City of Mitchell SOUTH DAKOTA

Planning Commission Agenda
City Council Chambers, City Hall, 612 N. Main Street
July 22, 2024

1. **6:00 PM Call to Order**
2. **Roll Call**
3. **Declaration Of Conflicts Of Interests**
4. **Approve Agenda**
5. **Approval of Previous Minutes: July 8, 2024**
6. **Schedule Next Meeting: August 12, 2024**
7. **Variance Permit: Nathan Weber**

   Nathan Weber has applied for a Variance Permit for a for rear yard setback of 11' vs 25' and accessory building of 4,224 square feet vs 2,000 square feet. This is located 25154 407th Ave, legally described as W 175' of Lot 4, Black Eagle First Addition in the SW 1/4 of Section 8, T 103 N, R 60 W of the 5th P.M., Davison County, South Dakota. The property is zoned R4 High Density Residential District.
8. **Hearing and Action on Establishing the Boardaries and Approval of the Project Plan for Tax Increment Financing District 37**
9. **Other Business:**
10. **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.
11. **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
July 8, 2024

1. Call to Order

Jenniges called the July 8, 2024 City Planning Commission Meeting to order at 12:00 P.M. noon in the Council Chambers, City Hall, 612 N Main Street.

2. Recognition of Jay Larson's 40 years of Service to Planning Commission

Mayor Hanson read the following.

Jay Larson was appointed to Planning Commission on June 14, 1984 and voted chairman of the Planning Commission for the first time at the May 28, 1985 meeting. Jay Larson has been part of multiple ordinance revisions/amendments and helped with several comprehensive plan updates. Jay Larson has signed over an estimated 1,000 plats during his time as chair. Jay Larson’s last meeting was June 24, 2024.

I, Jordan Hanson, Mayor of the City of Mitchell do hereby give Jay Larson a Key to the City of Mitchell for his 40 years of Service on the Planning Commission and in honor of all the doors he has helped the citizens of Mitchell open over the years.

3. Roll Call

Quorum is met, simple majority vote required for all items.
Present: Doescher, Genzlinger, Havlik, Osterloo, Schmitz, Schreurs, Sonne.
Absent: Jirsa.
Staff Present: Dammann, Ellwein, Mayor Hanson, Jenniges, J Johnson, Schroeder.

4. Election of Officers

Election of Chairperson for a 1 year term from July 2024 to June 2025.
Motion by Sonne, seconded by Schmitz to nominate Genzlinger as Chairperson.

There being no other nominations, motion by Osterloo, seconded by Schmitz, that nominations cease and a unanimous ballot be cast. All present voting aye, motion carried

Chairperson Genzlinger took over the meeting.

Election of Vice-Chairperson for a 1 year term from July 2024 to June 2025.
Motion by Genzlinger, seconded by Schmitz to nominate Osterloo as Vice-Chairperson.

There being no other nominations, motion by Schmitz, seconded by Sonne, that nominations cease and a unanimous ballot be cast. All present voting aye, motion carried.

5. Declaration Of Conflicts Of Interests

None.

6. Approve Agenda

Motion by Schmitz, seconded by Havlik to approve the proposed agenda. All present voting aye, motion carried.

7. Approval of Previous Minutes: June 24, 2024

Motion by Osterloo, seconded by Sonne to approve the proposed minutes of the June 24, 2024 Planning Commission Meeting. All present voting aye, motion carried.

8. Schedule Next Meeting: July 22, 2024

Motion by Havlik, seconded by Osterloo to set the date for the next Planning Commission Meeting for July 22, 2024. All present voting aye, motion carried.

9. Conditional Use Permit: Darla Kummer

Darla Kummer has applied for a conditional use permit to operate a Family Residential Daycare; located at 1503 S Miller St, legally described as N 130' of Lot 16A, Block 16, Sunny Side Addition, City of Mitchell, Davison County, South Dakota. The said real property is zoned R2 Single Family Residential District.

Jenniges noted that a notice was sent out to the neighbors, it was published in the official newspaper and sign posted. There were two letters returned in favor. The applicant was present to answer questions.

The applicant stated she will be state certified and has already passed their inspection. She has a a new playground set, a fenced backyard and removed a pool that was previously there.

Motion by Osterloo, seconded by Schmitz to recommend approval of the conditional use with the following conditions; 1) the permit is non-transferable, 2) if the business ceases to operate for six months, then a new application would be required, 3) pass fire inspection. All present voting aye, motion carried.

10. Plat: Ethan Coop Lumber

Plat of Lot 2, Block 3 of Lakeridge Addition, a subdivision of Irregular Tracts Nos. 1 and 2 in the NW 1/4 of Section 10, T 103 N, R 60 W of the 5th P.M., City of Mitchell, Davison County, South Dakota.

Jenniges stated this follows their master plan. This will be the 5th lot platted in this development. There will be a few minor changes to the first page plat to fix a few mistakes, but will not affect the legal or boundaries of the proposed plat.

Motion by Schmitz, seconded by Havlik to approve the plat as amended. All present voting aye, motion carried.

11. Other Business:

Jay Schreuers introduced himself to the board and gave a brief history of his work and family background.

Genzlinger questioned the input from the board on their opinions of the City Council work session being held on some lake lots. Justin Johnson gave a high level description of what will be discussed tonight at council and the procedures that follow the different options. Jenniges noted there is a lot of land and ROW around the lake that has not been platted so a first step of just platting land isn't saying other projects or land sales will happen. The overall layout of some of the proposed parcels follows the zoning of the area if they were to be platted. Ellwein noted there would be no votes tonight, just discussion only.

12. Public Input:

None.

13. Adjourn

Chairperson Genzlinger adjourned the meeting at 12:23 P.M.

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Kevin Genzlinger
Planning Commission Chairperson

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 Click or tap here to enter text. District to Click or tap here to enter text. District.

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

- Description of Variance: Rear yard setback of 11' vs 25' and accessory building of 4,224 square feet vs 2,000 square feet
- Description of Hardship: Allow for sufficient space in the front to pull campers and vehicles into the shed.

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

- Description of Conditional Use: Click or tap here to enter text.

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

This Application is for the following described real property:

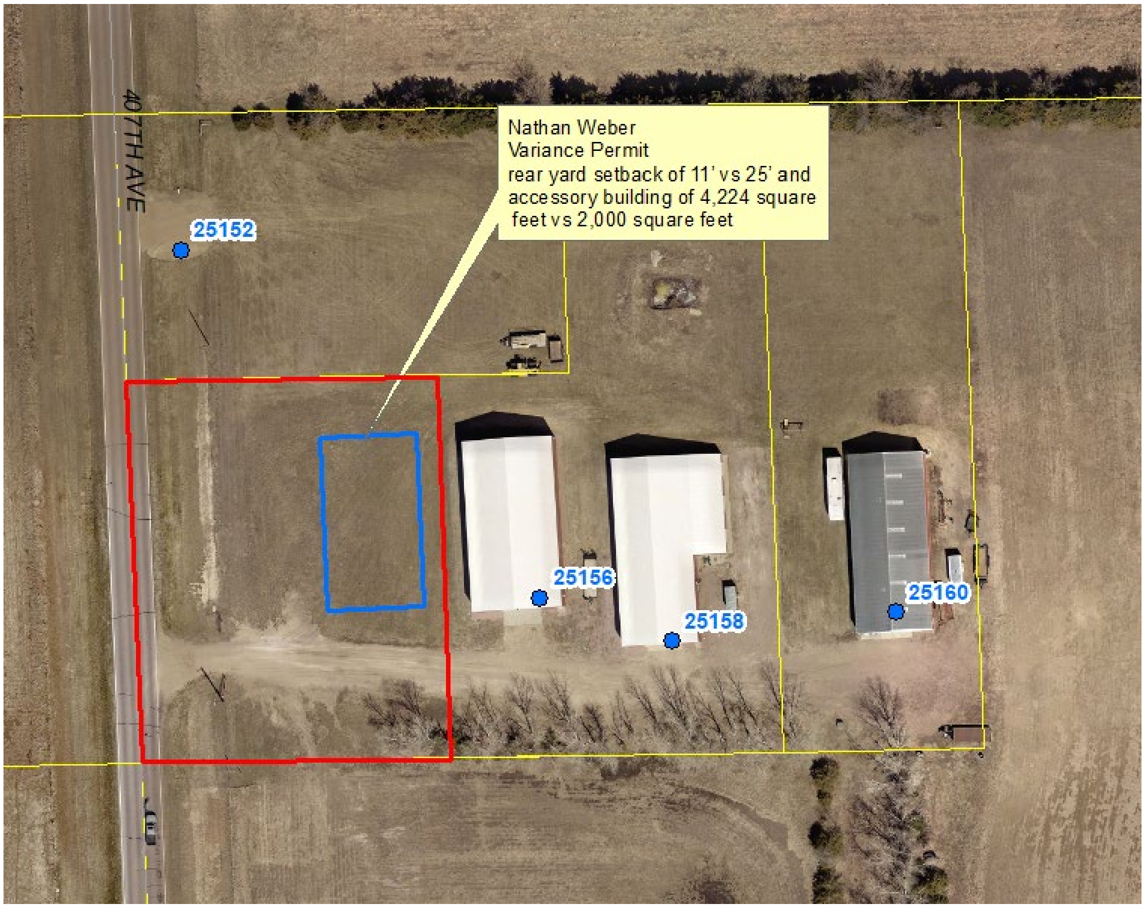
Legal Description: **W 175' of Lot 4, Black Eagle First Addition, Davison County, South Dakota**

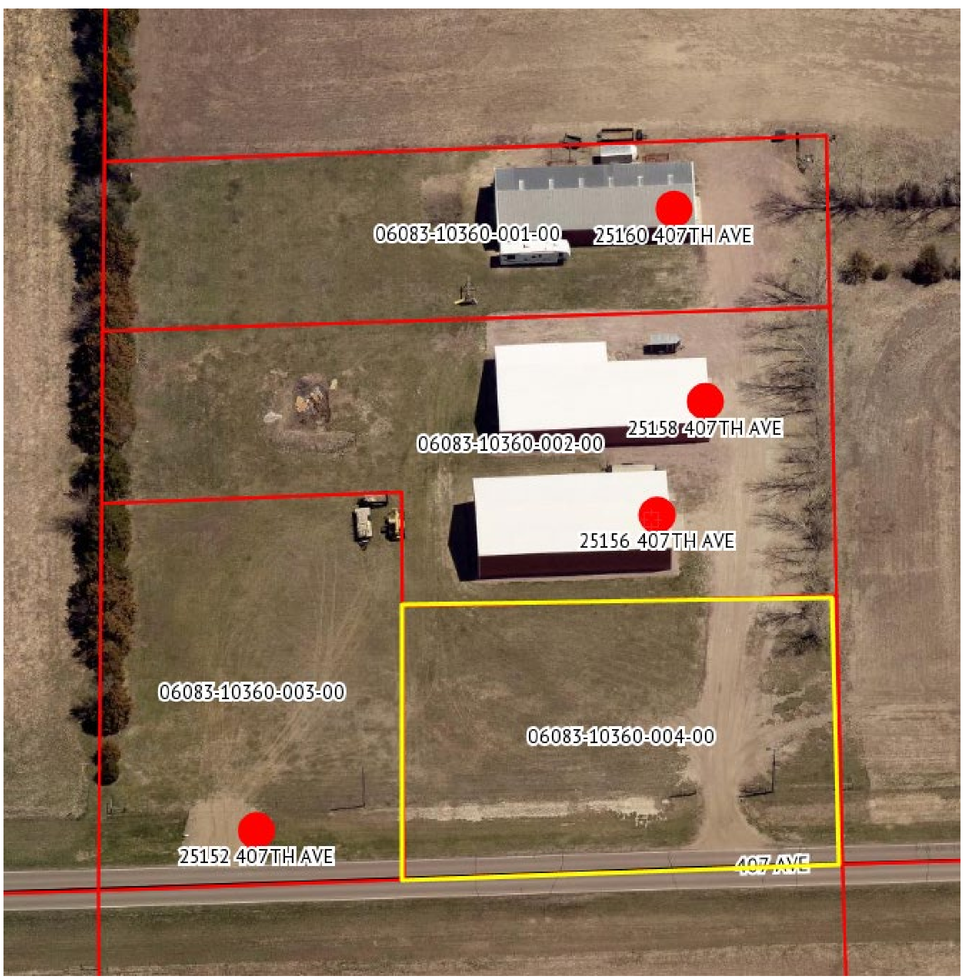
Property Address: **25154 407th Ave, Mitchell, SD 57301**

Dated this 1st of July , 2024.

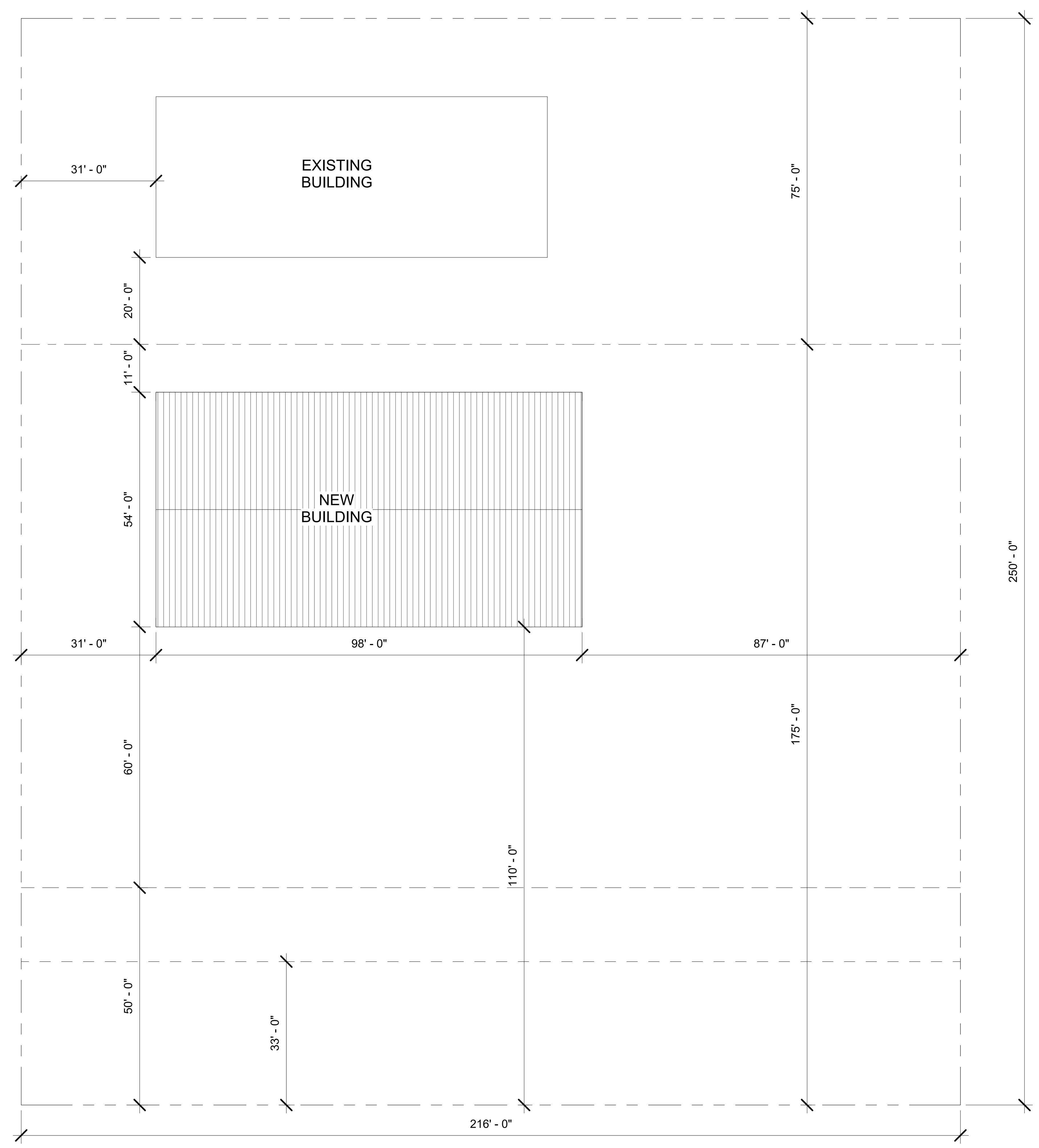
Nathan Weber
APPLICANT

Nathan Weber
OWNER


407TH AVE
25152
Nathan Weber
Variance Permit
rear yard setback of 11' vs 25' and
accessory building of 4,224 square
feet vs 2,000 square feet
25156
25158
25160


06083-10360-001-00
25160 407TH AVE
25158 407TH AVE
06083-10360-002-00
25156 407TH AVE
06083-10360-003-00
06083-10360-004-00
25152 407TH AVE
407 AVE

NORTH



407TH AVENUE

Nathan Weber

Date Revised:	June 24, 2024
Sheet Name:	Site Plan
Wall Height:	18'
Truss Depth:	-
Drawn By:	Ashley Gunnare

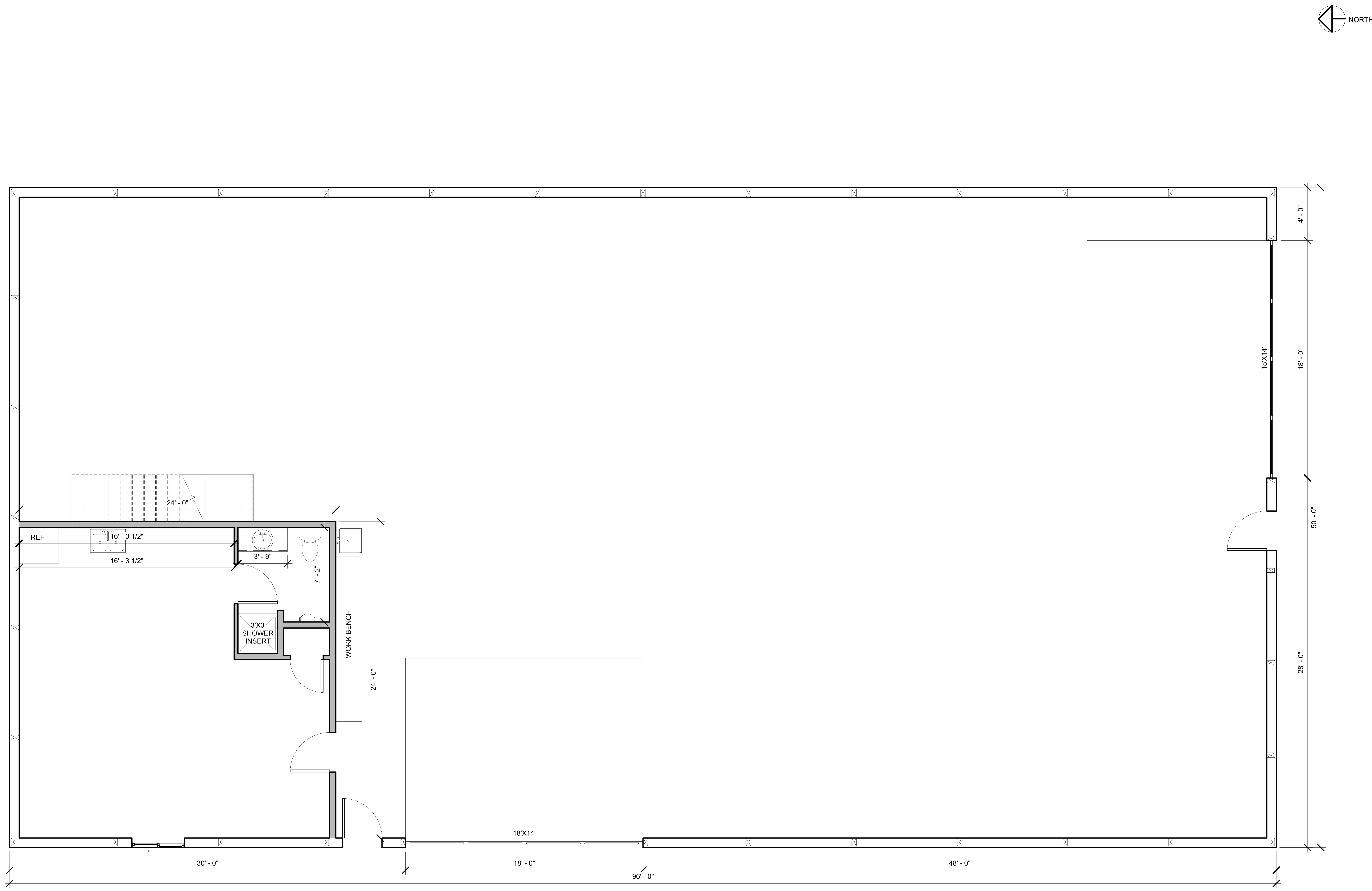
PO Box 167 117 West Ash Street
Ethan, SD 57334

Office: (605) 227-4224
Fax: (605) 227-4225
www.ethancooplumber.com

Square Footage for House:	-
Perimeter for House:	-
Square Footage for Garage:	-
Perimeter for Garage:	-

C1

Scale: 1" = 20'-0"



Nathan Weber

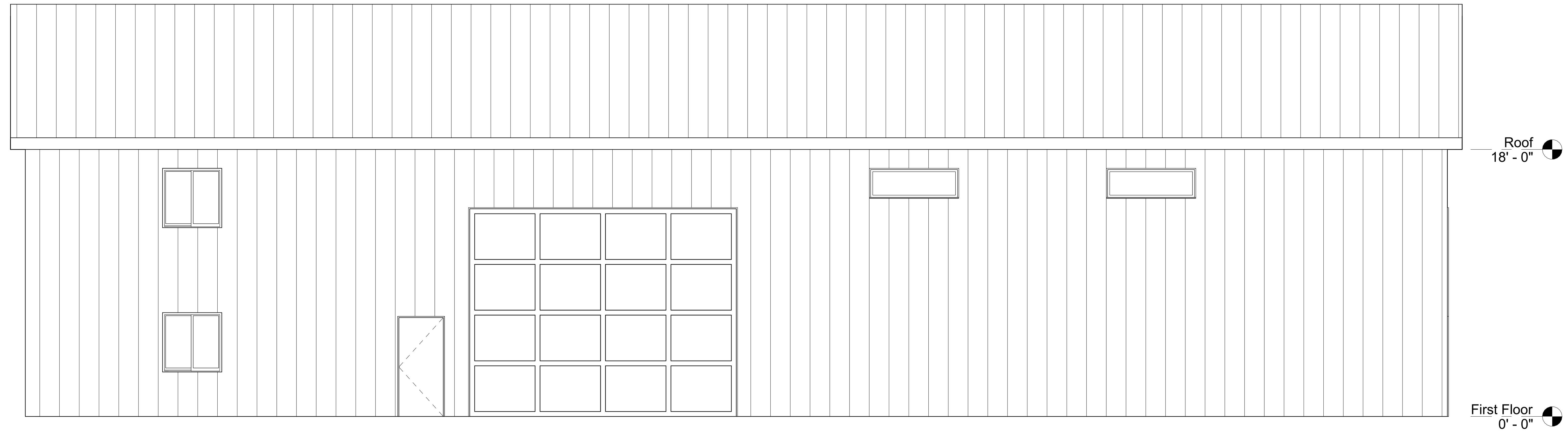
Date Revised: June 24, 2024
Sheet Name: First Floor Plan
Wall Height: 18'
Truss Depth: -
Drawn By: Ashley Gunnare

PO Box 167 117 West Ash Street
Ethan, SD 57334
Office: (605) 227-4224
Fax: (605) 227-4225
www.ethancooplumber.com

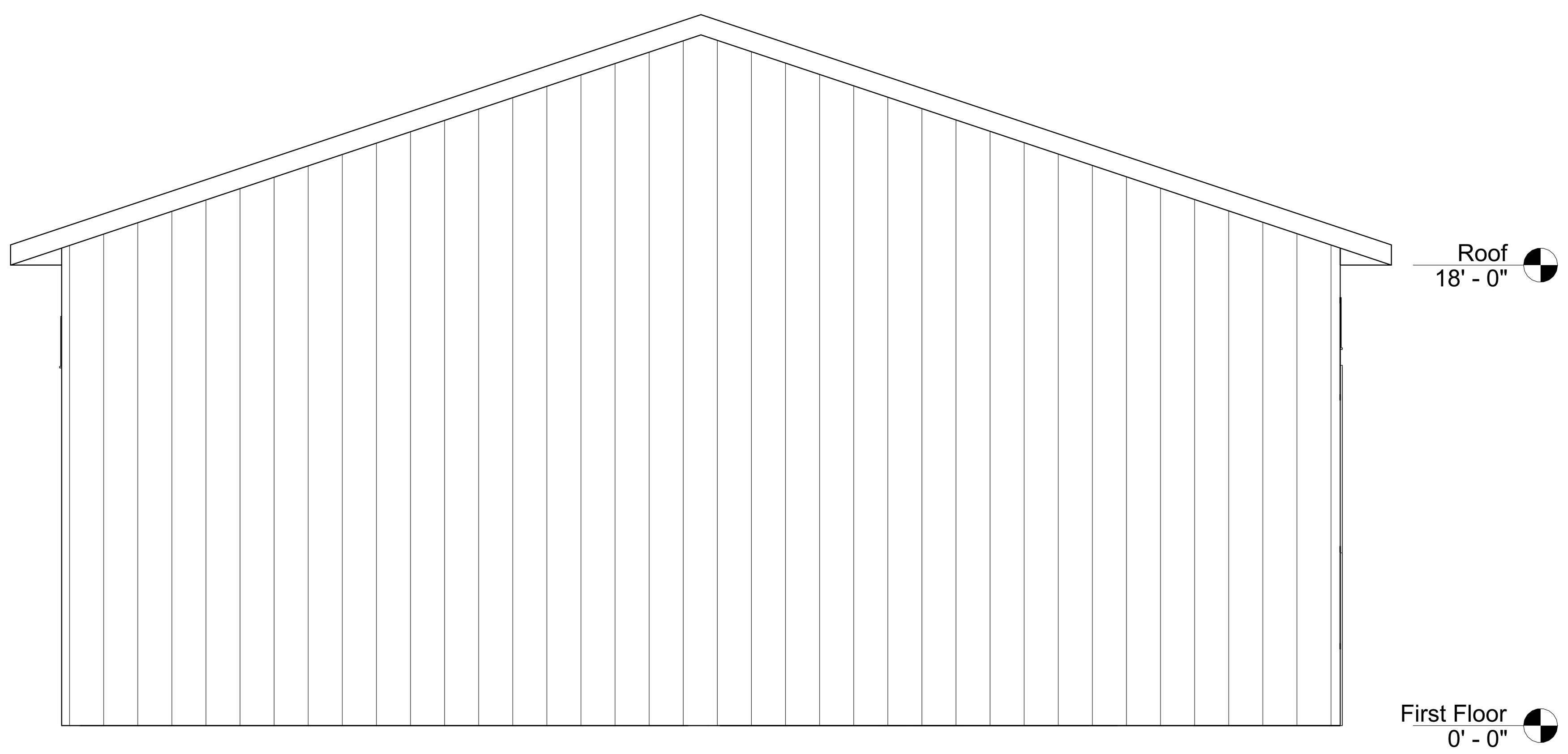
Square Footage for House: -
Perimeter for House: -
Square Footage for Garage: -
Perimeter for Garage: -

A1

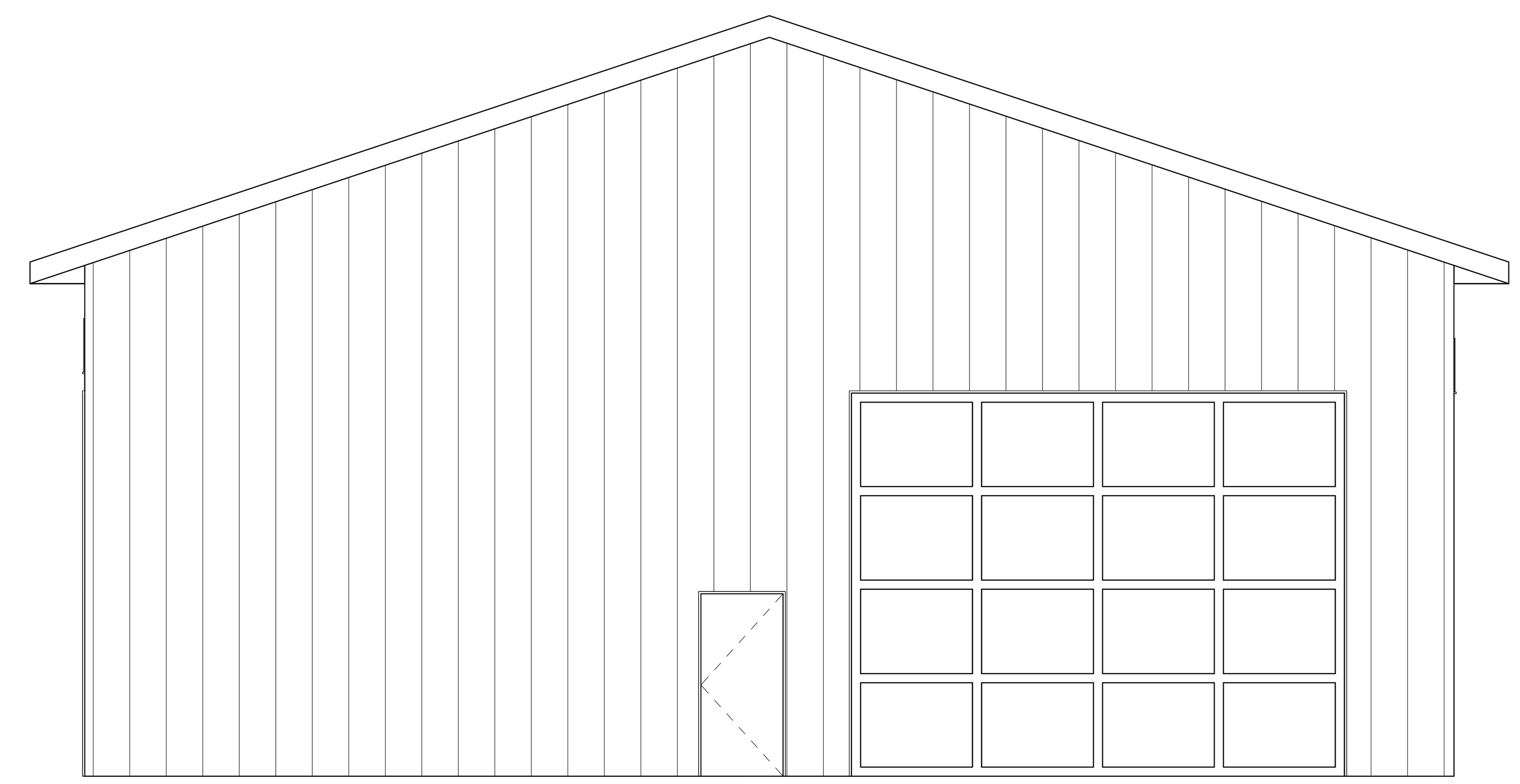
Scale: 1/4" = 1'-0"



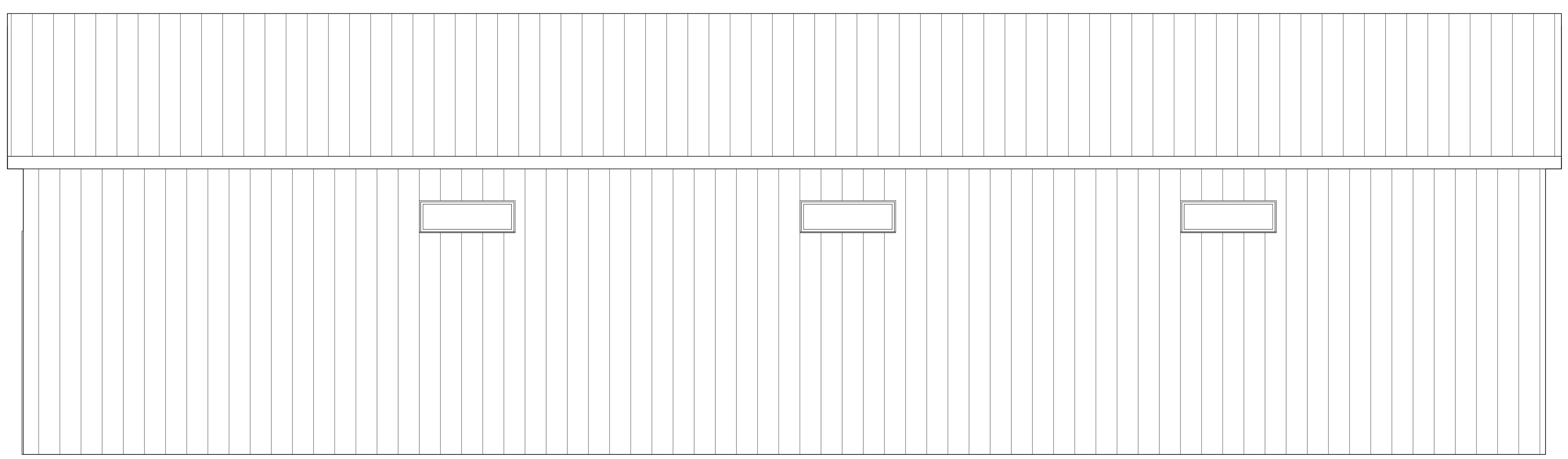
1 Front
3/16" = 1'-0"



2 Side 1
3/16" = 1'-0"



3 Side 2
3/16" = 1'-0"



4 Back
3/16" = 1'-0"

Nathan Weber

Date Revised:	June 24, 2024
Sheet Name:	Elevations
Wall Height:	18'
Truss Depth:	-
Drawn By:	Ashley Gunnare

PO Box 167 117 West Ash Street
Ethan, SD 57334

Office: (605) 227-4224
Fax: (605) 227-4225
www.ethancooplumber.com

Square Footage for House:	-
Perimeter for House:	-
Square Footage for Garage:	-
Perimeter for Garage:	-

A3

Scale: 3/16" = 1'-0"

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 Nathan Weber has applied for a Variance Permit for a for rear yard setback of 11' vs 25' and accessory building of 4,224 square feet vs 2,000 square feet. This is located 25154 407th Ave, legally described as W 175' of Lot 4, Black Eagle First Addition in the SW 1/4 of Section 8, T 103 N, R 60 W of the 5th P.M., Davison County, South Dakota. The property is zoned R4 High Density Residential District.

YOU ARE FURTHER NOTIFIED, that public hearings will be held by the City Planning Commission on Monday, July 22, 2024, 12:00 P.M. (Noon) and the Board of Adjustment on Monday, August 5, 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 3rd day of July, 2024.

Michelle Bathke

FINANCE OFFICER

Publish once: 10th day of July, 2024
Approximate Cost:

Nathan Weber
520 Fairoaks Ave
Mitchell, SD 57301

David & Julianne Lachnit
25152 407th Ave
Mitchell, SD 57301

Quentin & Stephanie Flippin
23 Arrowhead Pass
Mitchell, SD 57301

Reginald & Debra Young
813 W Ash Ave
Mitchell, SD 57301

Keith Young Irrevocable Trust
307 E Enchanted Pines Dr
Rapid City, SD 57701


680
IVERSON AVE
AUSTEN ST
616
704
Lot 4
+/- 1.06 Acres
E HAVENS AVE
713
S CAPITAL ST
TRAILER COURT


704 E HAVENS AVE
SD HWY 38
SD HWY 38
SD HWY 38
713 E HAVENS AVE
UNKNOWN

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 July 22, 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-seven (37).

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

LOT 4 OF IVERSON'S SECOND ADDITION, A SUBDIVISION OF LOT 1-C WITHIN 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;

LOT 1-C WITHIN LOT C IN THE SOUTH ½ OF SECTION 22, T 103 N, R 60 W OF THE 5TH P.M. EX LOTS 1 THROUGH 4 IVERSON'S 2ND ADDITION AND EX THAT PORTION PLATTED AS AUSTEN ST & HOME FEDERAL AVE (NOW IVERSON AVE), ALL IN SECTION 22, T 103 N, R 60 W OF THE 5TH P.M., CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA;

AUSTEN ST BEGINNING AT THE NORTHERN INTERSECTION WITH E HAVENS AVE NORTH TO INCLUDE THE INTERSECTION OF AUSTEN ST AND IVERSON AVE;

IVERSON AVE BEGINNING AT THE EASTERN INTERSECTION WITH S BURR ST EAST TO INCLUDE THE INTERSECTION OF IVERSON AVE AND AUSTEN ST;

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 August 5, 2024 at 6:00 pm in the City Hall Council Chambers.

Dated this 3rd day of July, 2024.

____
Michelle Bathke – Finance Officer

Published once:10th day of July, 2024
Approximate publication cost: ____________

Tax Incremental District

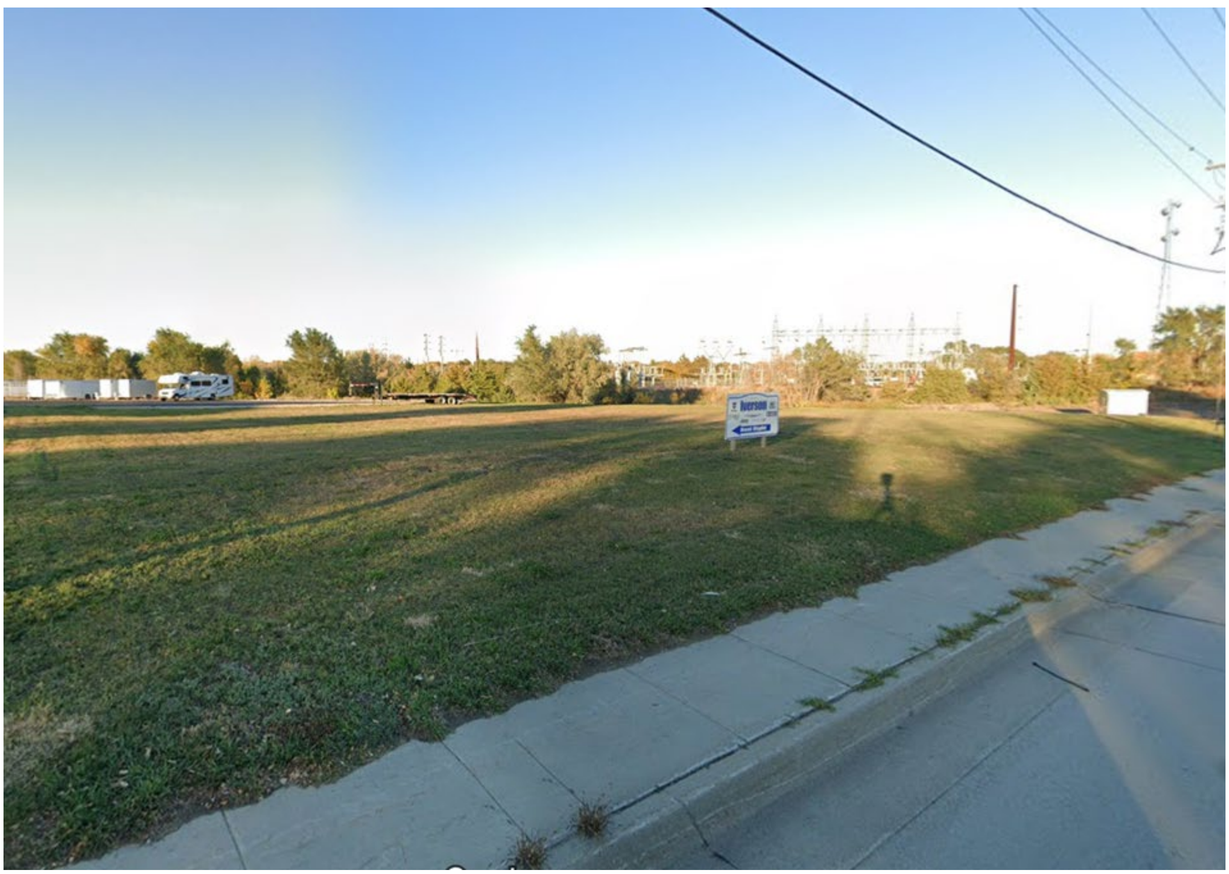
Number 37

City of Mitchell, SD

Economic Development Project Plan

In conjunction with

JT Carpenter Properties LLC, Developer



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Introduction

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

As such, the creation of City of Mitchell TIF #37 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 this Plan, to be implemented by the City of Mitchell, South Dakota is to satisfy the requirements for a Tax Increment District Number #37 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 fiscal 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 within the City, and specifically one of the City's expanding 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 will not proceed and are not economically feasible but for the use of Tax Incremental Financing. Without Tax Increment Financing, those specific portions of the project which will: (1) allow for additional employment opportunities; (2) an existing local business expansion; and (3) continue development/redevelopment of an existing business corridor within the Southeast portion of Mitchell that was at one time a busy business corridor that became a blighted area and is now on the rebound with new business developments, all of which will not be completed without a TIF.

Development in the area is anticipated to occur starting in the fall of 2024, with the potential for tax increment financing to provide the impetus and means to undertake this development at faster pace than might occur otherwise, but more importantly to ensure that one of the City's core business district corridors, located at one of the gateway entrances to the City, is revitalized.

General Definitions as used in this Plan

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

"Base" or "Tax Incremental 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, of 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 state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and

(2) The improvement of the area is likely to enhance significantly 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.

"Department of Revenue" means the South Dakota Department of Revenue.

"Developer" means JT Carpenter Properties 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 expressly granted and reasonably inferred pursuant to SDCL § 9-54.

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

"Generally Applicable Taxes" shall have the same meaning as set forth in 26 CFR § 1.141-4(e).

"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, sewage 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 or 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 named City of Mitchell Tax Incremental District #37.

"Tax Increment 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.

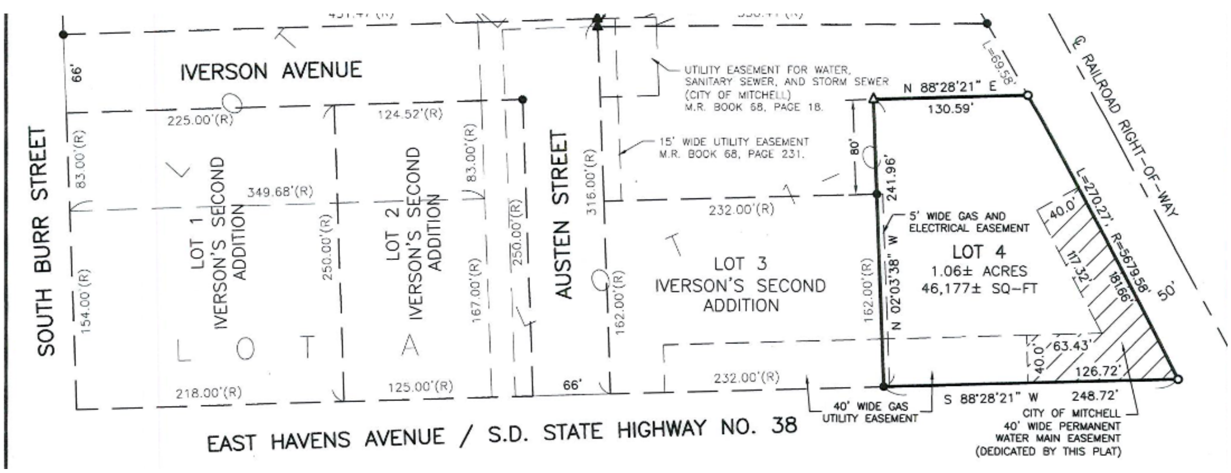
Property within Tax Increment District #37

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

> Lot 4 of Iverson's Second Addition, a subdivision of Lot 1-C within Lot C, formerly a portion of Irregular Tract No. 4A in the S ½ of Section 22, Township 103 North, Range 60 West of the 5th P.M., City of Mitchell, Davison County, South Dakota.

Developer will be, upon completion of the purchase of the real property, the sole owner of all real property to be included in the TIF District.

A map of the TIF boundary area (the perimeter being **bolded**) is as follows:



Creation of City of Mitchell, South Dakota TID #37

Developer has entered into an agreement to purchase certain real property located in the City of Mitchell for the construction of a new commercial building. The purchase of the real property is conditioned upon this TIF project being approved by the City. Developer has approached officials with City of Mitchell regarding the possibility of creating a Tax Incremental Financing District ("TID") to assist with Project Costs associated with the development of the real property, all as set forth in this Plan. As presented by the Developer, the TID will consist of one phase, as follows:

The purchase of real property consisting of 1.06 acres, more or less, for the purpose of constructing a new, 12,640 square foot commercial building to house Interstate Glass & Door. The project will include the construction of an 80' x 158' pre-engineered metal building. There are issues with bringing public utilities to the site, which will increase the costs of building on the site. Once completed, the building and site improvements will allow Interstate Glass & Door to expand its existing business to allow them to employ a minimum of 3 new employees in addition to the company's existing 4 employees. The purchase of the real property, construction of the new building, and employment of additional employees will not happen without the TIF being approved.

Timing and weather permitting, Developer intends to begin remodel/construction on the new building in the fall of 2024 with a completion date sometime in early 2025.

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 $1,486,087,639. The base value of the taxable property for inclusion into this Tax Incremental District #37, as per the Director of Equalization's records is approximately $79,766.

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 in the municipality.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

Total base value of active TIF Districts in City of Mitchell, South Dakota 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	$0.00
27	$1,002,685
28	$2,119,490
29	$397,815
30	$55,610
31	$615,554
32	$1,557,071
33	$818,913
34	$1,325,237
35	$132,851
36	$529,412
37	$79,766
Total Base Value(s)	$23,437,663

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 provided, with TID #37 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 Project Costs and expenditures made or estimated to be made and the monetary obligations incurred or estimated to be incurred. The Project Costs may, in any TIF, include capital costs, financing costs, real property assembly costs, professional fee costs, imputed administration costs, relocation costs, organizational costs, discretionary costs and grants, plus any costs incidental thereto.

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 into all contracts in 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 continue development in an area of town that is seeing present growth and opportunities develop adjacent to one of Mitchell's primary inlets from the East. The new structure will permit the developer to employ a minimum of 3 new positions in addition to their already existing employees.

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 $1,724,660 (which includes the cost of purchasing the real property and certain infrastructure costs associated with the Project), Developer is requesting a TIF in the amount of $519,347, 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[2]
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	$519,347	11-9-15(8)
Eligible Project Costs		$519,347	

[1] District shall mean the Tax Increment District.
[2] SDCL §11 -9-15
(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 fixture s; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds or notes 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 incremental bonds or notes when due;

(2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for Project Costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;

(3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such 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 tax incremental districts 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 tax incremental districts or the implementation of project plans.

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 $519,347.

*Costs incurred may be allocated and may be completed in any order.

Expenditures Exceeding Estimated Cost

Any expenditures which in sum would exceed the total amount of the TID amount of $519,347 will require an amendment of 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 in the original plan, the governing body would be required to amend the plan which requires the South Dakota Department of Revenue to re-determine the tax increment base when additional Project Costs are added to a plan. SDCL §11-9-23.

Developer's Agreement

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

Financing Terms:

- Amount. The total amount of the TIF will not exceed $519,347.
- Interest Rate. The developer is not seeking to recover any interest cost through this TIF.
- Length. The TIF will not exceed 20 calendar years from the year of creation.
- Expiration. The TIF will expire at the end of 20 years or when the $519,347 has been paid out in tax payment to the Developer from the taxes generated within the District, whichever comes first. Should there be a balance on the TIF note at the end of year 20, the TIF will still expire.

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 this 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 Developer's 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 of creation. As such, it is further understood that the amount of $519,347 will be the maximum amount the City will ever pass on acting as a conduit for TIF #37_ for eligible project costs, including any and all interest which may apply.

All TIF revenue will be passed onto the Developer as a grant until the full amount has been paid or 20 years from the year of 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 or 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 $519,347 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 this 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 no have 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 Developer to incur various development and construct improvements upon the TID property and the failure to pay tax increment to Developer will be financial 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:

- JT Carpenter Properties 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 Tax Increment District #37 shall be the amount sufficient to reimburse the City for the payments made for Project Costs and pay all tax increment bonds or monetary obligations in an amount not to exceed $519,347 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 Developer's 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 2023 taxes payable in 2024. 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, Improvements 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 Codes & County Ordinances per SDCL § 11-9-16(4)

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

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List of Estimated Non-Project Costs

The following is a list of the 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
Project Costs	$1,724,660
TOTAL	$1,724,660

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 or 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	Number of Projects	Location[1] 1 above	Amount	Reference[2]
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	1	District	$519,347	11-9-15(8)
Eligible Project Costs			$519,347	

*See statutory references on Page 9 of this Project Plan.

Estimates TID Eligible of Project Costs Requested

The 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 $519,347. This is a permitted use under SDCL 11-9-15.

	JT Carpenter LLC Developer Costs		
	Total Costs	Non-Project Costs	TIF Eligible Costs
Building	$ 511,711.00	$ 511,711.00	$ -
Concrete	$ 135,625.00	$ 67,812.50	$ 67,812.50
Concrete Pads	$ 32,685.00	$ -	$ 32,685.00
Plumbing (Sewer & Water)	$ 185,652.00	$ -	$ 185,652.00
Overhead Doors	$ 37,100.00	$ 37,100.00	$ -
Electrical	$ 36,500.00	$ 36,500.00	$ -
Interior Buildout	$ 50,000.00	$ 50,000.00	$ -
Liner Panel	$ 35,000.00	$ 35,000.00	$ -
Dirt Work	$ 315,636.00	$ -	$ 315,636.00
Storefront	$ 35,265.00	$ 35,265.00	$ -
Engineering Fees	$ 10,000.00	$ -	$ 10,000.00
Asphalt	$ 110,250.00	$ -	$ 110,250.00
HVAC	$ 100,000.00	$ 100,000.00	$ -
Excise Tax	$ 22,109.52	$ -	$ 22,109.52
Professional Fees	$ 25,000.00	$ -	$ 25,000.00
Contingency @ 5%	$ 82,126.68	$ 82,126.68	$ -
TOTAL	**$ 1,724,660.20**	**$ 955,515.18**	**$ 769,145.02**

Schedule 2 - "Economic Feasibility Study"

Developer has approached the City of Mitchell regarding the possibility of creating a Tax Incremental Financing District to assist with help in offsetting the costs associated with the purchase of real property and the construction of public infrastructure for a new pre-engineered metal building to house the Interstate Glass & Door business.

Construction Project

The current taxable value of the real estate is approximately $79,766. Developer is projecting an increase in the assessed value of the property when all construction has been completed in an additional amount of $1,600,000, for a total taxable value of $1,679,766.

Building construction costs will consist of the following:

- Building furnish materials associated with an 80; x 158' Behlen Mfg. Co. pre-engineered metal building
- Design costs
- Roof panels
- Wall panels
- Wall insulation
- Roof insulation
- Framed openings
- Walk doors; and
- Overhead doors

The construction of the new building will result in the creation of new jobs, will help develop an open area within the city limits of Mitchell, South Dakota, and will help to fill open spaces between other existing businesses. However, the real estate to be used for the project and the improvements to the real estate will not be made but for the TIF being approved, which will significantly decrease the number of new employment positions created by Developer. The new building will also allow Developer to hire additional employees and create new job opportunities for its business. It is estimated that the expansion will create a minimum of 3 new jobs for the Mitchell area.

The City has been asked to create a Tax Increment District to help offset a portion of the construction costs associated with Project (the "Project Costs"). This feasibility study provides that the Project Costs can be financed through tax increment financing under South Dakota Tax Incremental District Law (South Dakota Codified Laws Chapter 11-9), with the balance of the costs to be paid by the Developer. Tax increment financing is an indispensable self-financing tool used throughout the United States to help local 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 values 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 property is currently taxable at approximately $79,766. The improvements to be made to the property are estimated to add approximately $1,600,000 to the value of the building and, when taking into account the Davison County "factor" for this type of property, approximately $1,460,800 to the tax assessed valuation. The estimated increment resulting from the improvements would be approximately $27,000 annually in new taxes once fully developed.

All of 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 the construction of the building will be fully completed by April 1, 2025. It is anticipated that the Developer will procure financing to fund the TID improvements through Developer-advanced funds, however, should the self-funding become unfeasible, the Developer may seek other financing at Developer's sole risk and expense. Developer shall not use TIF proceeds for any interest or fees associated with any such alternative financing. 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 tax revenue and pass on all positive increment to the Developer, of which, will never exceed $519,347 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, City of Mitchell TIF regulations require a developer to waive the "real property" discretionary formula as a condition of approving a TIF. Developer is aware of this requirement.

For purposes of this Project Plan, it is anticipated no increment generated by City TID #37 will be available until calendar year 2026 and thereafter. The calculation of the estimated tax increment valuation and tax generated for City of Mitchell TID #37 is presented in the table on the following page.

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TID TAX REVENUE ESTIMATES AVAILABLE
FOR CITY OF MITCHELL TID #37

Revenue Assumptions / Feasibility Study

Levies are based on 2023 payable in 2024

Construction Year	Valuation Year	Revenue Year	Valuation Increments	Valuation Total	Davison County	City of Mitchell	JR	Mitchell School District	Total Mill Rate*	Non-Ag Factor	Total Revenue Increment	Cumulative Amt Paid
2024	2025	2026	$ 1,600,000.00	$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 27,334.05
2025	2026	2027		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 54,668.10
2026	2027	2028		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 82,002.15
2027	2028	2029		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 109,336.21
2028	2029	2030		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 136,670.26
2029	2030	2031		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 164,004.31
2030	2031	2032		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 191,338.36
2031	2032	2033		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 218,672.41
2032	2033	2034		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 246,006.46
2033	2034	2035		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 273,340.51
2034	2035	2036		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 300,674.56
2035	2036	2037		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 328,008.62
2036	2037	2038		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 355,342.67
2037	2038	2039		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 382,676.72
2038	2039	2040		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 410,010.77
2039	2040	2041		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 437,344.82
2040	2041	2042		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 464,678.87
2041	2042	2043		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	$ 492,012.92
2042	2043	2044		$ 1,600,000.00	0.0035199	0.0045328	0.000058	0.0106010	0.0187117	0.913	$ 27,334.05	**$ 519,346.98**
2043	2044	-										
2044	-	-										

Valuation Increment * Non-Ag Factor * Total Mill Rate

True & Full Value of Improvements	$	1,600,000.00
Assessed Value of Improvements	$	1,460,800.00

Assumptions:

* Assumes Mill Levies remain constant for the duration of the TIF

Notes:

* 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.

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, and the improvement of the area is likely to enhance significantly the value of substantially all of 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 & BLIGHT MITIGATION

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 #37 currently consists of an empty lot that, because of where it is situated, will remain difficult to develop as the result of the costs associated with bringing public utilities to the lot. Developer plans to purchase the lot, construct a new commercial building, and relocate its existing commercial business. Because of its move to a larger building, Developer will have the capacity to add a minimum of 3 new full-time jobs to its work force.

SECTION 4 - FINDING THAT 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 City of Mitchell TID #37 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 fifty percent (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 bare lot located within an expanding commercial business district to the City of Mitchell. The Developer is purchase a bare lot and construct a new commercial building located within one of the "gateways" to the City of Mitchell.

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 $1,500,000 in 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 will transform a blighted lot into a commercial business setting. The completion of the project will generate additional economic activity through retail commerce and development.

Schedule 4 - "Fiscal Impact Statement"

Fiscal Impact Statement City of Mitchell- Tax Increment District #37

INTRODUCTION

The fiscal impact statement is intended to provide a 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 the 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 37.

"Taxing Districts" 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 improvements resulting from the construction of a new building to be located upon the property which, at completion, will increase the taxable value of the property to approximately $1,600,000.
(2) The average tax levy of all taxing districts will be $18.7117 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 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
Land/Existing Improvements	$79,766	0
Additional Improvements	$0	$ 1,600,000
Total Positive Increment	$0	$ 1,600,000

Schedule 5 - "Estimated Captured Taxable Values"

For purposes of this 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 of this Plan, that the purpose of the property and construction of the new commercial building will be completed by spring of 2025, with the improvements estimated to be assessed in the approximate amount of $1,600,000, which will generate approximately $27,000 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 attributable to the improvements to be constructed in the TID. The potential for total increment collections is estimated to be at the maximum range of $519,347 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2026, and the schedule carries out the tax captured 20 years from the date of Plan adoption.

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

2023 Property Tax Rate	
2023 Payable in 2024	**$ per $1,000 assessed**
Davison County	$3.5199
City of Mitchell	$4.5328
JR Water	$.058
School District	$10.601
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.

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Attachment 1

Description of Real Property:

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

Lot 4 of Iverson's Second Addition, a subdivision of Lot 1-C within Lot C, formerly a portion of Irregular Tract No. 4A in the S ½ of Section 22, Township 103 North, Range 60 West of the 5th P.M., City of Mitchell, Davison County, South Dakota.

Attachment 2

Conditions picture for City of Mitchell Tax Incremental District #37, SDCL § 11-9-16(1)

The following are pictures showing the current conditions of the proposed location of TIF #37:

<u>**Attachment 3**</u>

Improvements map for City of Mitchell Tax Incremental District #37, SDCL § 11 -9-16(2).

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Attachment 4

Zoning Change Map for City of Mitchell Tax Incremental District #37, SDCL § 11-9-16(3).

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