
710 E 1ST AVE
712 E 1ST AVE
714 E 1ST AVE
103 N WINSOR ST
720 E 1ST AVE
N CAPITAL ST
N WINSOR ST
E 1ST AVE

714 E. 1st

Approx. 15'X8'
1' overhangs

24'6" from sidewalk

- wood or composite Deck
- stack-N-tack column base
- Soffit Ceiling - New wood tone

NOTICE OF HEARING

To: The Planning Commission, Board of Adjustment of the City of Mitchell, Mitchell South Dakota, and to the general public:

YOU ARE HEREBY NOTIFIED that Lori Schulz has applied for a Variance Permit for a front yard setback of 15' vs 25' to build a 17' x 9' front porch; located at 714 E 1st Ave, legally described as Lot 11, Block 21 F.M. Greens Addition, City of Mitchell, Davison County, South Dakota. The said real property is zoned R2 Single Family Residential District.

YOU ARE FURTHER NOTIFIED, that public hearings will be held by the City Planning Commission on Monday, April 8, 2024, 12:00 P.M. (Noon) and the Board of Adjustment on Monday, April 15, 2024 at 6:00 P.M., at the Council Chambers, Mitchell City Hall, 612 N Main St. All interested parties may attend the public hearings and provide comments in regards to the applicant's request.

Dated this 20th day of March, 2024.

Michelle Bathke

FINANCE OFFICER

Publish once: 27th day of March 2024
Approximate Cost:

Lori Schulz
714 E 1st Ave
Mitchell, SD 57301

James Soper
701 E 2nd Ave
Mitchell, SD 57301

Encore Business Ventures LLC
601 S Isadore St
Mitchell, SD 57301

Travis Wagner
711 E 2nd Ave
Mitchell, SD 57301

Mark Vance
9 Bateson Ct
Elk Grove, CA 95758

James & Geraldine Hunt
717 E 2nd Ave
Mitchell, SD 57301

Spencer & Kathryn Gross
723 E 2nd Ave
Mitchell, SD 57301

Chris Collins
801 E 2nd Ave
Mitchell, SD 57301

Gary Wolton
805 E 2nd Ave
Mitchell, SD 57301

James & Kay Tegethoff
2220 W havens Ave
Mitchell, SD 57301

Mark & Tammy Davis
704 E 1st Ave
Mitchell, SD 57301

Leoda Zenz-Rorex
710 E 1st Ave
Mitchell, SD 57301

April & Joseph Wenzel
712 E 1st Ave
Mitchell, SD 57301

R & M Rentals LLC
723 E 7th Ave
Mitchell, SD 57301

Seventh Day Adventist Church
720 E 1st Ave
Mitchell, SD 57301

Larry Weisser
612 S Langdon St
Mitchell, SD 57301

Lynnette Schilling
804 E 1st Ave
Mitchell, SD 57301

Mid Dakota Properties VII LLC
817 N Sanborn Blvd
Mitchell, SD 57301

Gina O'Day
Michael Andachter
705 E 1st Ave
Mitchell, SD 57301

Dean Robideau
2500 Shanard Rd
Mitchell, SD 57301

Jeremy Nielsen
713 E 1st Ave
Mitchell, SD 57301

Clint Weyand
717 E 1st Ave
Mitchell, SD 57301

Larry & Susan Tubbs
721 E 1st Ave
Mitchell, SD 57301

Rebeca Callies
801 E 1st Ave
Mitchell, SD 57301

Roth Family Trust
1300 Palmer Pl
Mitchell, SD 57301

City of Mitchell | Public Works
612 North Main Street | Mitchell, SD 57301
Phone: 605-995-8433 | Fax: 605-995-8410
CityOfMitchell.org

Mitchell
SOUTH DAKOTA
Outside expectations

March 27, 2024

TO WHOM IT MAY CONCERN:

YOU ARE HEREBY NOTIFIED that Lori Schulz has applied for a Variance Permit for a front yard setback of 15' vs 25' to build a 17' x 9' front porch; located at 714 E 1st Ave, legally described as Lot 11, Block 21 F.M. Greens Addition, City of Mitchell, Davison County, South Dakota. The said real property is zoned R2 Single Family Residential District.

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All interested parties may be present and be heard on said request, either in person or by agent. Please submit written comments by 5:00 P.M. the Friday prior to the meeting, in the City of Mitchell Public Works Office or Finance Office.

I/We Clint Weyand
OWNER

717 E 1st Ave.
ADDRESS

✓ APPROVE

______ DISAPPROVE

COMMENTS:

City of Mitchell | Public Works
612 North Main Street | Mitchell, SD 57301
Phone: 605-995-8433 | Fax: 605-995-8410
CityOfMitchell.org

Mitchell
SOUTH DAKOTA
Outside expectations

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I/We James Trygstad
OWNER

200 E 1st
ADDRESS

✓ APPROVE

______ DISAPPROVE

COMMENTS:

Outside expectations

City of Mitchell | Public Works
612 North Main Street | Mitchell, SD 57301
Phone: 605-995-8433 | Fax: 605-995-8410
CityOfMitchell.org

Mitchell
SOUTH DAKOTA
Outside expectations

March 27, 2024

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I/We Destiny Rohrer
OWNER

701 E 1st and 108 S Capital
ADDRESS

X APPROVE

______ DISAPPROVE

COMMENTS: Let's go Mitchell!

Outside expectations

City of Mitchell | Public Works
612 North Main Street | Mitchell, SD 57301
Phone: 605-995-8433 | Fax: 605-995-8410
CityOfMitchell.org

Mitchell
SOUTH DAKOTA
Outside expectations

March 27, 2024

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I/We Mark & Tammy Davis
OWNER

704 E 1st Ave.
ADDRESS

X APPROVE

______ DISAPPROVE

COMMENTS:

City of Mitchell SOUTH DAKOTA

TO: THE MITCHELL PLANNING COMMISSION AND CITY COUNCIL OR BOARD OF ADJUSTMENT, THE CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA.

The undersigned applicant(s) and owner(s) is hereby making an application pursuant to the provisions of the City of Mitchell Zoning Code.

The names and addresses of the current property owners within one hundred and forty feet (140') of the applicant's property (excluding streets and alleys) will be notified upon the filing of this application, plats being the exception.

Applicant(s) request that dates be set for public hearings before the Mitchell Planning Commission and City Council or City Board of Adjustment. Furthermore, the applicant(s) request the City of Mitchell to publish the appropriate notice(s) in accordance with the City of Mitchell's Ordinances.

☐ **Rezoning** *$250 application due with the application.*

- Applicant is request to rezone property from ______________ District to ______________ District.

☒ **Variance** *$150 application fee due with application.*

- Description of Variance: 8'
- Description of Hardship: Build on cement pad from previous owners

☐ **Conditional Use Permit** *$150 application fee due with application*

- Description of Conditional Use: ______________

☐ **Plat Application** *$100 application fee due with application*

This Application is for the following described real property:

Legal Description: Lot 29 Block 4 LAKeview 1st Addition, SW 9 Davidson County

Property Address: 1528 Pebble Beach Rd - Mitchell S.D.

Dated this 18th of March, 2024

[signature]

APPLICANT

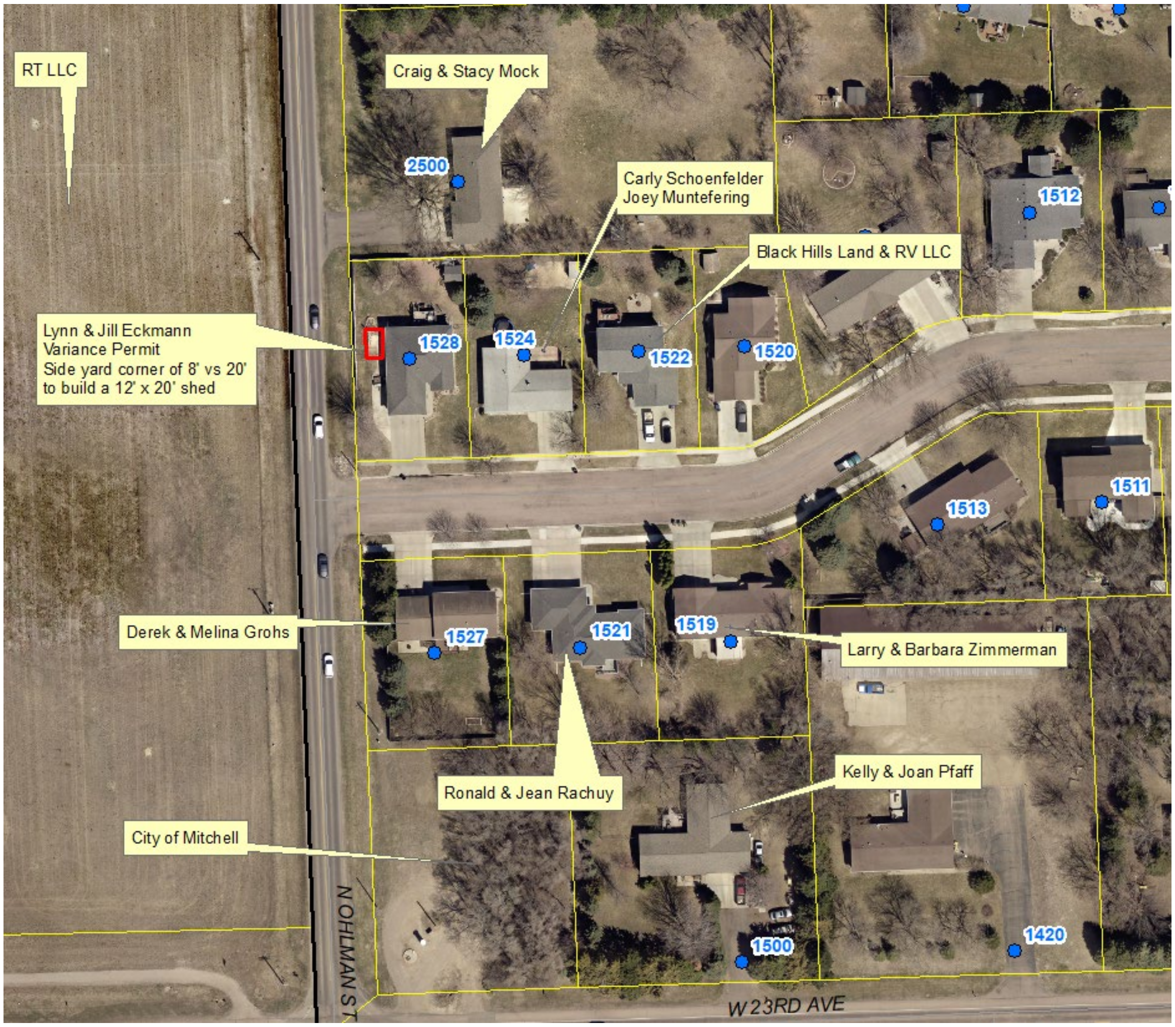
Lynn A. Eckmann

OWNER

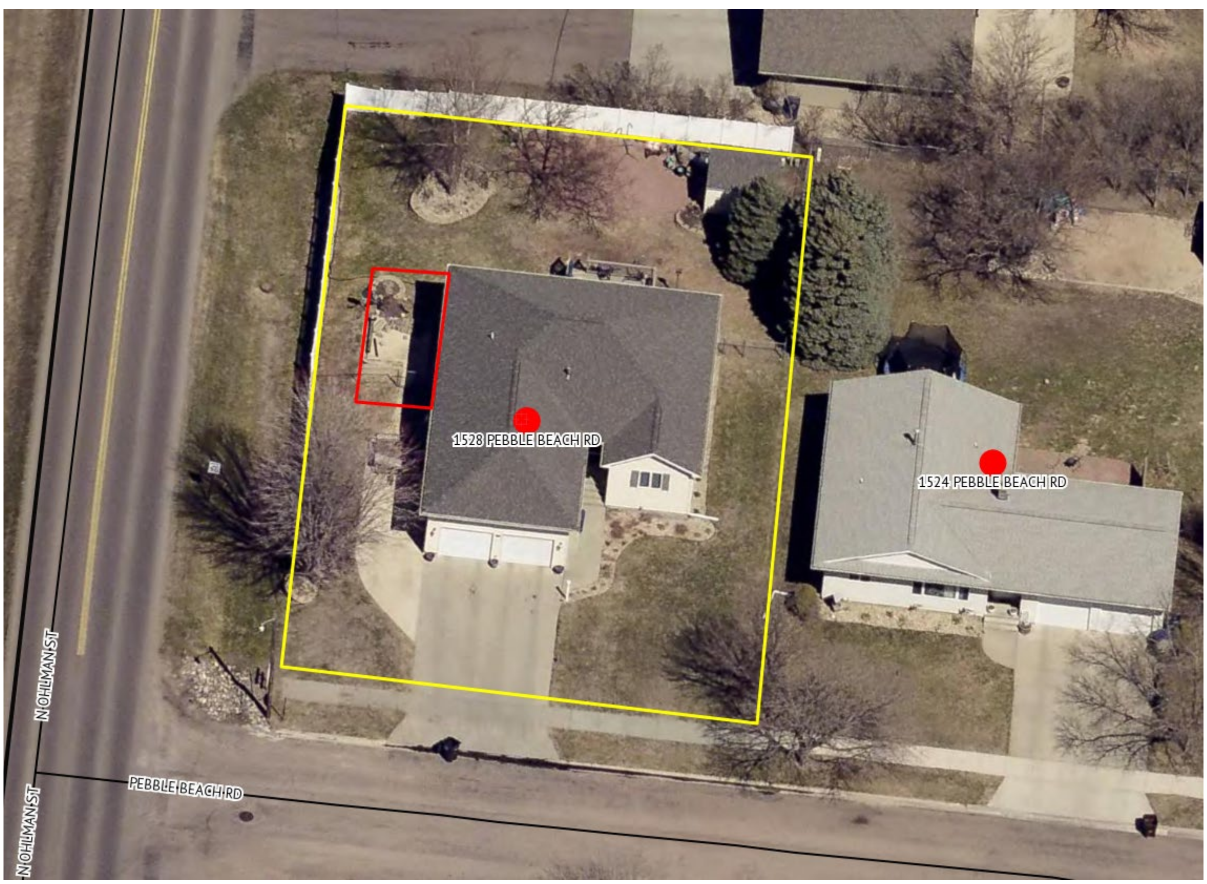
Lynn Eckmann
1528 Pebble Beach Rd.
Mitchell SD 57301

March 18, 2024

Previous owner already had cement poured on west side of garage and a cement pad for a dog house, which has been removed. Want to build a storage shed for my FAIRMONT M19 motorcar to store and work on.



RT LLC
Craig & Stacy Mock
2500
Carly Schoenfelder
Joey Muntefering
1512
Black Hills Land & RV LLC
Lynn & Jill Eckmann
Variance Permit
Side yard corner of 8' vs 20'
to build a 12' x 20' shed
1528
1524
1522
1520
1511
1513
Derek & Melina Grohs
1527
1521
1519
Larry & Barbara Zimmerman
Ronald & Jean Rachuy
Kelly & Joan Pfaff
City of Mitchell
N OHLMAN ST
1500
1420
W 23RD AVE



1528 PEBBLE BEACH RD
1524 PEBBLE BEACH RD
N OHLMAN ST
PEBBLE BEACH RD
N OHLMAN ST

NOTICE OF HEARING

To: The Planning Commission, Board of Adjustment of the City of Mitchell, Mitchell South Dakota, and to the general public:

YOU ARE HEREBY NOTIFIED that Lynn Eckmann has applied for a Variance Permit for a side yard corner setback of 8’ vs 20' to place a 12’ x 20’ storage shed; located at 1528 Pebble Beach Road, legally described as Lot 29, Block 4, Lakeview 1st Addition, City of Mitchell, Davison County, South Dakota. The said real property is zoned R2 Single Family Residential District.

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Dated this 20th day of March, 2024.

Michelle Bathke

FINANCE OFFICER

Publish once: 27th day of March 2024
Approximate Cost:

Lynn & Jill Eckmann
1528 pebble Beach Rd
Mitchell, SD 57301

RT LLC
3201 N Ohlman St
Mitchell, SD 57301

Craig & Stacy Mock
2500 N Ohlman St
Mitchell, SD 57301

Carly Schoenfelder
Joey Muntefering
1524 Pebble Beach Rd
Mitchell, SD 57301

Black Hills Land & RV LLC
11 S Harmon Dr
Mitchell, SD 57301

Derek & Melinda Grohs
1527 Pebble Beach Rd
Mitchell, SD 57301

Ronald & Jean Rachuy
1524 Pebble Beach Rd
Mitchell, SD 57301

Larry & Barbara Zimmerman
1519 Pebble Beach Rd
Mitchell, SD 57301

City of Mitchell
612 N Main St
Mitchell, SD 57301

Kelly & Joan Pfaff
1500 W 23rd Ave
Mitchell, SD 57301

City of Mitchell | Public Works
612 North Main Street | Mitchell, SD 57301
Phone: 605-995-8433 | Fax: 605-995-8410
CityOfMitchell.org

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I/We Craig Mock
OWNER

2500 N. Ohlman
ADDRESS

✓ APPROVE

______ DISAPPROVE

COMMENTS:

City of Mitchell
SOUTH DAKOTA

TO: THE MITCHELL PLANNING COMMISSION AND CITY COUNCIL, THE CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA.

The undersigned applicant(s) and owner(s) is hereby making an application pursuant to the provisions of the City of Mitchell Zoning Code.

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Applicant(s) request that dates be set for public hearings before the Mitchell Planning Commission and City Council. Furthermore, the applicant(s) request the City of Mitchell to publish the appropriate notice(s) in accordance with the City of Mitchell's Ordinances.

☒ **Rezoning** *$150 application due with the application.*
Applicant is request to rezone property from R3, R4 and UD District to R4, R3 and R3 (respectively) District.

☐ **Variance** *$100 application fee due with application.*
Description of Variance: Click or tap here to enter text.

☐ **Conditional Use Permit** *$150 application fee due with application*
Description of Conditional Use: Click or tap here to enter text.

This Application is for the following described real property:

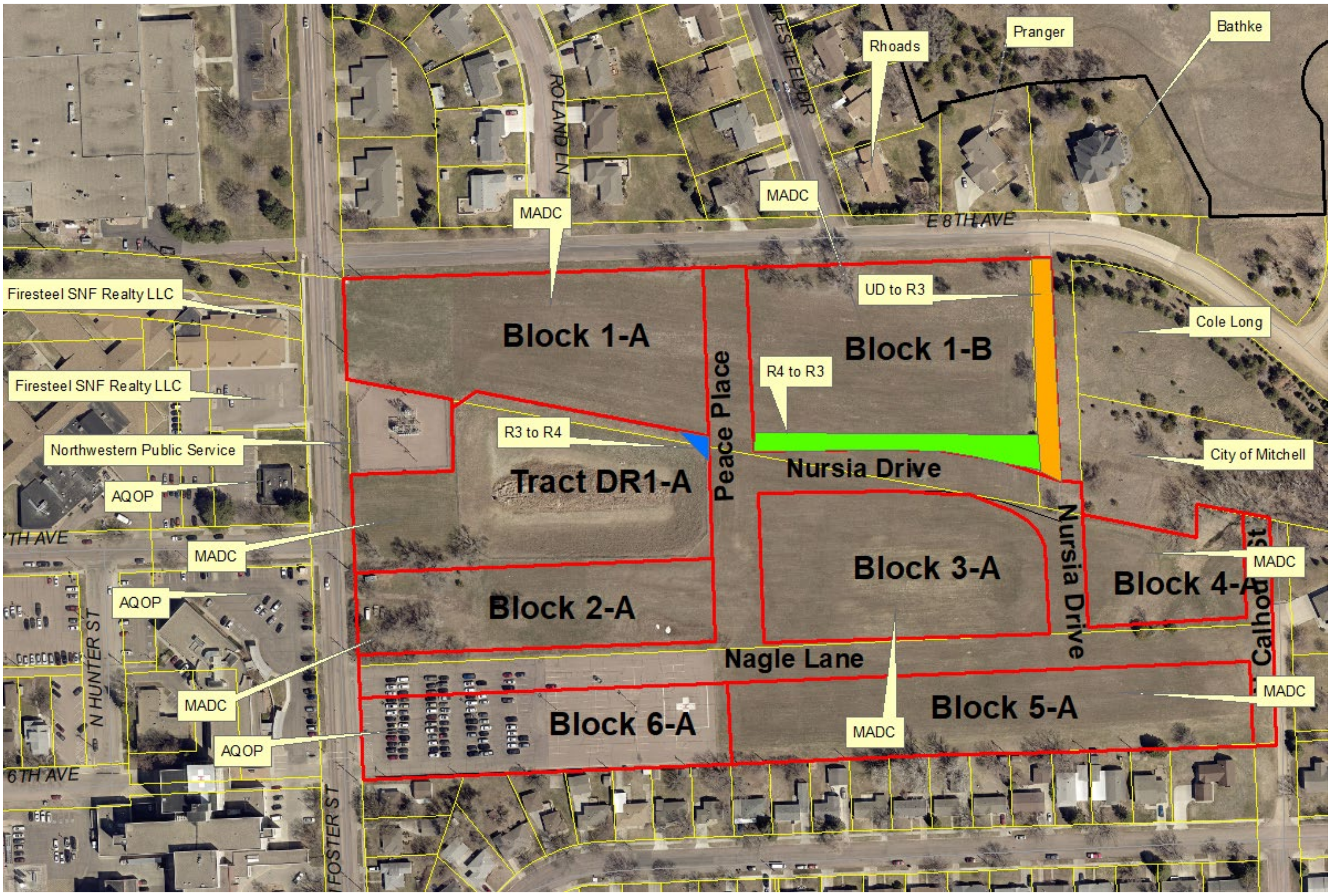
Legal Description: Portion of Lot 1 and Lot 10, Block 1-B, Ridge View on Foster Addition; Portion of Lots 6 through 10, Block 1-B, Ridge View on Foster Addition; Portion of Tract DR1-A, Ridge View on Foster Addition; all in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota.

Property Address: None

Dated this 20th of March, 2024

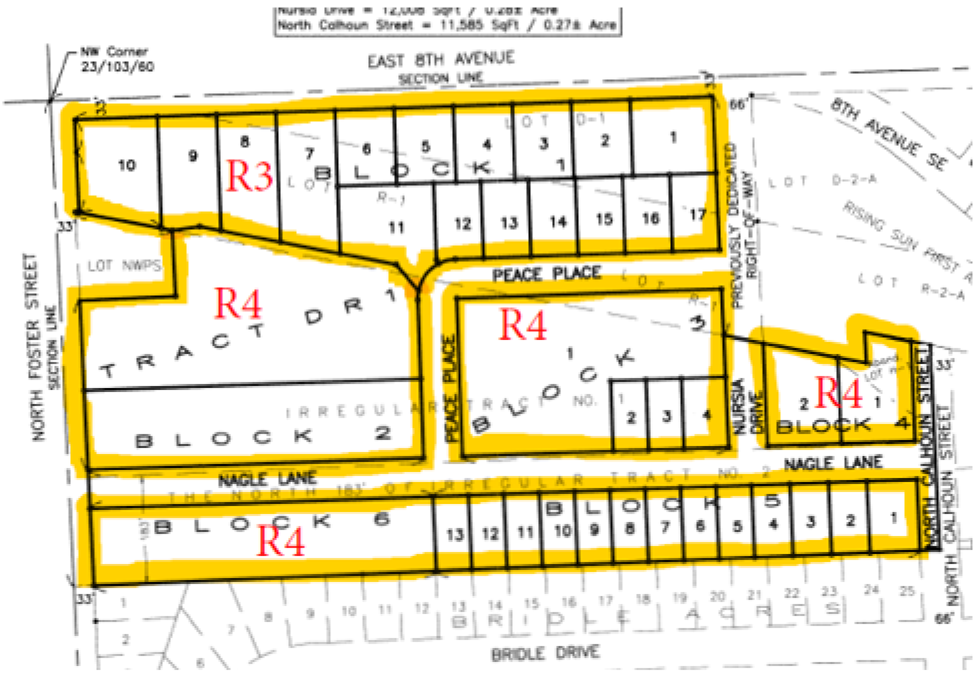
MAHI
APPLICANT

MADC
OWNER

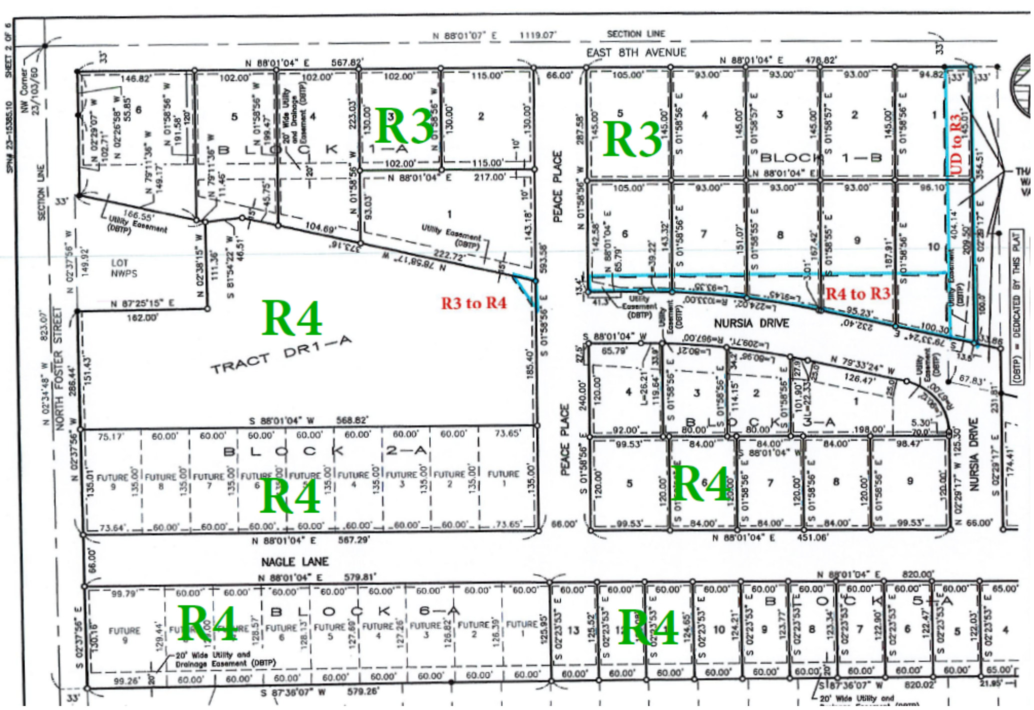


Rhoads
Pranger
Bathke
ROLAND LN
MADC
MADC
E 8TH AVE
UD to R3
Cole Long
Firesteel SNF Realty LLC
Block 1-A
Block 1-B
Firesteel SNF Realty LLC
R4 to R3
Peace Place
R3 to R4
Northwestern Public Service
City of Mitchell
Nursia Drive
Tract DR1-A
AQOP
7TH AVE
MADC
Nursia Drive
MADC
Block 3-A
Block 4-A
AQOP
Block 2-A
N HUNTER ST
Calhoun St
Nagle Lane
MADC
MADC
Block 5-A
Block 6-A
MADC
AQOP
6TH AVE
FOSTER ST

Previous Plat/Zoning Layout



Proposed Zoning Layout (changes in blue outline)



NOTICE OF HEARING

TO: Mitchell City Planning Commission, City Council, and the General Public:

The City Planning Commission has scheduled a public hearing and action on the following ordinance. The Planning Commission hearing will be Monday, April 8, 2024 at 12:00 P.M., the City Council will consider 1st Reading of the Ordinance on Monday, April 15, 2024 at 6:00 p.m. and 2nd Reading and Adoption on Monday, May 6, 2024 at 6:00 p.m. all meetings will be held in the Council Chambers, City Hall, 612 N Main St, Mitchell, SD. All interested parties are encouraged to attend the meetings.

ORDINANCE NO. O2024-

AN ORDINANCE OF THE CITY OF MITCHELL, THAT CHANGES THE ZONING DISTRICT CLASSIFICATION OF THE REAL PROPERTY LEGALLY DESCRIBED AS; Portion of Lot 1 and Lot 10, Block 1-B, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from UD Urban Development District to R3 Medium Density Residential District;

Portion of Lots 6 through 10, Block 1-B, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from R4 High Density Residential District to R3 Medium Density Residential District;

Portion of Trac DR1-A, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from R3 Medium Density Residential District to R4 High Density Residential District;

AND THE OFFICIAL ZONING MAP BE CHANGED TO REFLECT THE SAME.

Section 1: THE ZONING DISTRICT CLASSIFICATION OF THE REAL PROPERTY LEGALLY DESCRIBED AS, Lot 1 and Lot 10, Block 1-B, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from UD Urban Development District to R3 Medium Density Residential District;

Portion of Lots 6 through 10, Block 1-B, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from R4 High Density Residential District to R3 Medium Density Residential District;

Portion of Trac DR1-A, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from R3 Medium Density Residential District to R4 High Density Residential District;

AND THE OFFICIAL ZONING MAP BE CHANGED TO REFLECT THE SAME.

Section 2. The City Finance Officer shall publish notice of this ordinance and the same shall be effective 20 days after the completed publication thereof, unless the referendum shall be invoked as provided by law.

Passed and approved this the _____ day of ___________, 2024.

____

MAYOR

ATTEST:

____

FINANCE OFFICER

{SEAL}

FIRST READING: April 15, 2024
SECOND READING: May 6, 2024
ADOPTION: May 6, 2024

Published three times: March 27, 2024 and April 3 and 24, 2024.
Approximate Costs:

Avera Queen of Peace
525 N Foster St
Mitchell, SD 57301

MADC
601 N Main St
Mitchell, SD 57301

City of Mitchell
612 N Main St
Mitchell, SD 57301

Northwestern Public Service
PO Box 1350
Huron, SD 57350

Firesteel SNF Realty LLC
1777 of the States #204
Lakewood, NJ 08701

Daniel Rhoads
417 N Main St
Unit 110
Mitchell, SD 57301

Daniel & Mary Pranger
1624 E 8^{th} Ave
Mitchell, SD 57301

Michael & Pamela Bathke
1660 E 8^{th} Ave
Mitchell, SD 57301

Cole Long
1920 Bridle Dr
Mitchell, SD 57301

City of Mitchell | Mayor's Office
612 North Main Street | Mitchell, SD 57301
Phone: 605-995-8420 | Fax: 605-995-8054
CityOfMitchell.org

Mitchell SOUTH DAKOTA Outside expectations

March 27, 2024

TO WHOM IT MAY CONCERN:

YOU ARE HEREBY NOTIFIED that Mitchell Area Housing Inc (MAHI) has requested the following zoning changes due to replatting the subdivision and previous zoning boundaries not matching the new plat layout so portions of some of the lots currently have two different zoning classifications:

Portion of Lot 1 and Lot 10, Block 1-B, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from UD Urban Development District to R3 Medium Density Residential District.

Portion of Lots 6 through 10, Block 1-B, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from R4 High Density Residential District to R3 Medium Density Residential District.

Portion of Trac DR1-A, Ridge View on Foster Addition in the NW ¼ of Section 23, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota from R3 Medium Density Residential District to R4 High Density Residential District.

AND THE OFFICIAL ZONING MAP BE CHANGED TO REFLECT THE SAME.

YOU ARE FURTHER NOTIFIED that the City Planning Commission will be conducting a hearing on this application on Monday, April 8, 2024 at 12:00 P.M., the City Council will consider 1st Reading of the Ordinance on Monday, April 15, 2024 at 6:00 p.m. and 2nd Reading and Adoption on Monday, May 6, 2024 at 6:00 p.m. all meetings will be held in the Council Chambers, City Hall, 612 N Main St, Mitchell, SD. All interested parties are encouraged to attend the meetings.

All interested parties may be present and be heard on said request, either in person or by agent. Please submit written comments by 5:00 P.M. the Friday prior to the meeting, in the City of Mitchell Public Works Office or Finance Office.

I/We Mitchell Area Developement Corp.
OWNER

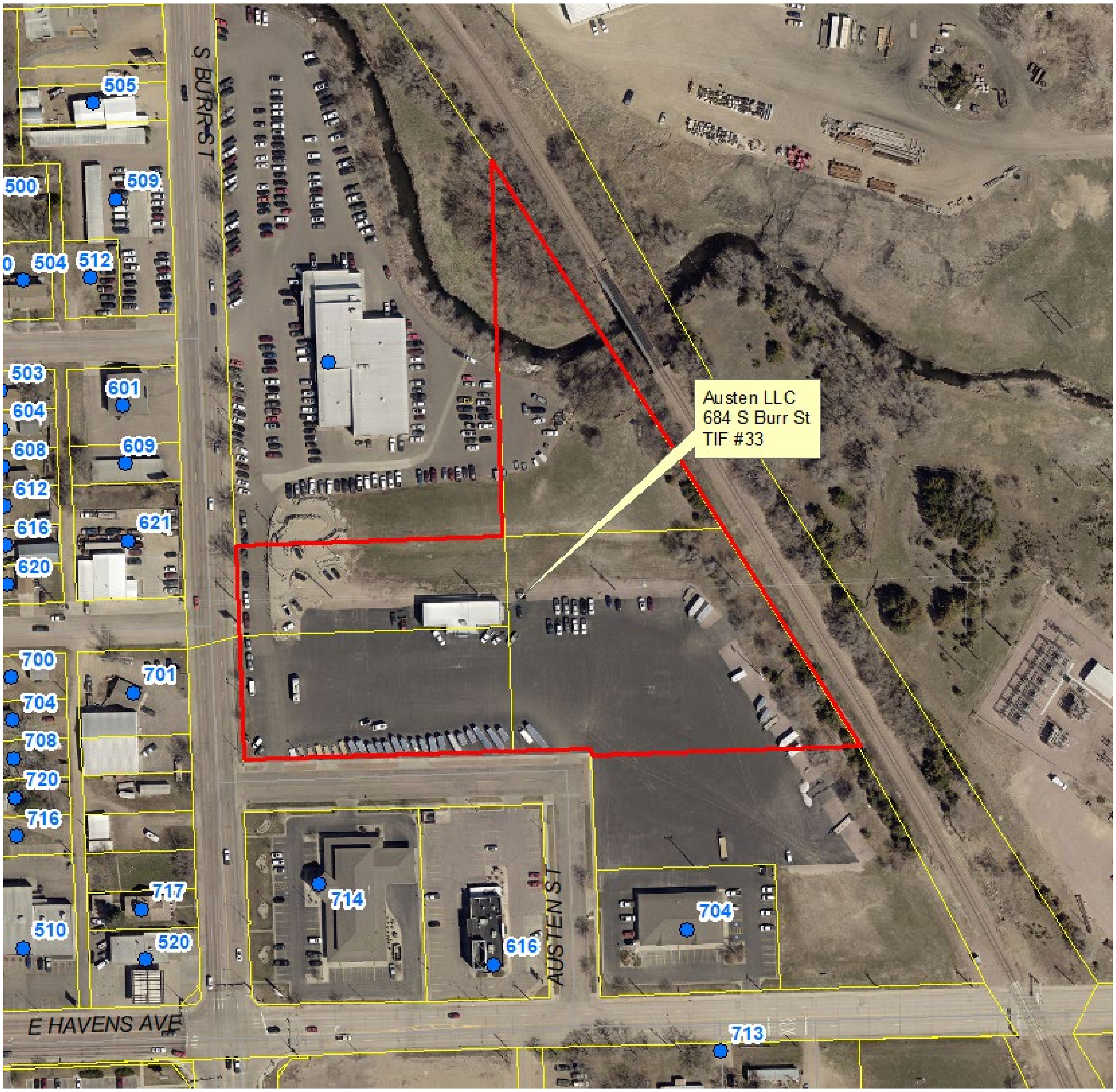
601 N. Main - Mitchell, SD 57301
ADDRESS

X APPROVE

___ DISAPPROVE

COMMENTS:

Outside expectations


S BURR ST
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717
714
616
704
510
520
AUSTEN ST
E HAVENS AVE
713
Austen LLC
684 S Burr St
TIF #33

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN to the general public and all interested parties that the City of Mitchell Planning Commission will conduct a public hearing and acted upon in the City Hall Council Chambers at 612 North Main Street, Mitchell, South Dakota at 12:00 pm (noon) on April 8, 2024 in regards to a proposed project plan and the establishment of boundaries for the proposed tax increment financing district known as City of Mitchell Tax Incremental District Number Thirty-three (33).

The following real property is to be included in this district and is legally described as follows:

South 117' of Lot B-1, a subdivision of previously platted Lot B, formerly a portion of Irregular Tract 4A, in the S ½ of Section 22, R 103 N, R 60 W of the 5^{th} P.M., City of Mitchell, Davison County, South Dakota.

Lot B-2, a subdivision of previously platted Lot B, formerly a portion of Irregular Tract 4A, in the S ½ of Section 22, R 103 N, R 60 W of the 5^{th} P.M., Except the South 149' thereof, City of Mitchell, Davison County, South Dakota.

Lot C, formerly a portion of Irregular Tract 4A, in the S ½ of Section 22, R 103 N, R 60 W of the 5^{th} P.M., Except Lot C-1, Home Federal Avenue (now Iverson Avenue) and Lot 2 of Iverson's Second Addition, City of Mitchell, Davison County, South Dakota.

The legal descriptions above are to be platted together prior to the TIF being considered as the following:

Plat of Lot 1 of Archer First Addition, a subdivision of Lots B-1 and B-2 within Lot B, and Lot C, formerly a portion of Irregular Tract No. 4A in the South 1/2 of Section 22, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota.

At the above stated time and place, all interested parties will be afforded a reasonable opportunity to express their views on the proposed creation of the Tax Incremental District and its proposed boundaries. The project plan may be viewed on the city's website at www.cityofmitchellsd.gov. Following such hearing, the matter will be heard and acted upon by the Mitchell City Council on April 15, 2024 at 6:00 pm in the City Hall Council Chambers.

Dated this 21^{st} day of March, 2024.

____

Michelle Bathke – Finance Officer

Published once: 27^{th} day of March, 2024
Approximate publication cost: ____________

Tax Increment District

Number 33

City of Mitchell, SD

Economic Development Project Plan
In conjunction with

Austen LLC

Table of Contents

Introduction

Tax Increment Financing (TIF) is an incentive utilized by local governments to attract private development and investment. New investment equals new jobs, more customers, and in turn more investment opportunity. Additionally, TIFS are used to clean up blighted areas located within a city. The incentive can also help attract and retain existing businesses and workers that might otherwise find more attractive options elsewhere. The jobs and additional investment, both private and public, mean more money for the community. Tax Increment Financing helps to overcome costs that often prevent redevelopment, to include demolition and remodel costs in blighted areas of a community, and private investment from occurring in the community. As a result, the TIF area itself improves and property values increase.

Specifically, money for improvements and other incentives comes from the growth in property tax revenues – the tax increment. A tax increment is the difference between the amount of property tax revenue generated from property within the TIF district before TIF district designation. Property taxes collected of properties included in the TIF at the time of its designation continue to be distributed to the city, school district, county, and all other taxing districts in the same manner as if the TIF district did not exist. Only property taxes collected as a result of the incremental increase in the value of these properties after the formation of the TIF district are available for use by the counties or cities to fund project costs in the TIF district.

In addition to increasing property valuation, creating a Tax Incremental District for the benefit of economic development can mean revitalizing core business districts of cities in South Dakota that have deteriorated over time, causing businesses to leave the business corridor area and relocate, sometimes in other communities, leading to a “blighted” business corridor. It is up to local communities to attempt to revitalize and bring business district corridors back to “life” by maintaining existing buildings and providing new business opportunities and business expansion in business corridor districts. Using Tax Increment Financing is one of the most powerful economic development tools that helps accomplish revitalizing “blighted” areas which, in turn, creates jobs and economic development, to include additional sales tax for cities local communities and the State of South Dakota.

A local government, per South Dakota Codified Law, Chapter 11-9 can designate a specific area within its boundaries as a redevelopment area appropriate for a TIF district and prepare a plan for development. TIF projects must be recommended for approval by the County or City Planning Commission and the County or City Commission/Council.

Purpose and General Definitions as used in this Plan

The property upon which this Tax Incremental District (TID) is proposed to be implemented is located within Davison, South Dakota, and is located within the city limits of the City of Mitchell.

As such, the creation of City of Mitchell TIF #33 shall be conditioned upon the creation of the District by resolution, and the establishment of the TID boundaries and approval of the TID Project plan by the City of Mitchell Planning and Zoning Commission along with the City Council.

The purpose of the Plan, to be implemented by the City of Mitchell, South Dakota is to satisfy the requirements for a Tax Increment District #33 as specified in SDCL Chapter 11-9. The principal purpose of the Plan is to define eligible property and to define a Tax Increment Plan for funding eligible activities in an eligible area of the City. The Plan will describe the boundary, estimated costs, feasibility and impact of the District.

This Plan was prepared for adoption by the City Council in recognition that the area requires a coordinated cooperative strategy, with financing possibilities, to promote economic development and accomplish the City's development objectives for improving the continued viability by promoting economic development with the City, and specifically one of the City's business district corridors.

The driving interest in the establishment of this Plan is to offer tax increment financing as a tool to stimulate and leverage private sector development and redevelopment, and to promote economic development throughout the District. Portions of the tentative project as described in this Project Plan are not economically feasible and will not proceed but for the use of TIF. Not approving the use of TIF would result in losing out on additional employment opportunities and a potential new business expansion that would not be completed, as described in more detail in this Project Plan.

Development in the area is anticipated to occur starting in the Spring of 2024, with the potential for tax increment financing to provide the impetus and means to undertake this development at a faster pace than might occur otherwise, but more importantly to ensure that the Burr Street corridor is developed and revitalized.

The following terms found in this Plan are defined as the following:

"Base" or "Tax Increment Base" means the aggregate assessed value of all taxable property located within a Tax Incremental District on the date the district is created, as determined by SDCL § 11-9-20.

"Blighted or Economic Development" SDCL §11-9-8.

(1) Not less than twenty-five percent, by area, or the real property within the district is a blighted area or not less than fifty percent, by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the sate through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources: and
(2) The improvement of the area is likely to significantly enhance the value of substantially all of the other real property in the district.

"City Council" means the City of Mitchell, South Dakota

"Calendar Year" means the starting date of January 1 to an ending date of December 31.

"Developer" means Austen LLC

"Developer's Agreement" means the agreement between Developer and City of Mitchell concerning this Tax Incremental District.

"District" means the Tax Incremental District.

"Economic Development" means all powers granted and reasonably inferred pursuant to SDCL § 9-54.

"Fiscal year" means the fiscal year for City of Mitchell.

"Generally Applicable Taxes" shall have the same meaning as set forth in 26 CFR § 1.141-4€

"Governing Body" means the Mitchell City Council, South Dakota

"Grant" means the transfer for a governmental purpose of money or property to a transferee that is not a related party to or an agent of the municipality.

“Infrastructure Improvements” means a street, road, sidewalk. Parking facility, pedestrian mall, alley, bridge, sewer, sewer treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure of improvement, together with necessary easements for the structure or improvement, for the benefit of or for the protection of the health, welfare, or safety of the public generally.

“Plan” means this Project Plan.

“Planning Commission” means the Mitchell City Planning Commission South Dakota.

“Project Costs” means any expenditure or monetary obligations by City of Mitchell, whether made, estimated to be made, incurred or estimated to be incurred, which are listed as Project Costs herein will include any costs incidental thereto but diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by City of Mitchell in connection with the implementation of this Plan.

“Project Plan” means a properly approved Plan for the development or redevelopment of a tax incremental district including all properly approved amendments thereto as recommended pursuant to SDCL§ 11-9-1 3.

“Public Works” means the infrastructure Improvements, the acquisition by purchase or condemnation of real and personal property within the Tax Incremental District, and the sale, lease, or other disposition of such property to private individuals, partnerships, corporations, or other entities at a price less than the cost of such acquisition which benefit or further the health, safety, welfare and economic development of the County and Project Costs.

“Taxable Property” means all real taxable property located in a Tax Incremental District.

“Tax Incremental District” means a contiguous geographic area within a County, defined, and created by resolution of the governing body and name City of Mitchell Tax Incremental District 33.

“Tax Incremental Valuation” is the total value of the Tax Incremental District minus the tax incremental base pursuant to §11-9-19.

“Tax Increment Law” means South Dakota Codified Laws Chapter 11-9.

Creation of City of Mitchell, South Dakota TID #33

Austen LLC owns the parcel property located on the 600 block of South Burr St, Mitchell, South Dakota. This piece of property is currently known as the “Ram Truck Center.” The building on the property has not been utilized for approximately 6 years. The Developer has approached officials with City of Mitchell regarding the possibility of creating a Tax Incremental Financing District (“TID”) to assist in the Project Costs within the Plan on land, which is located within City of Mitchell, South Dakota. As presented by Developer, the TID will consist of one phase, as follows.

Remodel of current Ram Truck Center and construction of a 15,000 square foot building that will include the showroom and shop area for Iverson Powersports. Iverson Powersports will be the Franchise Dealer for Yamaha and BRP motorcycles, snow mobiles, and ATV/UTVs. Iverson Powersports plans to move the Sales and Service facilities from 600 S. Sanborn Blvd. Mitchell, SD to the proposed TID site. The creation of the TID will allow for the construction of the 15,000 square foot facility to expand the showroom and expand the Service offerings to motorcycles, snow mobiles, and ATV/UTVs. It is anticipated that the new Iverson Powersports location will allow them to hire an additional 8-12 employees over the next 3 years in different capacities within the business. **If the TIF**

is not approved, the total remodel project will not be completed and the expansion of those areas of the business that will allow for a significant number of new employees will not be completed.

Timing and weather permitting, Developer intends to begin remodel/construction on the area in the Spring of 2024 with a completion date sometime late 2024.

Property within Tax Increment District #33

The real property to be located within the Tax Incremental District is currently legally described as follows: A PLAT OF LOT 1 OF ARCHER FIRST ADDTION, A SUBDIVISION OF LOTS B-1 AND B-2 WITHIN LOT B, AND LOT C, FORMERLY A PORTION OF IRREGULAR TRACT NO. 4A IN THE SOUTH ½ OF SECTION 22, T 103 N, R 60 W, OF THE 5TH PM , CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA.

The real property is described under Attachment 3.

Developer is the sole owner of all real property to be included in the TID.

A Map of the TIF boundary area (the perimeter in blue) is as follows.

6

Taxable Value of City of Mitchell

State law requires that tax increment districts cannot exceed ten percent of the taxable value of City of Mitchell. The current value for City of Mitchell is approximately $1,486,087,693.00. The Full and True Value of the taxable property for inclusion into this Tax Incremental District #33, as per Director of Equalization's records is $927,053.

11-9-7. Maximum percentage of taxable property in municipality permitted in districts. In order to implement the provisions of this chapter, the resolution required by § 11-9-5 shall contain a finding that the aggregate assessed value of the taxable property in the district plus the tax incremental base of all other existing districts does not exceed ten percent of the total assessed value of taxable property is as follows.

TIF #	Certified Base Value State of South Dakota Department of Revenue City of Mitchell
8	$6,002,565
9	$50,400
14	$37,850
16	$5,005,495
19	$13,370
20	$151,890
21	$125,082
23	$3,004,275
24	$401,798
26	$0
27	$1,002,685
28	$2,119,490
29	$397,815
30	$55,610
31	$615,554
32	$1,557,071
33	$927,053
Total Base Value(s)	$21,014,578

The total value of all active TIF districts in City of Mitchell is less than ten (10) percent of total taxable value in the City. Using the estimates provide with TID #33 included, the total Tax Increment Districts combined is less than 2% when compared to the 2023 Taxable Valuation.

Kind, Number, Location, and Detailed Costs of Proposed Public Works and Improvements.SDCL § 11-9-13 (1)

In order to implement the provisions of SDCL Chapter 11-9, the following are Projected Costs and expenditures made or estimated to be made and the monetary obligations incurred or estimated to be incurred.

The City is working to develop an economic and competitive base to benefit the City and the State of South Dakota as a whole. All Project Costs are found to be necessary and convenient to the creation of the Tax Incremental District and its implementation. The project constitutes economic development which is a proper public purpose of the City. The City exercises the powers expressly stated in and reasonably inferred by SDCL §11-9-15 and Chapter 9-54. The City shall enter all contracts with accordance with South Dakota law. A combination of private investment and tax increment financing will assist progress toward the overall objectives of the Developer, that being to further develop a lot on a main thoroughfare into Mitchell from Interstate 90 and create new jobs for the City of Mitchell.

Costs of Public Works or Improvements

In accordance with SDCL § 11-9-14 the following is the kind, number, location and dollar amount of estimated Project Costs, costs of public works and improvements.

Although the estimated costs of the Project are approximately $2,387,081 (which includes the cost of remodeling existing structure and construction), Developer is requesting a TIF in the amount of $715,303 and will pay the remaining costs through commercial financing. The requested TIF amount is set forth in the table below.

Kind of Project	Location[1]	Amount	Reference[3]
Capital Costs (Street, Water & Sewer) (Cleaning & grading of land & associated costs)	District		11-9-15 (1)
Financing Costs	District		11-9-15 (2)
Real Property Assembly	District		11-9-15 (3)
Professional Fees	District		11-9-15 (4)
Administrative Costs	District		11-9-15 (5)
Relocation Costs	District		11-9-15 (6)
Organizational Costs	District		11-9-15 (7)
Discretionary Costs and Grants	District	$750,150	11-9-15 (8)
Eligible Project Costs		$750,150	

[1] District shall mean Tax Increment District
[2] SDCL §11-9-15
[3]Reference

(1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing, over-excavation, and grading of land, including use of engineered fill and soil compaction; and the amount of interest payable on tax increment bonds issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the project plan, are sufficient to pay the principal of and interest on the tax increment bonds when due;
(2) Financing costs, including all interest paid to holders of evidence of indebtedness issued to pay for project costs, any premium paid over the principal amount thereof because of the redemption of obligations prior to maturity and a reserve for the payment of principal and interest on obligations in an amount determined by the governing body to be reasonably required for the marketability of obligations;
(3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a district less any proceeds to be received by the municipality from the sale, lease, or other disposition of property pursuant to a project plan;
(4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

(5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a project plan;
(6) Relocation costs;
(7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of a district and the implementation of project plans; and
(8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of a district, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state. No payment or grant may be used for any residential structure pursuant to § 11-9-42.

Estimated costs for non-project costs and TIF eligible costs may vary from actual costs incurred during construction. The grant to Developer is not controlled by the individual line items for TIF eligible costs. TIF proceeds may flow through to Developer for certified TIF eligible expenses, without respect to a particular line item, based on the actual costs incurred for those TIF eligible expenses up to the total authorized TIF request amount of $715,303.

(THE REST OF THIS PAGE LEFT BLANK INTENTIONALLY)

Expenditures Exceeding Estimated Cost

Any expenditure which in sum would exceed the total amount of the TID amount of $715,303 will require an amendment to this Plan. All amendments would be undertaken pursuant to SDCL§11-9-23.

When the expenditures within the Plan are increased in excess of the total above, the Department of Revenue will be required to reset the base, in accordance with SDCL§11-9-23.

If the Project Costs are not provided for the original plan, the governing body would be required to amend the plan which requires the South Dakota Department of Revenue to redetermine the tax increment base when additional Project Costs are added to the Plan, SDCL §11-9-23.

Developer's Agreement

The City of Mitchell will enter into a Developer's Agreement with the Developer with the following as the guidelines of the Agreement:

Financing Terms:

- Amount. The total amount of the TIF will not exceed $715,303.
- Interest Rate: The developer is not seeking to recover any interest cost through this TIF.
- Length. The TIF will not exceed 20 calendar years or when the $715,303 has been paid out in tax payment to the Developer from the taxes generated within the District, whichever comes first.

Legal Terms

- Should the State of South Dakota not classify the TIF as economic development, the TIF will not be finalized and will cease to exist.
- Developer will waive its right to the discretionary tax abatement for this Property.

Conditions of the Developer Agreement relating to Constitutional Debt

The exclusive funding mechanism for the TID will be a grant pass-through of positive tax increment from the TID receipted into the TIF Fund. It is specifically a condition of the proposed Developers Agreement that the City's obligation to pay is limited to the proceeds of the positive tax increment from the TID receipted into the TIF Fund. The City shall have no obligation to commit any City funds from any other source into the TIF Fund other than the positive tax increment from the TID receipted into the TIF Fund. It is also to be specifically agreed that the City has made no representation that the proceeds from the TIF Fund shall be sufficient to retire any indebtedness incurred by Developer. The parties further acknowledge that SDCL 11-9-25 limits the duration of allocation of the positive tax increment payments and the fund created by the TID to 20 years from the year or creation. As such, it is further understood that the amount of $715,303 will be the maximum amount the City will ever pass on acting as a conduit for TIF #33 for eligible project costs.

All TIF revenue will be passed onto the Developer as a grant until the full amount has been paid or 20 years from the creation, whichever happens first. The payment of tax increment funds under this Agreement is a grant under SDCL Chapter 11-9 (the "Grant"). The Grant is a personal property right vested with the Developer on the effective date of the Developer Agreement. The City will grant this amount to the Developer and thus not have to account for any assets on the City's financial statement. The Developer will be responsible for obtaining their financing and the City will not be liable for any Developer debt.

Upon completion of the construction of project involving eligible project costs, the Developer shall certify to the City's Finance Officer the eligible project costs in sufficient detail to determine that payment of grant funds is solely for eligible project costs. The Developer shall provide contractor/supplier invoices of other supporting documentation upon request of the Finance Officer. Upon certification and verification of eligible project costs, the City shall pass-through all available tax increment fund revenues not to exceed $715,303 in a manner consistent with this section.

Given that the exclusive funding mechanism for this TID is the grant pass-through of positive tax increment from the TIF Fund, that no tax increment bonds will be issued in relation to the TID, and that the City shall have no obligation to commit other City funds, the City's obligation hereunder shall not in any way be construed to be a debt of the City in Contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. In recognition that the City cannot appropriate funds that have not accrued, the City's exclusive obligation shall be to budget and appropriate the positive tax increment from the TID receipted into the TIF Fund on an annual basis during the City's then current fiscal year, as may be required. Notwithstanding anything to the contrary contained in the proposed agreement, the City hereby acknowledges and agrees that the obligations of the City under this Agreement are a material inducement for the Developer to incur various development and construct improvements upon the TID property and the failure to pay tax increment to Developer will be financially detrimental to future improvements on said property.

If at any time during the term of this Agreement, the governing body of the City shall fail or refuse to approve or authorize the funds due hereunder, and if the TID is eligible to be terminated pursuant to SDCL 11-9-46, then the Agreement shall terminate upon the end of the fiscal year for which funds were approved or authorized, without penalty to the City.

Developer Terms:

- Austen LLC will act as the Developer and all TIF proceeds will flow to Developer.
- Developer will certify the costs to the City for reimbursement.
- The City of Mitchell reserves the right to charge an annual administration expense. This fee will be used to offset any future expenses that may occur due to reporting. The amount will not exceed $5,000.00 in a calendar year.
- The Developer agrees to waive the discretionary formula for all construction within the TIF.

Detailed List of Estimated Project Costs

Attached as Schedule 1 is a detailed list of estimated Project Costs as per SDCL § 11-9-13 (3). No expenditure for Project Costs is provided for more than five years after the District is created

Feasibility Study

An economic feasibility study per SDCL § 11-9-13 (2) is attached as Schedule 2.

Economic Development Study

Not less than 50% of the area within the proposed district will stimulate and develop the general economic welfare and prosperity of the state through commercial, manufacturing, and agricultural development as evidenced by the Economic Development Study attached as Schedule 3.

Fiscal Impact Statement

Attached is Schedule 4, a Fiscal Impact Statement showing the impact of the Tax Increment District, until and after the TIF advances are repaid, upon all entities levying property taxes in the District. Required as per SDCL § 11-9-13(4).

Method of Financing, Timing of Costs, and Monetary Obligations.

The payment of Project Costs is anticipated to be made by the City to Developer from the special fund of the Tax Incremental District. SDCL § 11-9-13 (5). Pursuant to the Developer's Agreement, the City will pay to the Developer all available tax increment funds it receives from the District.

Maximum Amount of Tax Incremental Revenue

The maximum amount of tax incremental revenue bonds or monetary obligations to be paid through the Tax Increment District #33 shall be the amount sufficient to reimburse the City for the payments made for Projected Costs and pay all tax increment bonds or monetary obligations in an amount not to exceed $715,303 principal and interest or such lesser amount as may be feasible with the estimated revenue generated by the Tax Increment District. The final terms and conditions will be set forth in the Developers Agreement.

Duration of Tax Incremental Plan.

The duration of the Plan will extend to the number of years it will take for the reimbursement of the City and the extinguishment of TIF monetary obligations, except that the Plan duration shall not exceed 20 calendar years of revenue from the date of creation of the District.

Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions.

The site will generate taxes to the local jurisdictions at or above the assessed value of the Base. All taxing districts shall receive that base which will be the value set for the 2025 taxes payable in 2026. The tax increment will be available to the taxing jurisdictions at or before twenty (20) years after the creation of the District. Schedule 5 details the tax capture implications to each of the local taxing jurisdictions. After the repayment of the bonds and monetary obligations, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

Conditions Map, Improvement Map, Zoning Change Map

The Conditions map, SDCL § 11-9-16 (1), is included as Attachment 2.

The Improvements map, SDCL § 11-9-16 (2), is included as Attachment 3.

The Zoning Change map, SDCL § 11-9-16 (3) is included as Attachment 4.

Changes to the City of Mitchell Comprehensive/Master Plan/Map. Building Code & County Ordinances per SDCL § 11-9-16 (4)

No changes to City ordinances nor the City Master Plan are required.

List of Estimated Non-Project Costs

The following is a list of Non-Project Costs per SDCL § 11-9-16 (5). All costs are listed as taxable value; actual non-project costs will exceed the following amounts.

Item	Amount
Non-Project Costs	$1,636,931
TOTAL	$1,636,931

Statement of Displacement and Relocation Plan

No residents or families will be displaced by the Project. SDCL § 11-9-16(6).

Performance Bond Surety Bond and other Guaranty

As Security for its fulfillment of the agreement with the governing body, a purchaser or lessee of redevelopment property may furnish a performance bond, with such surety and in such form and amount as the governing body may approve or make such other guaranty as the governing body may deem necessary in the public interest. This additional security may be provided for in a Developer's Agreement.

List of Schedules

SCHEDULE 1 – Estimated Project Cost

SCHEDULE 2 – Economic Feasibility Study

SCHEDULE 3 – Economic Development Study

SCHEDULE 4 – Fiscal Impact Statement

SCHEDULE 5 – Estimated Captured Taxable Values

List of Attachments

Attachment 1 – Descriptions of Real Property

Attachment 2 – Conditions Map, SDCL § 11-9-16(1)

Attachment 3 – Improvements Map, SDCL § 11-9-16(2)

Attachment 4 – Zoning Change Map SDCL § 11-9-16(3)

Schedule 1 – "Detail of Project Costs"

Kind of Project	Location[1]	Amount	Reference[3]
Capital Costs (Street, Water & Sewer) (Cleaning & grading of land & associated costs)	District		11-9-15 (1)
Financing Costs	District		11-9-15 (2)
Real Property Assembly	District		11-9-15 (3)
Professional Fees	District		11-9-15 (4)
Administrative Costs	District		11-9-15 (5)
Relocation Costs	District		11-9-15 (6)
Organizational Costs	District		11-9-15 (7)
Discretionary Costs and Grants	District	$750,150	11-9-15 (8)
Eligible Project Costs		$750,150	

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Estimates of TID Eligible of Project Costs Requested

This City of Mitchell has determined that this will be an economic development Tax Increment District, thus the eligible cost will be in the form of a grant that will not exceed $715,303. This is a permitted use under SDCL 11-9-15 (See page 9 for statutory language).

IVERSON POWERSPORTS CONSTRUCTION COSTS			
	TOTAL COSTS	NON-PROJECT COSTS	TIF ELIGIBLE COSTS
Propety Acquisition	$ -		
Building	$ 695,204	$ 600,204	$ 95,000
Concrete	$ 261,827	$ 261,827	
Carpentry	$ 145,870	$ 145,870	
Electrical	$ 189,503	$ 64,553	$ 124,950
Cabinets	$ 25,015	$ 25,015	
Full Height Liner	$ 11,500	$ 11,500	
Flooring	$ 44,516	$ 44,516	
HVAC	$ 398,032	$ 160,662	$ 237,370
Storefront	$ 44,598	$ 44,598	$ -
Dirt Work	$ 140,404	$ -	$ 140,404
Plumbing	$ 115,121	$ 41,895	$ 73,226
Overhead Doors	$ 47,691	$ 47,691	$ -
Doors	$ 12,600	$ 12,600	$ -
Architectural Fees	$ 79,200	$ -	$ 79,200
Interest	$ 176,000	$ 176,000	$ -
	$ 2,387,081	$ 1,636,931	$ 750,150
Cost of Real Estate	$ -		
Cost of Improvements	$ 2,387,081		
Interest			
Total Project Costs	$ 2,387,081		
TIF Request	$ 715,303		
Developer Cost	$ 1,671,778		

It is anticipated that the Developer will fund the remodel costs with Developer's cash and a loan from a financial institution. Developer will certify actual costs to the City prior to being reimbursed for TIF Eligible Expenses from TIF proceeds received by the City.

Developer is not asking for the full amount of the project costs as it could not be supported by the estimated increment generated. Figures are intended to show that Developer will have significant costs invested in the Project in addition to proposed TIF funds.

The following information provides detail to the expense line items identified as Costs in the project.

Building Costs: Building costs are the costs to furnish material to construct a 60' x 150' x 16' 6" Behlen Mfg. Co pre-engineered building with a Single Slope.

Concrete: Concrete costs include 620 Linear ft of 4' frost walls and footings. This cost also includes the cost to pour the 15,000 square feet, 6-inch concrete floor.

Carpentry: Carpentry costs include the costs to furnish materials and install all interior build out for offices, break room, and show room. All walls drop sheet rock finished and painted. Drop ceilings throughout this area.

Electrical: – Wire the proposed building plans includes round bay LED lights in the shop area, power to garage doors, general outlets throughout, power to gas HVAC systems, power to electric water heater, power to the water heater, wire 5 data drops throughout the building, Power to Fire Alarm System. Also includes costs of Power Company for infrastructure for addition.

Cabinets: Furnish and install cabinets for offices, ADA vanity restroom cabinets, and break room cabinets.

Full Height Liner: Materials for Full height liner in the 60’ x 150’ shop.

Flooring: Epoxy for 60’ x 100’ showroom and office.

HVAC: Materials and labor for installation of HVAC system.

Storefront: Glass windows and doors to be installed in the storefront to included sixteen windows, one pair of doors, one glass aluminum door.

Dirt Work: Remove 560 linear feet of footings with gravel base floor as well as the cost to back fill after concrete footings are placed.

Plumbing: PVC waste and vent the complete system to include ADA tanks, sinks and facet, outdoor wall hydrant, trench drain for shop. Also includes running water and sewer to the building.

Overhead Doors: Five (5) overhead 14’ doors.

Doors: Materials for all frames and solid core wood doors for interior.

Architectural Fees: Fees for architectural drawings and stamps.

Interest: Interest Expense associated with the Construction loan of the project.

Schedule 2 – "Economic Feasibility Study"

Developer has approached the City of Mitchell regarding the possibility of a Tax Incremental Financing District to assist with help in offsetting the costs associated with the new construction and remodel of a new Iverson Powersports Sales and Service facility to be located adjacent to the Developer's Franchise Auto Dealership.

Developer is the owner of Iverson Chrysler Center, Inc. Iverson Chrysler Center (ICC) is a Franchise automotive dealership of Dodge, Ram, Jeep, and Chrysler. ICC has been operating in Mitchell, SD as full-service automotive dealership selling new and used cars for over 75 years.

The new Iverson Powersports facility will be the expansion of a current building on the Iverson Chrysler Center property and the relocation of a current Powersports Sales and Service business. The new facility will provide an additional 15,000 square feet of showroom and shop space. The location is on South Burr Street, off exit 332 on Interstate 90 and accessed from the south by South Dakota Highway 37 of Mitchell.

Iverson Chrysler Center's primary trade area is within 75 miles of Mitchell, SD. A majority of Iverson's customers are located within the trade area; however, customers drive from the 5-state area to purchase vehicles and have them serviced at ICC. The addition of Iverson Powersports will create additional jobs and more out of town customers to Mitchell, SD.

Construction Project:

Showroom and Shop Expansion	15,000 square feet
Capital Investment	$2,387,081
New Employees	12
Employee Pay and Benefits	$50,000-$75,000.

The City has been asked to create a Tax Increment District to help offset the expansion associated with the project. The feasibility study provides that the Projected Costs can be financed through tax increment financing under South Dakota Tax Incremental District Law (South Dakota Codified Laws Chapter 11-9). Tax increment financing is an indispensable self-financing tool used throughout the United States to help governments successfully develop and redevelop areas and encourage economic development.

In tax increment financing, the current real property tax assessed value of all properties in a designated project area ("tax increment financing district") is established as the "base value." As development in the tax increment financing district increases the assessed value of the redeveloped properties, a portion of the additional tax revenue generated by the increase in assessed value over the base value is set aside and committed by the City to the reimbursement of approved project costs.

Tax increment financing is permitted only in connection with a “Project Plan” duly adopted by the City. The current Full and True Value of the property is $927,053. The improvements to be made to the property are estimated to add $2,021,084 to the assessed valuation. The estimated increment resulting from the improvements would be approximately $37,648 in new taxes once fully developed. Since only positive tax increment will be applied, the proposed project is feasible.

All the project costs are found to be necessary and convenient to the creation of the Tax Incremental District and the implementation of the project.

For purposes of this Project Plan, the Developer is projecting that construction of a 15,000 square foot facility will be fully constructed by the fall of 2024. It is anticipated that Developer will procure financing to fund the TID improvements by way of a loan. The City at no time shall ever be responsible for any loan the Developer secures. The City’s role is to simply act as a conduit for the revenue and pass on all positive increment to the Developer, of which, will never exceed $715,303 in total payments, or 20 years, whichever comes first.

A portion of the development within the District could qualify for the discretionary tax abatement. However, the Project Plan has been prepared anticipating that all development will “not” elect to utilize the “real property” tax discretionary formula.

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For purposes of this Project Plan, it is anticipated no increment generated by TID #33 will be available until calendar year 2025 and thereafter. The calculation of the estimated tax increment valuation and tax generated for City of Mitchell TID #33 is presented in the table below.

TID Tax Revenue Estimates Available for City of Mitchell TID #33

Construction Year	Valuation Year	Revenue Year	Assessed Valuation Increment	Total School Levy "Other"	County Mill Rate	City of Mitchell	Sub District Levy	Total Mill Rate*	Total Revenue Increment	Total Increment for Debt Servie	Cumulative Amount Paid out
2024											
2024	2025	2026	$ 2,012,084.00	0.0106	0.0035199	0.0045328	0.000058	0.0187107	$ 37,647.50	$ 37,648	$ 37,648
2025	2026	2027								$ 37,648	$ 75,295
2026	2027	2028								$ 37,648	$ 112,943
2027	2028	2029								$ 37,648	$ 150,590
2028	2029	2030								$ 37,648	$ 188,238
2029	2030	2031								$ 37,648	$ 225,885
2030	2031	2032								$ 37,648	$ 263,533
2031	2032	2033								$ 37,648	$ 301,180
2032	2033	2034								$ 37,648	$ 338,828
2033	2034	2035								$ 37,648	$ 376,475
2034	2035	2036								$ 37,648	$ 414,123
2035	2036	2037								$ 37,648	$ 451,770
2036	2037	2038								$ 37,648	$ 489,418
2037	2038	2039								$ 37,648	$ 527,065
2038	2039	2040								$ 37,648	$ 564,713
2039	2040	2041								$ 37,648	$ 602,360
2040	2041	2042								$ 37,648	$ 640,008
2041	2042	2043								$ 37,648	$ 677,655
2042	2043	2044								$ 37,648	$ 715,303
Assumptions											
In Year 1 the facility will be completed.											
Projections show the last payment of the TIF will be in 2044.											
Once $715,303 is paid out from the TIF or 20 years are completed, the TIF will automatically expire.											
*Assumes Mill Levies remain constant for the duration of the TIF.											
Note: These numbers are for projection purposes only and do not reflect what the actual number(s)											
may be. The projection numbers are based on assumptions provided by the developer.											

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Schedule 3 – "Economic Development Study"

SECTION 1 – INTRODUCTION

The City has been approached concerning the creation of a tax increment district located within City limits. In order to determine whether a tax increment district (TID) may be created, the governing body must make a finding that not less than 50% , by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the State through the promotion and advancement of industrial, commercial, manufacturing, agricultural and natural resources, andthe improvement of the area is likely to enhance significantly the value of substantially all the other real property in the district.

SECTION 2 – STUDY AREA BOUNDARY

The study area is described as the area depicted on the map attached to this Study. (Attachments 1 and 2)

SECTION 3 – ESTABLISHING ECONOMIC DEVELOPMENT

South Dakota law describes economic development as activity that stimulates and develops the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources. The area making up the boundaries of proposed City of Mitchell TID #33 currently consists of an office space/showroom and a large parking lot. Developer plans to renovate the current office space/showroom and add a 15,000 square foot sales/service/shop area to work on ATV's, motorcycles, snowmobiles, and boats. Developer will have the capacity to add 12 new full-time jobs to its work force, consisting of Mechanics, Technicians, Service Advisors, Sales and office staff.

SECTION 4 – FINDING THE AREA THE IMPROVEMENTS TO THE AREA ARE LIKELY TO ENHANCE SIGNIFICANTLY THE VALUE OF SUBSTANTIALLY ALL OF THE OTHER REAL PROPERTY IN THE DISTRICT.

It is specifically found that once the improvements set forth within the City of Mitchell TID #33 Project Plan are commenced the improvements enhance significantly the value of substantially all of the other real property in the District and will help the entire City core business district continue to develop adding sales tax dollars to the City and to the State of South Dakota.

SECTION 5 – CONDITIONS WITHIN THE STUDY AREA; LAND USE AND PLANNING LAND USE, PLANNING AND COMPREHENSIVE PLAN

The City of Mitchell Comprehensive Plan is consistent with the proposed use of the District.

SECTION 6 – FINDINGS WITHIN THE STUDY AREA ANALYSIS

In accordance with state law, it is found that not less than (50%) by area of the real property within the District will stimulate and develop the general economic welfare and prosperity of the State of South Dakota through the promotion and advancement of industrial, commercial, manufacturing,agricultural, and natural resources, and it is found that the improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the District in accord with SDCL 11-9-8 (1) and (2).

The study area currently consists of a showroom and a large parking lot. The Dealer is proposing to relocate and expand a Powersports dealership to this Project. The location located on the southeast side of Mitchell, with direct access from Highway 37 to the south and from exit ramp 332 off Interstate 90, The location provides access and development to the residents of Mitchell and thesurrounding trade area.

In accordance with State law, the following addresses specific characteristics of economic development are found within the Study Area with corresponding portions of 11-9-8 and 11-9-11.

The investment of more than $2,387,081 is the study area will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of commerce during the construction period. More than fifty percent, by area, of the real property within the District will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of commerce. The development will cause more employment and develop an area on the main thoroughfare through Mitchell. The completion of the project will generate additional economic activity through retail commerce and development.

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Schedule 4 – "Fiscal Impact Statement"

Fiscal Impact State of City of Mitchell-Tax Increment District #33

INTRODUCTION

The fiscal impact state is intended to provide succinct analysis of the estimated impact of the Tax Increment District to the public pursuant to SDCL § 11-9-13 (4). It is not intended to rival the level of detail required by a detailed financial analysis. A fiscal impact statement shows the impact of the Tax Increment District, both until and after the bonds or obligations are repaid, upon all entities levying taxes upon property in the District.

DEFINITIONS

"Assumptions" means factors or definitions used in the fiscal analysis. Assumptions may include facts and figures identified by the District and educated guesses that are sometimes necessary when not all of the information is available. Assumptions are often used to extrapolate an estimate. Assumptions may include an estimate of tax levies of each taxing entity, the school aid formula contribution, the value of real property, etc.

"Base Revenues" means the taxes collected on the base value.

"Fiscal Impact" means the increase or decrease in revenues and generally refers to an impact to revenues caused by the district.

"Revenue" means ad valorem taxes.

"Tax Increment District" means City of Mitchell, Tax Increment District Number #33.

"Taxing District" means all political subdivisions of the state which have ad valorem taxing power over property within the boundaries of the Tax Increment District.

"Tax Increment Revenues" means all revenues above the Base Revenues.

Assumptions

(1) The property will have additional improvements resulting from the remodeling and construction project which at completion will increase the Full and True taxable value of the property to approximately $3,314,134 with $2,387,081 coming from the improvements and renovations.
(2) The average levy of all taxing districts will be $18.711 per thousand dollars of taxable valuation.
(3) Tax Increment will start to be collected in 2026 and end prior to 2044.
(4) The discretionary formula will be waived by the Developer.

FISCAL IMPACT

The total fiscal impact upon the taxing entities during the term of the Tax Increment District is as follows:

Valuation Assumptions	Base Full/True Value	Increase	Positive Increment
Land/Existing Improvements	$927,053	0	0
Additional Improvements	$0	$2,387,081	$2,387,081
Total Positive Increment	$0	$2,387,081	$2,387,081

Schedule 5 – "Estimated Captured Taxable Values"

For purpose of the Project Plan, Developer assumes that **Developer will elect not to use the real property tax discretionary formula** currently utilized in City of Mitchell, South Dakota, Pertaining to payment of real property taxes (i.e., 20% Year 1; 40% Year 2; 60% Year 3; 80% Year 4; and 100% Year 5).

It is further assumed, for purposes on this Plan, that the remodel and construction of the Powersports location will be completed by the fall of 2024, with improvements estimated to be assessed in the approximate amount of $2,012,084 which will generate $37,648 in annual real property taxes upon completion.

*Actual valuation shall depend upon the value determined by the Davison County Director of Equalization when assessed, with the application of dollars-per-thousand from local taxes. All tax increment revenues shall be from Generally Applicable Taxes attributed to the improvements to be constructed in the TID. The potential for total increment collections is estimated to be at the maximum range of $715,303 covering a span of captured tax years not to exceed 20 years. Collection is anticipated to begin in 2025, and the schedule carries out the tax captured 20 years from the date of Plan adoption.

The following dollars-per-thousand are the current taxing rates of local taxing jurisdictions:

2023 Property Tax Rate		
2023 Payable in 2024	**$ per $1,000 assessed**	
City of Mitchell	$	4.5328
Davison County	$	3.5199
Water District	$	0.0580
School District	$	10.6010
Total Tax Levy	$	18.7117

Utilizing the information regarding expected increment valuation and tax generation, it is possible to generate an expected revenue stream that can be utilized to fund the requested grant as a result of implementing the Project Plan.

Attachment 1

Description of Real Property:

The real property to be located within the Tax Increment District is legally described as follows:

A PLAT OF LOT 1 OF ARCHER FIRST ADDTION, A SUBDIVISION OF LOTS B-1 AND B-2 WITHIN LOT B, AND LOT C, FORMERLY A PORTION OF IRREGULAR TRACT NO. 4A IN THE SOUTH ½ OF SECTION 22, T 103 N, R 60 W, OF THE 5^{TH} PM, CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA.

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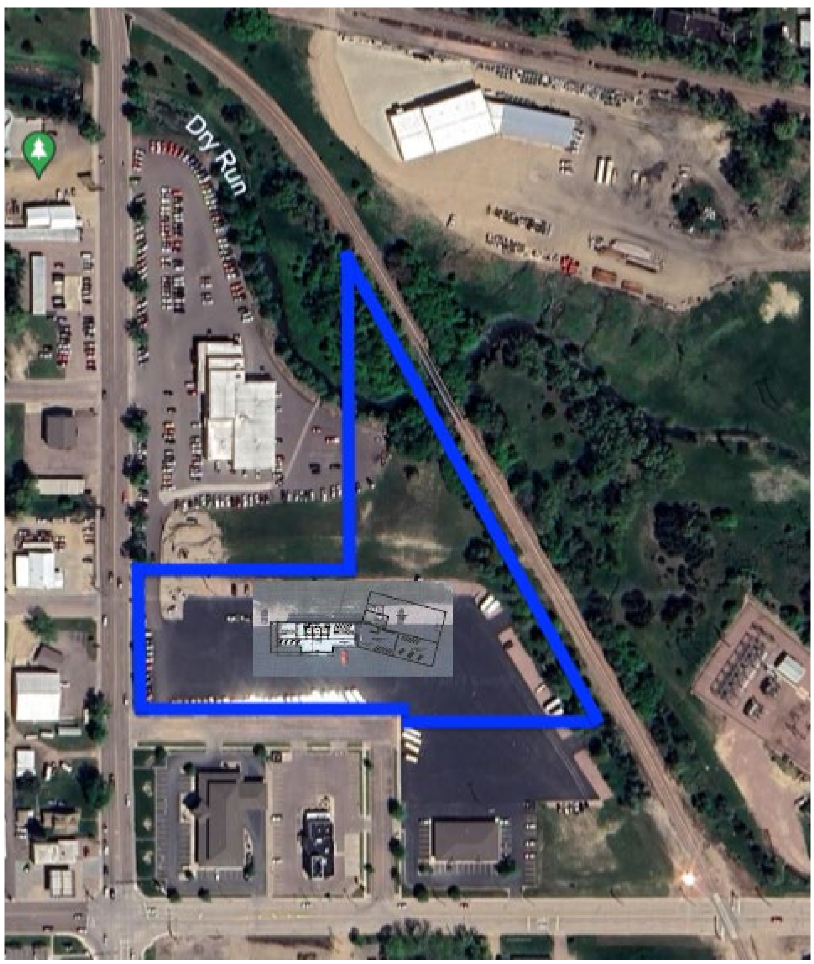
Attachment 2

Conditions picture for City of Mitchell Tax Increment District #33, SDCL § 11-9-16 (1). See also map on Page 29 below. The following are pictures showing the current conditions of the proposed location of TIF #33:

Attachment 3

Improvements map for City of Mitchell Tax Incremental District #33, SDCL § 11-9-16 (2).

- Tentative layout is shown below.
- Property legal address: A PLAT OF LOT 1 OF ARCHER FIRST ADDTION, A SUBDIVISION OF LOTS B-1 AND B-2 WITHIN LOT B, AND LOT C, FORMERLY A PORTION OF IRREGULAR TRACT NO. 4A IN THE SOUTH ½ OF SECTION 22, T 103 N, R 60 W, OF THE 5^{TH} PM, CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA.



Attachment 4

Zoning Change Map for City of Mitchell Tax Incremental District #33 SDCL § 11-9-16(3).

- No proposed change as the property is currently zoned as Highway Business.