

1. Agenda

Documents: [3-22-16 AGENDA.PDF](#)

2. Packet

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**CITY OF MITCHELL**

**TAX INCREMENTAL FINANCING REVIEW COMMITTEE**

**AGENDA**

**TUESDAY, MARCH 22, 2016, 4:00 PM**

**COUNCIL CHAMBERS, CITY HALL, 612 N MAIN ST, MITCHELL, SD**

1. Call to Order: Council President
  
2. Approval of Agenda
  
3. Approval of Minutes of April 21, 2015 Minutes
  
4. Review of Proposed Tax Incremental Financing District # 22, Kustom Cycles Inc.,  
Project Plan
  - a. Compliance with TIF Review Ordinance
  - b. Recommendation to the City of Mitchell Planning Commission.
  
5. Adjournment

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**CITY OF MITCHELL  
TAX INCREMENTAL FINANCING COMMITTEE  
APRIL 21, 2015, MINUTES**

**NOT APPROVED**

Council President Smith called the Tax Incremental Financing Committee to order at 4:00 pm, City Council Chambers, City Hall, 612 N. Main Street, Mitchell, SD.

Members Present: Council Member Smith, Council Member Tronnes, Planning Commission Member Larson, Planning Commission Member Meyers, City Planner Putnam, Finance Officer Bathke, MADC Director Hisel, School Board Member Aadland. Ex-officio Member Public Works Director Crowe.

A quorum was present.

Others Present: City Administrator Ellwein, Mayor Tracy, Marcus Traxler of the Daily Republic, Billy Lurken of KMIT Radio, Don Petersen representing the applicants, applicant Wayne Puetz and applicants Emily and Kelly Hohn.

Agenda: Motion by Larson, seconded by Hisel to approve the agenda as presented. All members present voting aye, motion carried.

Minutes: Motion by Tronnes, seconded by Aadland to approve the minutes of the March 4, 2013 meeting. All members present voting aye, motion carried.

Amendment to Tax Incremental Financing District # 13:

Don Petersen, attorney representing Puetz Corporation, and Wayne Puetz, Owner of Puetz Corp. presented the amendment to TIF District # 13 that was approved in 2009. They provided a brief summary of the purposes and subsequent construction of the student housing buildings owned by Puetz Corporation that are located on land owned by the Mitchell Technical Institute Foundation. They indicated the initial estimation of project costs of approximately \$1,450,000 million has been substantially been reduced to approximately \$490,000. The savings in expenditures was due in large part to relocation of the buildings on the campus and less infrastructure costs. The five-year statutory requirement to expend TIF funds expired in the fall of 2014.

When the district was approved the developers/applicants waived the Davison County "discretionary formula". The developers are currently asking the city to rescind the waiver on Building Two and any subsequent buildings. The developers represented that applying the discretionary formula may help in attracting future investors, because the rate of return may be enhanced. They reported the apartments are approximately 85% occupied. There are no immediate plans for a third building. The developers indicated the application of the discretionary formula will not affect the ability to pay down the district account prior to the expiration of the TIF District. They estimated the 'pay-out' may be extending to 15 years rather than 13 years.

The project costs include; costs for construction of the visitor center, professional fees, capitalized interest, demolition of the existing building and parking lot, easement improvements, financing costs, and contingency.

The plan includes an economic feasibility study that provides an explanation of the base and incremental values, estimated property tax collections, and an amortization schedule. The plan also included an economic development study and blight study.

The committee members asked various questions about proposed signage and traffic access.

Hisel declared he has a conflict of interest.

The committee reviewed the Tax Increment Financing Ordinance's criteria.

2-6-3 Project Selection B. , Application Requirements. The commission finds (4.) is not applicable and the recommend waiving (10.) and (11.).

D. Mandatory Criteria: The committee finds the proposed plan may meet criteria 1., 2., and 3.

2-6-3 (D) 4. The project must meet two of the following six criteria: The committee finds the plans may meet b., c. (only consideration of the visitor center), and e. Therefore, two criteria are met according to the committee.

2-6-3 (E.) Discretionary Criteria: The committee finds the plans may meet items 2., 5., 7., and 9. (demolition is not typical in TIF development in Mitchell).

Motion by Tronnes, seconded by Meyers to forward the project plan to the city planning commission for their consideration. Hisel abstained. All other members present voting aye, motion carried.

Motion by Bathke, seconded by Meyers to adjourn the meeting. All members present voting aye, motion carried

# Chapter 6

## TAX INCREMENT FINANCING

### 2-6-1: INTRODUCTION; DEFINITIONS:

A. Introduction: In 1978, the South Dakota legislature approved the use of tax increment financing (TIF) by municipalities to help finance redevelopment projects. Tax increment financing is a method of funding public investments in an area by capturing, for a time, all of the increased tax revenue that results when public investment stimulates private investment. TIF is one of the few economic development and community redevelopment tools currently available to municipalities in South Dakota. However, as with any technique, TIF should be used according to carefully specified criteria. These criteria will assure that projects help fulfill the city's objectives for economic development and redevelopment and avoid unnecessary subsidies. This chapter outlines criteria and procedures for evaluating proposals for the use of TIF. These criteria should be considered guidelines only and do not guarantee approval of a request for tax increment financing. (Ord. 2170, 8-1-2005; amd. Ord. 2402, 4-16-2012)

### B. Definitions:

**DEPARTMENT OF REVENUE AND REGULATION:** The South Dakota department of revenue and regulation.

**GOVERNING BODY:** The board of trustees, the board of commissioners, the board of county commissioners, or the common council of a municipality.

**GRANT:** 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.

**MUNICIPALITY:** Any incorporated city or town in this state and, for purposes of this chapter only, any county in this state.

**PLANNING COMMISSION:** A planning commission created under South Dakota Codified Laws chapter 11-6 or a municipal planning committee of a governing body of a municipality which has no planning commission or, if the municipality is a county having no planning commission or planning committee, its board of county commissioners.

**PROJECT PLAN:** The properly approved plan for the development or redevelopment of a tax incremental district including all properly approved amendments thereto.

**TAX INCREMENT VALUATION:** The total value of the tax incremental district minus the tax incremental base pursuant to South Dakota Codified Laws section 11-9-19.

**TAX INCREMENTAL DISTRICT:** A contiguous geographic area within a municipality defined and created by resolution of the governing body.

**TAXABLE PROPERTY:** All real and personal taxable property located in a tax incremental district. (Ord. 2402, 4-16-2012)

## **2-6-2: PURPOSE; USES:**

A. The city of Mitchell recognizes the following purposes for the use of tax increment financing:

1. To encourage the redevelopment of deteriorated, or otherwise blighted real property in Mitchell through the investment of public funds;
2. To stimulate economic development in the community by assisting projects that promote the long term economic vitality of the community;
3. To stimulate increased private investment in areas that would have otherwise remained undeveloped or underdeveloped and which will, in the long term, provide a significant source of additional tax revenues to all taxing entities; or
4. To stimulate the construction of safe and affordable housing units for low and moderate income residents of the community and expand the general housing stock in the community. (Ord. 2170, 8-1-2005)

B. Tax increment financing may be used for the following purposes in Mitchell:

1. Capital costs, including the actual costs of construction or reconstruction of public works or improvements, buildings, structures, and permanent fixtures;
2. The clearing and grading of land;
3. The acquisition of equipment;
4. Financing costs;
5. Real property assembly costs;
6. Professional services;
7. Imputed administrative costs;
8. 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;
9. Other payments found to be necessary or convenient to the creation of the tax

incremental district or implementation of the project plan;

10. Relocation costs;

11. 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, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state. (Ord. 2402, 4-16-2012)

### **2-6-3: PROJECT SELECTION:**

A. TIF Project Review Committee: Each project seeking to use TIF must submit a complete application to the city planner which will be forwarded to the TIF project review committee for evaluation. The TIF project review committee will make recommendations on the use of TIF to the planning commission and city council. The project review committee consists of the following members: finance director or his/her representative; planning director or his/her representative; city attorney or his/her representative; MADC president or his/her representative; two (2) planning commission members appointed by the mayor; two (2) city council members appointed by the mayor; and, one representative of the Mitchell school district appointed by the superintendent.

A majority of the project review committee members present at the meeting where the TIF proposal is evaluated must concur for a project to receive a positive recommendation. All recommendations of the project review committee will be transmitted to the planning commission for a recommendation and on to the city council for a final decision. (Ord. 2170, 8-1-2005)

B. Application Requirements: An application for the use of TIF must include the following information, and the TIF project review committee may waive any required information:

1. A detailed project description;
2. A proposal for a development financing plan, including sources of funds and loan terms unless the city is going to procure financing for the project through its bonding process;
3. A proforma, if appropriate, indicating projected costs and revenues;
4. If required, a statement and demonstration that the project would not proceed without the use of TIF;
5. Evidence that the project meets evaluation criteria;
6. Preliminary plans for the project;
7. A development schedule;

8. If applicable, a list of public improvements which will be constructed along with the project;
  9. Corporation or partnership papers if applicable;
  10. An audited financial statement of the corporation, partnership, or individual for the most recent five (5) calendar year(s) or the life of the company if appropriate;
  11. A copy of the proposed wage scale, employee benefits package, and full and part time employment levels unless waived by the tax increment financing project review committee or, in the case of an affordable housing project, a copy of the applicable federal housing grant program; and
  12. Other information that may be required by the project review committee. All applications for TIF must be submitted to the city planner. The TIF project committee will schedule a meeting, at which the applicant will present his/her project, within two (2) weeks of submission. (Ord. 2402, 4-16-2012)
- C. Criteria For Evaluation: Projects applying for assistance through TIF must qualify by meeting certain criteria. Some criteria are mandatory and must be met in order for the committee to consider the project for assistance. Others are discretionary, and enable the committee to determine the benefits of the project. The project application must demonstrate how the project meets the required criteria. (Ord. 2170, 8-1-2005)
- D. Mandatory Criteria: In order to be considered for TIF, a project must meet each of the following three (3) criteria:
1. The project must be located within a proposed district in which a minimum of twenty five percent (25%) of the area of the district is determined to be "blighted" or 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 through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or 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. It is not necessary to identify the specific parcels meeting the criteria.

For the purposes of TIF, a "blighted area" is defined as:

- a. An area in which the structures, buildings, or improvements are conducive to ill health, the transmission of disease, infant mortality, juvenile delinquency, or crime, and which is detrimental to the public health, safety, morals, or welfare; or
- b. An area that substantially impairs or arrests the sound growth of the municipality, retards the provision of adequate housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare as a result of substandard, unsafe or deteriorating development; or
- c. An open area which because of the need for infill development and cost effective use of

existing utilities and services, obsolete platting, diversity of ownership, deterioration of structures or site improvements, or otherwise is determined to be blighted, substantially impairs or arrests the sound growth of the community.

2. The project must comply with the adopted comprehensive plan and all other appropriate plans and regulations.
3. The use of TIF for the project will not result in the net loss of preexisting tax revenues to the city and other taxing jurisdictions.
4. In addition, a project must meet two (2) of the following six (6) criteria:
  - a. The project must demonstrate that it is not economically feasible without the use of TIF. In addition, if the project has site alternatives, the proposal must demonstrate that it would not occur in Mitchell without TIF.
  - b. The project will eliminate actual or potential hazard to the public. Hazards may include condemned or unsafe buildings, sites, or structures.
  - c. The project will not provide direct or indirect assistance to retail or service businesses competing with existing businesses in the Mitchell trade area.
  - d. The project will bring new or expanded employment opportunities as demonstrated by proposed wage scales, employee benefits and mixture of full and part time employees.
  - e. The project will result in additional redevelopment in the tax incremental district.
  - f. The project will result in the construction of "affordable housing units" defined as housing where the occupant is paying no more than thirty percent (30%) of gross income for housing costs including utilities and complies with the following requirements:
    - (1) Affordable housing projects must target residents at or below eighty percent (80%) of median income with rents at thirty percent (30%) of the tenant's income or the fair market rent (FMR) for the section 8 program, whichever is greater. A minimum of fifty one percent (51%) of the dwelling units of the proposed development shall be occupied by households meeting this income guideline;
    - (2) Affordable housing is required to remain affordable as defined above for ten (10) years. If affordability is less than ten (10) years, repayment of prorata share of increment benefit will be due and payable to the city. (Ord. 2402, 4-16-2012)

E. Discretionary Criteria: In addition, the project should meet several of the following criteria. The project will be evaluated relative to the criteria outlined below. The extent to which a project meets these criteria will be used in evaluation of the project including the length of time a district may run.

1. The project will generate at least one full time job for each ten thousand dollars (\$10,000.00) in principal value of the TIF; or would create a minimum of fifty (50) new jobs.

2. All TIF proceeds are used for the construction of public improvements.
3. The project involves the rehabilitation of a building listed on or eligible for listing on the national register of historic places.
4. The project will directly benefit low and moderate income people, as defined by the U.S. department of housing and urban development as applied to the community development block grant program. A project will meet this criterion if at least fifty one percent (51%) of the jobs created will be held by or available to low and moderate income people.
5. The building or site that is to be redeveloped itself displays conditions of blight as established by the provisions of South Dakota Codified Laws 11-9.
6. The project involves the start up of an entirely new business or business operation within the city of Mitchell.
7. The project involves the expansion of an existing business located within the city of Mitchell.
8. The project site has displayed a recent pattern of declining real property assessments, as measured by the Davison County director of equalization.
9. The project costs are limited to those specific costs associated with a site that exceed the typical or average construction costs (i.e., excessive fill, relocation costs, additional foundation requirements associated with unusual soil conditions, extension of sewer or water mains, on site or off site vehicular circulation improvements, etc.).
10. The developer agrees to waive the five (5) year tax abatement. (Ord. 2170, 8-1-2005)

#### **2-6-4: APPROVAL PROCESS:**

If after reviewing the application the project review committee recommends approval of the TIF assistance the following approval process shall be initiated:

- A. Preparation Of A Project Plan: A project plan shall be prepared and must comply with the requirements of South Dakota Codified Laws 11-9-13. A resolution will also be prepared defining the proposed tax incremental district. (Ord. 2402, 4-16-2012)
- B. Approval Of The Project Plan: The resolution creating the tax incremental district and project plan is then submitted to the planning commission for its recommendation. Following planning commission review and recommendation, the resolution and project plan is then submitted to the common council for its approval.

- C. Approval Of The Development Agreement: Following approval of the resolution creating the tax incremental district and the project plan, the city and the developer will negotiate a development agreement. The agreement sets forth the mutual responsibilities of both parties. The development agreement is reviewed by the common council who must authorize the mayor and finance officer to sign the agreement.

If the TIF project review committee does not recommend approval of the TIF assistance the applicant may appeal that decision to the planning commission and city council. Upon approval by the city council, city staff shall prepare the resolution creating the district and the project plan and the proposal shall be reviewed as outlined in subsections B and C of this section. (Ord. 2170, 8-1-2005)

## **2-6-5: GENERAL RULES:**

All approved projects must comply with the following general rules:

- A. TIF shall not be used for the construction of residential structures.
- B. Any TIF assisted rehabilitation within a national historic district must be carried out according to the secretary of the interior's standards for rehabilitation. Plans must be complete and must receive the approval of the TIF project review committee prior to the release of funds. (Ord. 2278, 5-5-2008)
- C. The city is responsible for acquiring all necessary financing. The city assumes no responsibility for the repayment of any loan or bond beyond the tax allocations outlined in the project plan.
- D. Any plan previously approved by the committee pursuant to section [2-6-1](#) et seq., of this chapter and approved by the city council, which plan is subsequently amended, but does not provide for any increase in the bonded indebtedness, but needs to be amended in any other particulars, does not need to be reconsidered by the TIF committee. (Ord. 2324, 1-19-2010)

## 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 possible action in the City Council Chambers, City Hall 612 N Main Street, Mitchell, South Dakota at 12:00 pm (Noon), Monday March 28, 2016 in regards a proposed project plan and the establishment of boundaries for the proposed tax incremental financing district known as Kustom Cycles, Inc. Project and City of Mitchell Tax Incremental Financing District Number Twenty-two (22).

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

1. South One Hundred Fifty-eight Feet (S.158') of Block Five (5), Weavers Square Addition to the City of Mitchell, Davison County, South Dakota; and
2. Block Seventeen (17), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
3. Block Fifteen (15), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
4. Block Twenty (20), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
5. Lot X and the North Half (N ½) of Kay Avenue and Lawler Avenue, Block Nineteen (19), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
6. Lots Six (6), Seven (7) and Eight (8), Block Eighteen (18), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
7. Lots One (1), Two (2) and Three (3), Square 21 of Weaver's Squares Addition to the City of Mitchell, Davison County, South Dakota; and
8. In addition to the above parcels, the TID boundaries shall include the East Hackberry Avenue right-of-way from its intersection with South Main Street through its intersection with South Kimball Street; East Ivy Avenue right-of-way from its intersection with South Lawler Street through its intersection with South Kimball Street; East Juniper right-of-way from its intersection with South Main Street through its intersection with South Davison Street; South Lawler Street Right-of-way from its intersection with East Hackberry Avenue to its dead end; and South Kimball Street from its intersection with East Hackberry Avenue to its dead end.

At the above state time and place, all interested parties will be afforded a reasonable opportunity to express their views on the proposed creation of the Tax Increment Financing District and its proposed boundaries. The project plan may be viewed on the city's website [www.cityofmitchell.org](http://www.cityofmitchell.org).

Dated this the 14<sup>th</sup> day of March 2016.

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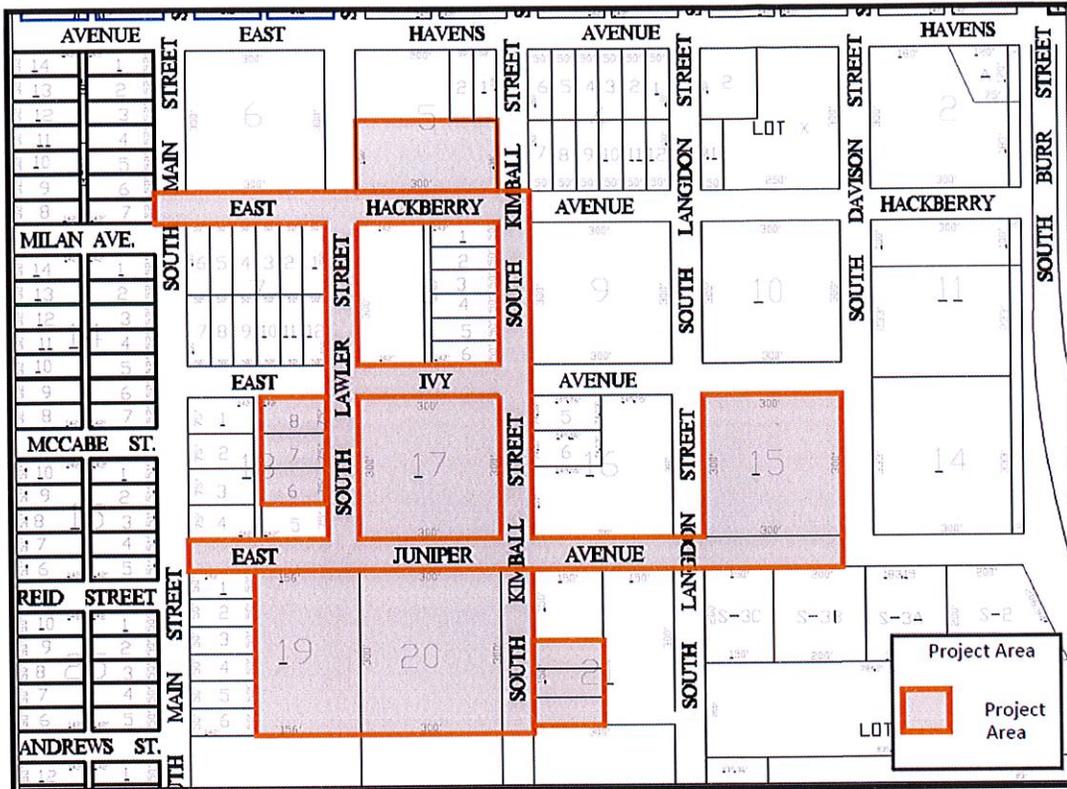
MICHELLE BATHKE

CITY OF MITCHELL, FINANCE OFFICER

Published Once: Thursday, March 17, 2016

Approximate of publication:

TAX INCREMENTAL DISTRICT  
NUMBER 22  
CITY OF MITCHELL



TAX INCREMENTAL  
PROJECT PLAN FOR  
KUSTOM CYCLES, INC.

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## INTRODUCTION AND PURPOSE

The purpose of this Plan, to be implemented by The City of Mitchell, Davison County, South Dakota, is to satisfy the requirements for a Tax Incremental District Plan Number 22, City of Mitchell, Davison County as specified in SDCL Chapter 11-9. There are 11 mandated requirements of the Plan, each to be addressed in this Plan. 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.

This Plan was prepared for adoption by the City Planning Commission and 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 of the City of Mitchell by promoting economic development within the City of Mitchell and to eliminate statutorily defined blight and to prevent the spread of such blight.

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.

Development and redevelopment in the area is anticipated to occur in the near future, with the potential for tax increment financing to provide the impetus and means to undertake this redevelopment at a faster pace than might occur otherwise.

The real property which makes up the proposed TID boundaries consists of seven (7) separate tracts of land. One tract will contain an addition to the existing Klockwerks building, a second tract will consist of a twin home residential development, the third tract consists of an addition to the existing Patzer Woodworking building, the fourth, fifth and sixth tracts will consist of a three-bedroom town home complex, and the seventh tract will consist of a single-family residential development. Additional property in the TID boundaries will be portions of East Hackberry Street right-of-way, South Lawler Street right-of-way, East Juniper Street right-of-way, and South Kimball Street right-of-way. No TIF funds will be used for any residential or commercial development and will be used only for public infrastructure serving the area. It is anticipated that the funds necessary to complete the various phases of the Project Plan shall be procured by the City and that the Developer shall not be responsible for any shortfall amounts associated with the projects associated with the TID.

## GENERAL DEFINITIONS AS USED IN THIS PLAN

The following terms found in this Plan have the following meanings:

**"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"** means property that meets any of the following criteria:

Any area, including slum area, in which the structures, buildings, or improvements, by reason of:

- (1) dilapidation, age, or obsolescence;

- (2) inadequate provisions for ventilation, light, air, sanitation, or open spaces;
- (3) high density of population and overcrowding;
- (4) the existence of conditions which endanger life or property by fire and other causes; or
- (5) any combination of such factors;

are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and which is detrimental to the public health, safety, morals, or welfare, is a blighted area<sup>1</sup>; or

Any area which by reason of:

- (1) the presence of a substantial number of substandard, slum, deteriorated, or deteriorating structures;
- (2) predominance of defective or inadequate street layouts;
- (3) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (4) unsanitary or unsafe conditions;
- (5) deterioration of site or other improvements;
- (6) diversity of ownership, tax, or special assessment delinquency exceeding the fair value of the land;
- (7) defective or unusual conditions of title;
- (8) the existence of conditions which endanger life or property by fire and other causes; or
- (9) any combination of such factors;

substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use, is a blighted area<sup>2</sup>; or

Any area which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of a municipality, is a blighted area.<sup>3</sup>

**"City of Mitchell"** means Mitchell, South Dakota.

**"County Commission"** means the Davison County Commission.

**"Davison County"** means Davison County, South Dakota.

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<sup>1</sup> SDCL § 11-9-9

<sup>2</sup> SDCL § 11-9-10

<sup>3</sup> SDCL § 11-9-11.

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

**"Developer"** means Kustom Cycles, Inc.

**"Developer's Agreement"** means the agreement between Developer and the 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 of City of Mitchell.

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

**"Governing body"** means City of Mitchell Common Council.

**"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.

**"Municipality"** means any incorporated city or county in this state.

**"Planning Commission"** means City of Mitchell Planning Commission.

**"Plan"** means this Project Plan.

**"Project Costs"** means any expenditure or monetary obligations by the 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 the City of Mitchell in connection with the implementation of this Plan.

**"Project Plan"** means properly approved Plan for the development or redevelopment of a tax incremental district including all properly approved amendments thereto as recommended pursuant to SDCL § 11-9-13.

**"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 City 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 City and/or County defined and created by resolution of the governing body and named City of Mitchell Tax Incremental District #21.

**"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.

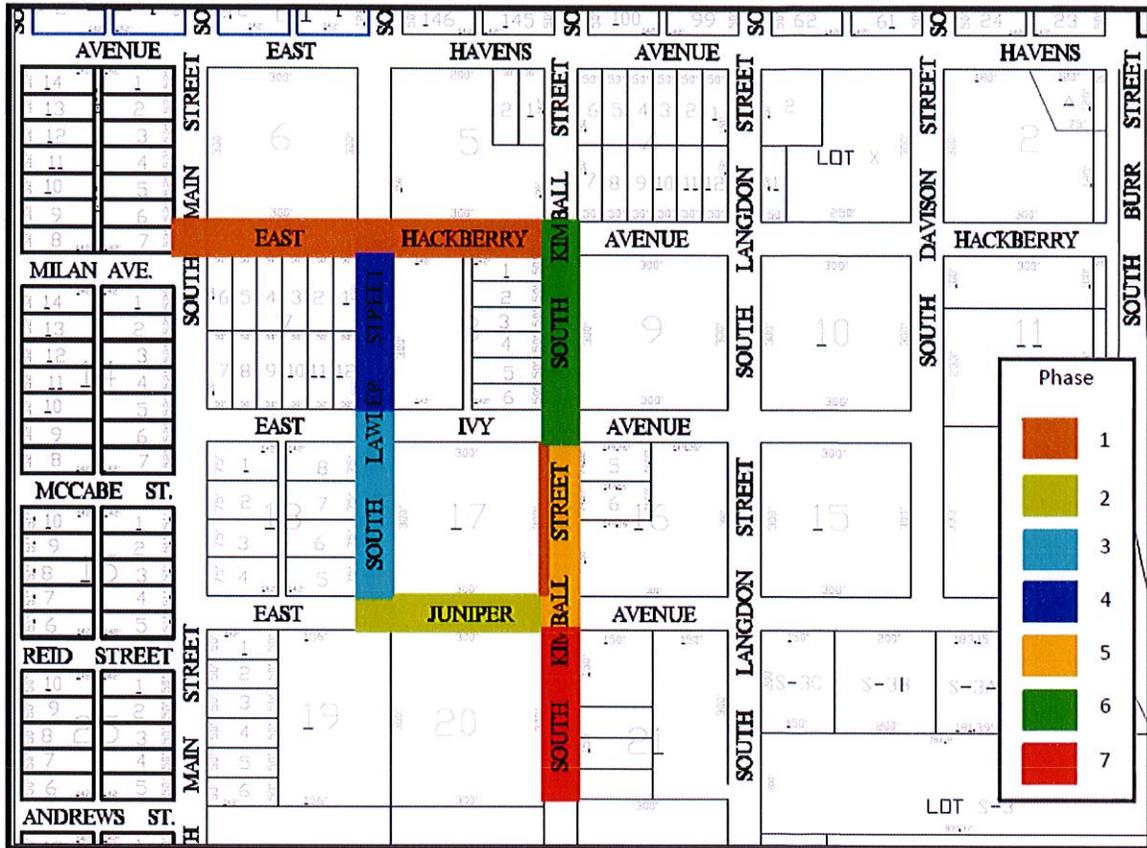
## CREATION OF CITY OF MITCHELL TID NUMBER 22

Representatives of the Developer have approached officials with the City of Mitchell regarding the possibility of creating a Tax Incremental Financing District ("TID") to assist in the construction of public infrastructure on land located within the corporate limits of the City of Mitchell, Davison County, South Dakota. As presented by the Developer, the TID will consist of up to eight (8) phases as follows:

- Phase 1 will consist of the following:
  - Completion of a portion of a public street and right-of-way known as East Hackberry Avenue from its intersection with South Main Street through its intersection with South Kimball Street which serves a portion of the project area.
  - Completion of a portion of a public street and right-of-way known as South Kimball Street from its intersection with Juniper Avenue through its intersection with East Ivy Avenue which serves a portion of the project area.
- Phase 2 will consist of the following:
  - Completion of a portion of a public street and right-of-way known as East Juniper Avenue from its intersection with South Lawler Street through its intersection with South Kimball Street.
- Phase 3 will consist of the following:
  - Completion of a portion of a public street and right-of-way known as South Lawler Street from its intersection with East Juniper Avenue through its intersection with East Ivy Avenue.
- Phase 4 will consist of the following:
  - Completion of a portion of a public street and right-of-way known as South Lawler Street and right-of-way from its intersection with East Ivy Avenue through its intersection with East Hackberry Avenue.
- Phase 5 will consist of the following:
  - Completion of a portion of a public street and right-of-way known as South Kimball Street from its intersection with East Juniper Street through its intersection with East Ivy Avenue.
- Phase 6 will consist of the following:
  - Completion of a portion of a public street and right-of-way known as South Kimball Street from its intersection with East Ivy Avenue to East Hackberry Avenue.

- Phase 7 will consist of the following:  
Completion of a portion of a public street and right-of-way known as South Kimball Street from its intersection with East Juniper Street south approximately three hundred fifty-four feet (354').
- Phase 8 will consist of the following:  
Retention Basin.

A depiction of the Phases is as follows:



## PROPERTY WITHIN THE TAX INCREMENT DISTRICT

The real property to be located within the Tax Increment District will consist of 7 parcels, legally described as follows:

- Parcel 1:** South One Hundred Fifty-eight Feet (S.158') of Block Five (5), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 2:** Block Seventeen (17), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 3:** Block Fifteen (15), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 4:** Block Twenty (20), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 5:** Lot X and the North Half (N1/2) of Kay Avenue and Lawler Avenue, Block Nineteen (19), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 6:** Lots Six (6), Seven (7) and Eight (8), Block Eighteen (18), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 7:** South One Hundred Fifty Feet (S.150') of the West One Hundred Fifty Feet (W.150') of Block Twenty-one (21), Weavers Squares Addition and the North Half (N1/2) of Vacated East Andrews Street lying south of and abutting the West One Hundred Fifty Feet (W.150') of Block Twenty-one (21), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota.

In addition to the above parcels, the TID boundaries shall include the East Hackberry Avenue right-of-way from its intersection with South Main Street through its intersection with South Kimball Street; East Ivy Avenue right-of-way from its intersection with South Lawler Street through its intersection with South Kimball Street; East Juniper Avenue right-of-way from its intersection with South Main Street through its intersection with South Davison Street; South Lawler Street right-of-way from its intersection with East Hackberry Avenue to its dead end; and South Kimball Street from its intersection with East Hackberry Avenue to its dead end.

## LISTING OF KIND, NUMBER, LOCATION AND DETAILED COSTS OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS<sup>4</sup>.

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 by the Developer. Eligible Project Costs for any TID Project may include capital costs, financing costs, real property assembly costs,

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<sup>4</sup> SDCL §11-9-13(1).

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 as a whole and to eliminate statutorily defined areas of blight within the City. All Project Costs are found to be necessary and convenient to the creation of the Tax Incremental District and its implementation. The project constitutes the elimination of statutorily blighted area and also economic development both of which are proper public purposes of the City.

A combination of private investment and tax increment financing will assist progress toward the following additional objectives:

- To address and remedy conditions in the area that impair or arrest the sound growth of the City;
- To implement the Comprehensive Plan and its related element;
- To redevelop and rehabilitate the area in a manner which is compatible with and complementary to unique circumstances in the area;
- To effectively utilize undeveloped and underdeveloped land;
- To improve pedestrian, bicycle, vehicular, and transit-related circulation and safety;
- To ultimately contribute to increased revenues for all taxing entities;
- To encourage the voluntary rehabilitation of buildings, improvements, and conditions;
- To watch for market and/or project opportunities to eliminate blight, and when such opportunities exist, to take action within the financial, legal and political limits of the City to acquire land, demolish and remove structures, provide relocation benefits, and pursue redevelopment, improvement and rehabilitation projects; and
- To improve areas that are likely to significantly enhance the value of substantially all property in the district.

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## 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.

I. The following are listed as estimated costs of Phase 1 of the Project.

Kind of Project	Number of Projects	Location <sup>5</sup>	Amount	Reference <sup>6</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>7</sup>		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	\$418,906	11-9-15(8)
Eligible Project Costs				\$418,906

<sup>5</sup>District shall mean the Tax Increment District.

<sup>6</sup>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 fixtures; 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.

II. The following are listed as estimated costs of Phase 2 of the Project.

Kind of Project	Number of Projects	Location <sup>8</sup>	Amount	Reference <sup>9</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>10</sup>		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	\$103,593	11-9-15(8)
Eligible Project Costs				\$103,593

<sup>8</sup>District shall mean the Tax Increment District.

<sup>9</sup>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 fixtures; 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.

III. The following are listed as estimated costs of Phase 3 of the Project.

Kind of Project	Number of Projects	Location <sup>11</sup>	Amount	Reference <sup>12</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>13</sup>		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	\$307,224	11-9-15(8)
Eligible Project Costs				\$307,224

<sup>11</sup>District shall mean the Tax Increment District.

<sup>12</sup>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 fixtures; 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.

IV. The following are listed as estimated costs of Phase 4 of the Project.

Kind of Project	Number of Projects	Location <sup>14</sup>	Amount	Reference <sup>15</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>16</sup>		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	\$229,047	11-9-15(8)
Eligible Project Costs				\$229,047

<sup>14</sup>District shall mean the Tax Increment District.

<sup>15</sup>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 fixtures; 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.

V. The following are listed as estimated costs of Phase 5 of the Project.

Kind of Project	Number of Projects	Location <sup>17</sup>	Amount	Reference <sup>18</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>19</sup>		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	\$180,020	11-9-15(8)
Eligible Project Costs				\$180,020

<sup>17</sup>District shall mean the Tax Increment District.

<sup>18</sup>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 fixtures; 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.

VI. The following are listed as estimated costs of Phase 6 of the Project.

Kind of Project	Number of Projects	Location <sup>20</sup>	Amount	Reference <sup>21</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>22</sup>		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	\$138,254	11-9-15(8)
Eligible Project Costs				\$138,254

<sup>20</sup>District shall mean the Tax Increment District.

<sup>21</sup>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 fixtures; 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.

VII. The following are listed as estimated costs of Phase 7 of the Project.

Kind of Project	Number of Projects	Location <sup>23</sup>	Amount	Reference <sup>24</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>25</sup>		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	\$144,244	11-9-15(8)
Eligible Project Costs				\$144,244

<sup>23</sup>District shall mean the Tax Increment District.

<sup>24</sup>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 fixtures; 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.

VIII. The following are listed as estimated costs of Phase 8 of the Project.

Kind of Project	Number of Projects	Location <sup>26</sup>	Amount	Reference <sup>27</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>28</sup>		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	\$74,750	11-9-15(8)
Eligible Project Costs				\$74,750

<sup>26</sup>District shall mean the Tax Increment District.

<sup>27</sup>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 fixtures; 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.

IX. Total Project Cost Estimates:

Phase 1:	\$ 418,906
Phase 2:	\$ 103,593
Phase 3:	\$ 307,224
Phase 4:	\$ 229,047
Phase 5:	\$ 180,020
Phase 6:	\$ 138,254
Phase 7:	\$ 144,244
Phase 8:	\$ 74,750
Capitalized Interest	<u>\$ 38,493</u>
Total of All Phases	\$1,634,531

All of the above are estimates of the costs involved in all Phases of the Project, and the actual total of any Phase may be greater or smaller, but will not total more than the TIF amount. An itemized listing of the estimated costs for all Phases is set forth on Schedule 1. Whether City proceeds with any Phase depends upon whether sufficient tax increment funds are generated from the additions to the Klockwerks building, the Patzer building and the residential developments. City may elect to construct any or all Phases and may complete the Phases in any order, or construct part of a Phase together with any other Phase. For purposes of this Project Plan, we have projected Phases 1 and 2 to be completed in 2017; Phases 3 and 4 in 2018; Phases 5 and 6 in 2019; and Phases 7 and 8 in 2020. To provide adequate tax increment to satisfy the lender involved in the Project, such improvements shall occur, if at all, within the first five (5) years of the creation of the TID. The total authorized TID costs of \$1,634,531, which includes capitalized , is the controlling value with respect to authorized TID costs, rather than the particular line item amounts contained in the above Schedules and Schedule 1. The cost estimates and line item categories proposed are for guidance only, and actual costs will be determined upon completion of the eligible improvements in the Project. This plan does not take into account any additional increases in the real property taxes during the term of the TID, nor the value of the up to three single-family residences to be constructed on the Habitat for Humanity lots. It is possible that such increases shall occur and will cause the TID to be paid off prior to the estimated time frame.

## EXPENDITURES EXCEEDING ESTIMATED COST

Any expenditures which in sum would exceed the total amount of the TID amount, inclusive of capitalized interest, will require an amendment of this plan. All amendments are undertaken pursuant to SDCL §11-9-23. When the expenditures are increased above the total above, the Department of Revenue will be required to reset the base, in accordance with SDCL §11-9-23<sup>29</sup>, unless such law is amended.

## FEASIBILITY STUDY.<sup>30</sup>

An economic feasibility study is attached as Schedule 2.

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<sup>29</sup>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 redetermine the tax increment base when additional Project costs are added to a plan. SDCL §11-9-23.

<sup>30</sup> SDCL §11-9-13(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.

## DETAILED LIST OF ESTIMATED PROJECT COSTS<sup>31</sup>

Attached as Schedule 1 is a detailed list of estimated Project Costs. No expenditure for Project Costs is provided for more than five years after the district is created.

## FISCAL IMPACT STATEMENT<sup>32</sup>

Attached as Schedule 4 is the Fiscal Impact Statement on other taxing districts found within the Tax Increment District, both until and after the bonds are repaid.

## METHOD OF FINANCING, TIMING OF COSTS AND MONETARY OBLIGATIONS<sup>33</sup>

The payment of project costs is anticipated to be made by the City from the special fund of the Tax Incremental District;

Since TID revenues will not begin until 2018, it will be necessary to provide for capitalized interest expense to make up the shortfall in debt service during the initial 8 years of the TID. Capitalized interest is estimated to be in the approximate amount of \$38,493.

## Maximum Amount of Tax Incremental Revenue

The maximum amount of tax incremental revenue bonds or monetary obligations to be paid through Tax Increment Number 22 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 \$1,634,531 principal and interest or such lesser amount as may be feasible with the estimated revenue generated by the Tax Increment District.

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<sup>31</sup> SDCL §11-9-13(3)

<sup>32</sup> SDCL § 11-9-13(4).

<sup>33</sup> SDCL § 11-9-13(5)

## 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, the extinguishment of bonds and the monetary obligation, except that the Plan duration shall not exceed 20 years 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 2016 taxes payable in 2017. 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, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

## CONDITIONS MAP<sup>34</sup>, IMPROVEMENTS MAP<sup>35</sup>, ZONING CHANGE MAP<sup>36</sup>

The conditions map is attached as Attachment 1. The Improvements map is attached as Attachment 2. The Zoning Change Map is attached as Attachment 3.

## CHANGES TO CITY OF MITCHELL MASTER PLAN, MAP, BUILDINGS CODES AND CITY/COUNTY ORDINANCES<sup>37</sup>.

No City ordinances nor the City Master Plan will need to be changed.

## LIST OF ESTIMATED NON-PROJECT COSTS<sup>38</sup>.

The following is a list of the non-Project Costs. All costs are listed as taxable value, actual non-project costs will exceed the following amounts.

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<sup>34</sup> SDCL § 11-9-16(1)

<sup>35</sup> SDCL § 11-9-16(2)

<sup>36</sup> SDCL § 11-9-16(3)

<sup>37</sup> SDCL §11-9-16(4)

<sup>38</sup> SDCL §11-9-16(5)

## ALL PHASES

Item	Amount
Addition to Klockwerks building	\$539,400*
Addition to Patzer building	\$269,700*
6 twin homes	\$1,618,200*
62 town home units	\$6,370,854*
TOTAL	\$8,798,154*

\*It is estimated that the Klockwerks commercial building addition will cost approximately \$600,000 to build; the Patzer commercial building addition will cost approximately \$300,000 to build; each of the six twin homes will cost approximately \$300,000 to build; and each town home unit will cost approximately \$114,300 to building, for up to a total of \$7,086,600 for 62 units; however, Davison County utilizes a factor number to arrive at tax assessed value, which factor in effect at the time of the drafting of this project plan is 0.899. Therefore estimated tax-assessed value of all construction is reduced to \$8,798,154.

### STATEMENT OF DISPLACEMENT AND RELOCATION PLAN<sup>39</sup>

No residents or families will be displaced by the Project.

### 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.

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<sup>39</sup> SDCL § 11-9-16(16)

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**LIST OF SCHEDULES**

- SCHEDULE 1 Estimated Project Cost
- SCHEDULE 2 Economic Feasibility Study
- SCHEDULE 3 Economic Development Study
- SCHEDULE 3A Blight Study
- SCHEDULE 4 Fiscal Impact Statement
- SCHEDULE 5 Estimated Captured Taxable Values

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**ATTACHMENTS**

- Attachment 1. Legal descriptions of real property
- Attachment 2. Map of real property
- Attachment 3. List of proposed changes in zoning ordinances

## SCHEDULE 1 – "DETAIL OF PROJECT COSTS – ALL PHASES"

Kind of Project	Number of Projects	Location <sup>40</sup>	Amount	Reference <sup>41</sup>
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) <sup>42</sup>		District		11-9-15(1)
Financing Costs		District	38,493	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	\$1,596,038	11-9-15(8)
Eligible Project Costs				\$1,634,531

<sup>40</sup>District shall mean the Tax Increment District.

<sup>41</sup>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 fixtures; 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.

\*See next pages for estimated costs of improvements. The project grant includes capitalized interest and professional fees.

**TIF ELIGIBLE EXPENSES TO WHICH TID GRANT FUNDS ARE ELIGIBLE TO BE APPLIED**  
**SDCL 11-9-15**

Kind of Project Cost	Phase	Amount
Hackberry – Main to Lawler	1	\$ 194,661
Hackberry – Lawler to Kimball	1	\$ 123,462
Kimball – Ivy to Juniper	1	\$ 70,783
Professional Fees	1	\$ 26,000
City Administrative Fee	1	<u>\$ 4,000</u>
Total Phase I Costs		<u>\$ 418,906</u>
Juniper – Lawler to Kimball	2	<u>\$ 103,593</u>
Total Phase II Costs		<u>\$ 103,593</u>
Lawler – Juniper to Ivy	3	<u>\$ 307,224</u>
Total Phase III Costs		<u>\$ 307,224</u>
Lawler – Ivy to Hackberry	4	<u>\$ 229,047</u>
Total Phase IV Costs		<u>\$ 229,047</u>
Kimball – Ivy to Juniper	5	<u>\$ 180,020</u>
Total Phase V Costs		<u>\$ 180,020</u>
Kimball – Ivy to Hackberry	6	<u>\$ 138,254</u>
Total Phase VI Costs		<u>\$ 138,254</u>
Kimball – Juniper to South (approx. 354')	7	<u>\$ 144,244</u>
Total Phase VII Costs		<u>\$ 144,244</u>
Detention Basin	8	<u>\$ 74,750</u>
Total Phase VIII Costs		<u>\$ 74,750</u>
Capitalized Interest		<u>\$ 38,493</u>
TOTAL TIF COSTS		<u>\$1,634,531</u>

A list of specific work and estimated costs is attached to this Schedule 1 on the following pages. The amounts stated are best estimates. The actual amounts and classification may differ. Notwithstanding the above, City reserves the right to be reimbursed for any payments made to pay "shortfall" amounts on any note payment, so long as total costs do not exceed \$1,634,531.

Klock Werks TIF Estimates						
Phase 1 Projects						
Hackberry from Main to Lawler						
Item	Length	Width	Quantity	Unit	Unit \$	
Scarify and Recompact	355	45	1183.333	Cu Yds	\$ 6.00	\$ 7,100.00
Gravel Base	355	43	890.4583	tons	\$ 25.00	\$ 22,261.46
Asphalt Surfacing	355	37	229.8625	tons	\$ 85.00	\$ 19,538.31
Curb and Gutter	305	2	610	Length	\$ 17.00	\$ 10,370.00
Fillets	100	4	400	SF	\$ 8.00	\$ 3,200.00
Approach	194	7	6790	SF	\$ 8.00	\$ 54,320.00
Storm Sewer	366	24	356	L.F.	\$ 80.00	\$ 28,480.00
Manholes	2	48"	2	EA	\$ 4,500.00	\$ 9,000.00
Catch Basins	5		5	EA	\$ 3,000.00	\$ 15,000.00
						\$ 169,269.77
Contingency					15%	\$ 25,390.47
						\$ 194,660.24
Hackberry from Lawler to Kimball						
Item	Length	Width	Quantity	Unit	Unit \$	
Scarify and Recompact	356	45	1186.667	Cu Yds	\$ 6.00	\$ 7,120.00
Gravel Base	356	43	892.9667	tons	\$ 25.00	\$ 22,324.17
Asphalt Surfacing	356	37	230.51	tons	\$ 85.00	\$ 19,593.35
Curb and Gutter	355	2	710	Length	\$ 17.00	\$ 12,070.00
Fillets	100	4	400	SF	\$ 8.00	\$ 3,200.00
Sidewalks and on Kimball	560	5	2800	SF	\$ 5.00	\$ 14,000.00
and Sidewalks on Lawler	250	5	1250	SF	\$ 5.00	\$ 6,250.00
Catch Basin	2				\$ 3,000.00	\$ 6,000.00
Approach	300	7	2100	SF	\$ 8.00	\$ 16,800.00
						\$ 107,357.52
Contingency					15%	\$ 16,103.63
						\$ 123,461.14

<b>Kimball from Ivy to Juniper</b>						
Item	Length	Width	Quantity	Unit	Unit \$	
Water Services line	66	5	330	L.F.	\$ 80.00	\$ 26,400.00
Water Services corp and box		5	5	Each	\$ 1,000.00	\$ 5,000.00
Sewer service line	66	5	330	L.F.	\$ 80.00	\$ 26,400.00
Sewer service wye		5	5	Each	\$ 750.00	\$ 3,750.00
						\$ 61,550.00
					15%	\$ 9,232.50
						<b>\$ 70,782.50</b>
<b>Phase 2 Projects</b>						
<b>Juniper from Lawler to Kimball - 390 Ft.</b>						
Item	Length	Width	Quantity	Unit	Unit \$	
Scarify and Recompact	390	45	1300	Cu Yds	\$ 6.00	\$ 7,800.00
Gravel Base	390	43	978.25	tons	\$ 25.00	\$ 24,456.25
Asphalt Surfacing	390	37	252.525	tons	\$ 85.00	\$ 21,464.63
Curb and Gutter	390	2	780	Length	\$ 17.00	\$ 13,260.00
Fillets	100	6	600	SF	\$ 8.00	\$ 4,800.00
Sidewalks	732	5	3660	SF	\$ 5.00	\$ 18,300.00
						\$ 90,080.88
Approach					15%	\$ 13,512.13
Contingency						<b>\$ 103,593.01</b>

<b>Phase 3 Projects</b>						
<b>Lawler from Juniper to Ivy</b>						
Item	Length	Width	Quantity	Unit	Unit \$	
Sanitary Sewer Line	366		366	LF	\$ 70.00	\$ 25,620.00
Sanitary sewer manhole	1		1	Ea	\$ 4,000.00	\$ 4,000.00
Sanitary Service wye	5		5	Ea	\$ 750.00	\$ 3,750.00
Sanitary Sewer Services	66	5	330	LF	\$ 80.00	\$ 26,400.00
Sanitary Sewer Manhole	1		1	ea	\$ 5,000.00	\$ 5,000.00
Water Services	66	5	330	LF	\$ 80.00	\$ 26,400.00
Water corp and boxes	5	5	5	Ea	\$ 1,000.00	\$ 5,000.00
Water Main	366		366	LF	\$ 80.00	\$ 29,280.00
Water Valves and Hydrants					\$ 9,000.00	\$ 9,000.00
Storm Sewer	366	24	366	LF	\$ 80.00	\$ 29,280.00
Storm Sewer Structures	5		5	Ea	\$ 3,500.00	\$ 17,500.00
Scarify and Recompact	390	45	1300	Cu Yds	\$ 6.00	\$ 7,800.00
Gravel Base	390	43	978.25	tons	\$ 25.00	\$ 24,456.25
Asphalt Surfacing	390	37	252.525	tons	\$ 85.00	\$ 21,464.63
Curb and Gutter	390	2	780	Length	\$ 17.00	\$ 13,260.00
Fillets	100	2	200	SF	\$ 8.00	\$ 1,600.00
Sidewalks	366	5	1830	SF	\$ 5.00	\$ 9,150.00
Approach	180	7	1260	SF	\$ 6.50	\$ 8,190.00
Contingency						\$ 267,150.88
					15%	\$ 40,072.63
						<b>\$ 307,223.51</b>

<b>Phase 4 Projects</b>						
<b>Lawler from Ivy to Hackberry</b>						
Item	Length	Width	Quantity	Unit	Unit \$	
sanitary Sewer Line	366		366	LF	\$ 70.00	\$ 25,620.00
sanitary sewer manhole	1		1	Ea	\$ 4,000.00	\$ 4,000.00
Sanitary Service wye				Ea	\$ 750.00	\$ -
Sanitary Sewer Services				LF	\$ 80.00	\$ -
Sanitary Sewer Manhole	1		1	ea	\$ 5,000.00	\$ 5,000.00
Water Services				LF	\$ 80.00	\$ -
Water corp and boxes				Ea	\$ 1,000.00	\$ -
Water Main	400		400	LF	\$ 80.00	\$ 32,000.00
Water Valves and Hydrants					\$ 9,000.00	\$ 9,000.00
Storm Sewer	366	24	366	LF	\$ 80.00	\$ 29,280.00
Storm Sewer Structures	5		5	Ea	\$ 3,500.00	\$ 17,500.00
Scarify and Recompact	390	45	1300	Cu Yds	\$ 6.00	\$ 7,800.00
Gravel Base	390	43	978.25	tons	\$ 25.00	\$ 24,456.25
Asphalt Surfacing	390	37	252.525	tons	\$ 85.00	\$ 21,464.63
Curb and Gutter	390	2	780	Length	\$ 17.00	\$ 13,260.00
Fillets	100	2	200	SF	\$ 8.00	\$ 1,600.00
Sidewalks				SF	\$ 5.00	\$ -
Approach	180	7	1260	SF	\$ 6.50	\$ 8,190.00
Contingency						\$ 199,170.88
					15%	\$ 29,875.63
						<b>\$ 229,046.51</b>

<b>Phase 5 Project</b>						
<b>Kimball from Ivy to Juniper</b>						
Item	Length	Width	Quantity	Unit	Unit \$	
Scarify and Recompact	399	45	1330	Cu Yds	\$ 6.00	\$ 7,980.00
Gravel Base	390	43	978.25	tons	\$ 25.00	\$ 24,456.25
Asphalt Surfacing	390	37	252.525	tons	\$ 85.00	\$ 21,464.63
Curb and Gutter	300	2	600	Length	\$ 17.00	\$ 10,200.00
Fillets	100	6	600	SF	\$ 10.00	\$ 6,000.00
Storm Sewer	366	24"	366	LF	\$ 130.00	\$ 47,580.00
Catch Basin Leads	50	18"	50	LF	\$ 70.00	\$ 3,500.00
Manholes	0	48"	2	Each	\$ 4,500.00	\$ 9,000.00
Catch Basin	0	30"	4	Each	\$ 3,000.00	\$ 12,000.00
Sidewalks (West Side)	366	5	1830	SF	\$ 5.00	\$ 9,150.00
Approach	93	7	651	SF	\$ 8.00	\$ 5,208.00
						\$ 156,538.88
Contingency					15%	\$ 23,480.83
<b>Total</b>						<b>\$ 180,019.71</b>
<b>Phase 6 Project</b>						
<b>Kimball from Ivy to Hackberry</b>						
Item	Length	Width	Quantity	Unit	Unit \$	
Scarify and Recompact	399	45	1330	Cu Yds	\$ 6.00	\$ 7,980.00
Gravel Base	390	43	978.25	tons	\$ 25.00	\$ 24,456.25
Asphalt Surfacing	390	37	252.525	tons	\$ 85.00	\$ 21,464.63
Curb and Gutter	300	2	600	Length	\$ 17.00	\$ 10,200.00
Fillets	100	6	600	SF	\$ 10.00	\$ 6,000.00
Storm Sewer	366	18	366	LF	\$ 70.00	\$ 25,620.00
Catch Basin Leads	50	18"	50	LF	\$ 70.00	\$ 3,500.00
Manholes	0	48"	2	Each	\$ 4,500.00	\$ 9,000.00
Catch Basin	0	30"	4	Each	\$ 3,000.00	\$ 12,000.00
						\$ 120,220.88
Contingency					15%	\$ 18,033.13
<b>Total</b>						<b>\$ 138,254.01</b>

<b>Phase 7 Project</b>						
<b>Kimball from Juniper to the South approximately 354'</b>						
Item	Length	Width	Quantity	Unit	Unit \$	
Scarify and Recompact	399	45	1330	Cu Yds	\$ 6.00	\$ 7,980.00
Gravel Base	390	43	978.25	tons	\$ 25.00	\$ 24,456.25
Asphalt Surfacing	390	37	252.525	tons	\$ 85.00	\$ 21,464.63
Curb and Gutter	300	2	600	Length	\$ 17.00	\$ 10,200.00
Fillets	100	6	600	SF	\$ 10.00	\$ 6,000.00
Storm Sewer	366	18	366	LF	\$ 70.00	\$ 25,620.00
Catch Basin Leads	50	18"	50	LF	\$ 70.00	\$ 3,500.00
Manholes	0	48"	2	Each	\$ 4,500.00	\$ 9,000.00
Catch Basin	0	30"	4	Each	\$ 3,000.00	\$ 12,000.00
Approach	93	7	651	SF	\$ 8.00	\$ 5,208.00
						\$ 125,428.88
Contingency					15%	\$ 18,814.33
<b>Total</b>						<b>\$ 144,243.21</b>
<b>Phase 8 Project</b>						
<b>Retention Basin</b>						
Item	Length	Width	Quantity	Unit	Unit \$	
Excavate Retention Basin	300	75	10000	SY	\$ 3.00	\$ 30,000.00
Storm Sewer	200	18	200	LF	\$ 70.00	\$ 14,000.00
Manholes	2		2	Each	\$ 4,500.00	\$ 9,000.00
catch basins	4		4	Each	\$ 3,000.00	\$ 12,000.00
						\$ 65,000.00
Contingency					15%	\$ 9,750.00
<b>Total</b>						<b>\$ 74,750.00</b>

## SCHEDULE 2 – “ECONOMIC FEASIBILITY STUDY”

Representatives of the Developer have approached officials with the City regarding the possibility of creating a Tax Incremental Financing District to assist in the construction of public infrastructure (street, curb and gutter, sidewalk, storm sewer, catch basins and water) on real property located within the City of Mitchell, Davison County, South Dakota. The increment needed to fund such improvements is anticipated to result from the Developer constructing an approximate 24,000 square foot addition to its existing facility, Patzer Woodworking, Inc. (“Patzer”) constructing an approximate 8000 square foot addition to its existing building; Roger Klock developing up to six (6) residential twin homes; Valor Investment Properties LLC developing up to 62 town home units; and Habitat for Humanity building up to three (3) single-family residences.

The City has been asked to finance the eligible TID expenses for the area through tax increment obligations. This feasibility study provides that the improvements 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 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 Klockwerks property currently has a full and true tax assessed value of \$146,575; the Klock property currently has a full and true tax assessed value of \$42,400; the Patzer property currently has a full and true tax assessed value of \$986,595; the town home properties have a full and true tax assessed value of \$7,725 for Block 20, \$17,125 for Lot X; \$28,725 for Lots 6, 7 and 8, Block 18; and the Habitat for Humanity property has a full and true tax assessed value of \$21,200, however, as it is tax exempt until conveyed to a third party, it will not be counted as part of the base. As a result the total tax assessed value is \$1,250,345 minus \$21,200 (Habitat property) for adjusted tax assessed value of \$1,229,145. The improvements to be made to the tracts are estimated to add an additional \$8,798,154 to the taxable valuation. The estimated increment resulting from the improvements would be approximately \$8,798,154. Since only positive tax increment will be applied, the proposed project is feasible.

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.

Phase 1 of the Project, if undertaken, shall complete a portion of East Hackberry Avenue from Main Street to Kimball Street; and complete a portion of South Kimball Street from Ivy Avenue to Juniper Avenue. Phase 2 of the Project, if undertaken, will consist of completing a portion of East Juniper Avenue from Lawler Street to Kimball Street. Phase 3 of the Project, if undertaken, shall complete a portion of South Lawler Street from Juniper Avenue to Ivy Avenue. Phase 4 of the Project, if undertaken, shall complete a portion of South Lawler Street from East Ivy Avenue to East Hackberry Avenue. Phase 5 of the Project, if undertaken, shall complete a portion of South Kimball Street from East Ivy Avenue to East Juniper Avenue. Phase 6 of the Project, if undertaken, shall complete a portion of South Kimball Street from East Ivy Avenue to East Hackberry Avenue; Phase 7 of the Project, if undertaken, shall

complete a portion of South Kimball Street from East Juniper Avenue south, approximately 354 feet; and Phase 8 of the Project, if undertaken, shall consist of a retention basin.

The City will be undertaking the construction of the Phases, funded by the tax increment generated within the TID. The City shall be responsible for obtaining the financing for the construction projects it elects to undertake. Developer will not be responsible for any repayment of debt.

## DEVELOPMENT TABLES

### Commercial - Klockwerks

Klockwerks Addition	Year Built	Year Assessed	Collection Year	Percent of Assessed Value		Total
						<b>23,755</b>
\$539,400	2016	2017	2018	20%	\$107,800	2,561
\$539,400	2017	2018	2019	40%	\$215,600	5,122
\$539,400	2018	2019	2020	60%	\$323,400	7,682
\$539,400	2019	2020	2021	80%	\$431,200	10,243
\$539,400	2020	2021	2022	100%	\$539,000	12,804
\$539,400	2021	2022	2023	100%	\$539,000	12,804
\$539,400	2022	2023	2024	100%	\$539,000	12,804
\$539,400	2023	2024	2025	100%	\$539,000	12,804
\$539,400	2024	2025	2026	100%	\$539,000	12,804
\$539,400	2025	2026	2027	100%	\$539,000	12,804
\$539,400	2026	2027	2028	100%	\$539,000	12,804
\$539,400	2027	2028	2029	100%	\$539,000	12,804
\$539,400	2028	2029	2030	100%	\$539,000	12,804
\$539,400	2029	2030	2031	100%	\$539,000	12,804
\$539,400	2030	2031	2032	100%	\$539,000	12,804
\$539,400	2031	2032	2033	100%	\$539,000	12,804
\$539,400	2032	2033	2034	100%	\$539,000	12,804
\$539,400	2033	2034	2035	100%	\$539,000	12,804
\$539,400	2034	2035	2036	100%	\$539,000	12,804

**\$217,667**

**Commercial – Patzer**

<b>Klockwerks Addition</b>	<b>Year Built</b>	<b>Year Assessed</b>	<b>Collection Year</b>	<b>Percent of Assessed Value</b>		<b>Total</b>
						<b>23.755</b>
\$269,700	2017	2018	2019	20%	\$53,940	\$1,281
\$269,700	2018	2019	2020	40%	\$107,880	\$2,563
\$269,700	2019	2020	2021	60%	\$161,820	\$3,844
\$269,700	2020	2021	2022	80%	\$215,760	\$5,125
\$269,700	2021	2022	2023	100%	\$269,700	\$6,407
\$269,700	2022	2023	2024	100%	\$269,700	\$6,407
\$269,700	2023	2024	2025	100%	\$269,700	\$6,407
\$269,700	2024	2025	2026	100%	\$269,700	\$6,407
\$269,700	2025	2026	2027	100%	\$269,700	\$6,407
\$269,700	2026	2027	2028	100%	\$269,700	\$6,407
\$269,700	2027	2028	2029	100%	\$269,700	\$6,407
\$269,700	2028	2029	2030	100%	\$269,700	\$6,407
\$269,700	2029	2030	2031	100%	\$269,700	\$6,407
\$269,700	2030	2031	2032	100%	\$269,700	\$6,407
\$269,700	2031	2032	2033	100%	\$269,700	\$6,407
\$269,700	2032	2033	2034	100%	\$269,700	\$6,407
\$269,700	2033	2034	2035	100%	\$269,700	\$6,407
\$269,700	2034	2035	2036	100%	\$269,700	\$6,407

**\$102,508**

**Twin Home Development Table**

# of Twin Homes Built	Total of Twin Homes	Year Assessed	Levy Year	Collection Year	Percent of Assessed Value		Total
							<b>19.041</b>
1 (2 units)	1	2016	2017	2018	100%	\$269,700	\$5,135
2 (4 units)	3	2017	2018	2019	100%	\$809,100	\$15,406
2 (4 units)	5	2018	2019	2020	100%	\$1,348,500	\$25,677
1 (2 units)	6	2019	2020	2021	100%	\$1,618,200	\$30,812
	6	2020	2021	2022	100%	\$1,618,200	\$30,812
	6	2021	2022	2023	100%	\$1,618,200	\$30,812
	6	2022	2023	2024	100%	\$1,618,200	\$30,812
	6	2023	2024	2025	100%	\$1,618,200	\$30,812
	6	2024	2025	2026	100%	\$1,618,200	\$30,812
	6	2025	2026	2027	100%	\$1,618,200	\$30,812
	6	2026	2027	2028	100%	\$1,618,200	\$30,812
	6	2027	2028	2029	100%	\$1,618,200	\$30,812
	6	2028	2029	2030	100%	\$1,618,200	\$30,812
	6	2029	2030	2031	100%	\$1,618,200	\$30,812
	6	2030	2031	2032	100%	\$1,618,200	\$30,812
	6	2031	2032	2033	100%	\$1,618,200	\$30,812
	6	2032	2033	2034	100%	\$1,618,200	\$30,812
	6	2033	2034	2035	100%	\$1,618,200	\$30,812
	6	2034	2035	2036	100%	\$1,618,200	\$30,812

**\$539,213**

**Commercial Town Homes (Phase I)**

TIF Year	Assess Year	Levy Year	Collection Year	Phase 1 Units 1-7 (Taxable Value of Property)	Mill Levy
					<b>23.755</b>
2016	2016	2017	2018		
2017	2017	2018	2019	\$143,858	\$3,417
2018	2018	2019	2020	\$287,716	\$6,835
2019	2019	2020	2021	\$431,574	\$10,252
2020	2020	2021	2022	\$575,432	\$13,669
2021	2021	2022	2023	\$719,290	\$17,087
2022	2022	2023	2024	\$719,290	\$17,087
2023	2023	2024	2025	\$719,290	\$17,087
2024	2024	2025	2026	\$719,290	\$17,087
2025	2025	2026	2027	\$719,290	\$17,087
2026	2026	2027	2028	\$719,290	\$17,087
2027	2027	2028	2029	\$719,290	\$17,087
2028	2028	2029	2030	\$719,290	\$17,087
2029	2029	2030	2031	\$719,290	\$17,087
2030	2030	2031	2032	\$719,290	\$17,087
2031	2031	2032	2033	\$719,290	\$17,087
2032	2032	2033	2034	\$719,290	\$17,087
2033	2033	2034	2035	\$719,290	\$17,087
2034	2034	2035	2036	\$719,290	\$17,087

**\$273,388**

**Commercial Town Homes (Phase II)**

TIF Year	Assess Year	Levy Year	Collection Year	Phase II Units 8-14 (Taxable Value of Property)	Total
					<b>23.755</b>
2016	2016	2017	2018		
2017	2017	2018	2019		\$0
2018	2018	2019	2020	\$143,858	\$3,417
2019	2019	2020	2021	\$287,716	\$6,835
2020	2020	2021	2022	\$431,574	\$10,252
2021	2021	2022	2023	\$575,432	\$13,669
2022	2022	2023	2024	\$719,290	\$17,087
2023	2023	2024	2025	\$719,290	\$17,087
2024	2024	2025	2026	\$719,290	\$17,087
2025	2025	2026	2027	\$719,290	\$17,087
2026	2026	2027	2028	\$719,290	\$17,087
2027	2027	2028	2029	\$719,290	\$17,087
2028	2028	2029	2030	\$719,290	\$17,087
2029	2029	2030	2031	\$719,290	\$17,087
2030	2030	2031	2032	\$719,290	\$17,087
2031	2031	2032	2033	\$719,290	\$17,087
2032	2032	2033	2034	\$719,290	\$17,087
2033	2033	2034	2035	\$719,290	\$17,087
2034	2034	2035	2036	\$719,290	\$17,087

**\$256,301**

**Commercial Town Homes (Phase III)**

<b>TIF Year</b>	<b>Assess Year</b>	<b>Levy Year</b>	<b>Collection Year</b>	<b>Phase III Units 15-24 (Taxable Value of Property)</b>	<b>Total</b>
					<b>23.755</b>
2016	2016	2017	2018		
2017	2017	2018	2019		\$0
2018	2018	2019	2020		\$0
2019	2019	2020	2021	\$205,511	\$4,882
2020	2020	2021	2022	\$411,023	\$9,764
2021	2021	2022	2023	\$616,534	\$14,646
2022	2022	2023	2024	\$822,046	\$19,528
2023	2023	2024	2025	\$1,027,557	\$24,410
2024	2024	2025	2026	\$1,027,557	\$24,410
2025	2025	2026	2027	\$1,027,557	\$24,410
2026	2026	2027	2028	\$1,027,557	\$24,410
2027	2027	2028	2029	\$1,027,557	\$24,410
2028	2028	2029	2030	\$1,027,557	\$24,410
2029	2029	2030	2031	\$1,027,557	\$24,410
2030	2030	2031	2032	\$1,027,557	\$24,410
2031	2031	2032	2033	\$1,027,557	\$24,410
2032	2032	2033	2034	\$1,027,557	\$24,410
2033	2033	2034	2035	\$1,027,557	\$24,410
2034	2034	2035	2036	\$1,027,557	\$24,410

**\$341,735**

**Commercial Town Homes (Phase IV)**

TIF Year	Assess Year	Levy Year	Collection Year	Phase IV Units 25-34 (Taxable Value of Property)	Total
					<b>23.755</b>
2016	2016	2017	2018		
2017	2017	2018	2019		\$0
2018	2018	2019	2020		\$0
2019	2019	2020	2021		\$0
2020	2020	2021	2022	\$205,511	\$4,882
2021	2021	2022	2023	\$411,023	\$9,764
2022	2022	2023	2024	\$616,534	\$14,646
2023	2023	2024	2025	\$822,046	\$19,528
2024	2024	2025	2026	\$1,027,557	\$24,410
2025	2025	2026	2027	\$1,027,557	\$24,410
2026	2026	2027	2028	\$1,027,557	\$24,410
2027	2027	2028	2029	\$1,027,557	\$24,410
2028	2028	2029	2030	\$1,027,557	\$24,410
2029	2029	2030	2031	\$1,027,557	\$24,410
2030	2030	2031	2032	\$1,027,557	\$24,410
2031	2031	2032	2033	\$1,027,557	\$24,410
2032	2032	2033	2034	\$1,027,557	\$24,410
2033	2033	2034	2035	\$1,027,557	\$24,410
2034	2034	2035	2036	\$1,027,557	\$24,410

**\$317,325**

**Commercial Town Homes (Phase V)**

<b>TIF Year</b>	<b>Assess Year</b>	<b>Levy Year</b>	<b>Collection Year</b>	<b>Phase V Units 35-44 (Taxable Value of Property)</b>	<b>Total</b>
					<b>23.755</b>
2016	2016	2017	2018		
2017	2017	2018	2019		\$0
2018	2018	2019	2020		\$0
2019	2019	2020	2021		\$0
2020	2020	2021	2022		\$0
2021	2021	2022	2023	\$205,511	\$4,882
2022	2022	2023	2024	\$411,023	\$9,764
2023	2023	2024	2025	\$616,534	\$14,646
2024	2024	2025	2026	\$822,046	\$19,528
2025	2025	2026	2027	\$1,027,557	\$24,410
2026	2026	2027	2028	\$1,027,557	\$24,410
2027	2027	2028	2029	\$1,027,557	\$24,410
2028	2028	2029	2030	\$1,027,557	\$24,410
2029	2029	2030	2031	\$1,027,557	\$24,410
2030	2030	2031	2032	\$1,027,557	\$24,410
2031	2031	2032	2033	\$1,027,557	\$24,410
2032	2032	2033	2034	\$1,027,557	\$24,410
2033	2033	2034	2035	\$1,027,557	\$24,410
2034	2034	2035	2036	\$1,027,557	\$24,410

**\$292,915**

**Commercial Town Homes (Phase VI)**

<b>TIF Year</b>	<b>Assess Year</b>	<b>Levy Year</b>	<b>Collection Year</b>	<b>Phase VI Units 45-62 (Taxable Value of Property)</b>	<b>Total</b>
					<b>23.755</b>
2016	2016	2017	2018		
2017	2017	2018	2019		\$0
2018	2018	2019	2020		\$0
2019	2019	2020	2021		\$0
2020	2020	2021	2022		\$0
2021	2021	2022	2023		\$0
2022	2022	2023	2024	\$369,921	\$8,787
2023	2023	2024	2025	\$739,841	\$17,575
2024	2024	2025	2026	\$1,109,762	\$26,362
2025	2025	2026	2027	\$1,479,682	\$35,150
2026	2026	2027	2028	\$1,849,603	\$43,937
2027	2027	2028	2029	\$1,849,603	\$43,937
2028	2028	2029	2030	\$1,849,603	\$43,937
2029	2029	2030	2031	\$1,849,603	\$43,937
2030	2030	2031	2032	\$1,849,603	\$43,937
2031	2031	2032	2033	\$1,849,603	\$43,937
2032	2032	2033	2034	\$1,849,603	\$43,937
2033	2033	2034	2035	\$1,849,603	\$43,937
2034	2034	2035	2036	\$1,849,603	\$43,937

**\$483,310**

Based upon the above tables, for purposes of this Project Plan, the Developer is projecting the construction of the Klockwerks addition in 2016, the Patzer addition in 2017, the first twin home in 2016, two in 2017, two in 2018 and one in 2019. Developer has projected the first 7 town home units will be completed in 2017; 7 more units in 2018; 10 units in 2019; 10 units in 2020; 10 units in 2021; and 18 units in 2022. In addition, Habitat for Humanity owns three lots in Block 21, Weavers Squares Addition, and it is anticipated that they will build three single-family residences on those lots. Developer has not taken the increment from those homes into the calculation, but they will add additional increment to the TIF. It is anticipated that the City will procure financing to fund the TID improvements by way of a loan.

It is assumed that all obligations incurred within the TID would be adequately secured as to allow the payment of principal and interest when due, by means of a City-financed loan, as demonstrated by the table (amortization schedule) which follows on the next page, which table is for demonstration purposes only. The actual repayment schedule may change, but all principal and interest shall be paid within the life of the TID.

The following table is an illustration of a model amortization schedule. It is for illustrative purposes only. It provides for four different draw downs of funds, each evidencing a portion of the construction projects to be undertaken in the five Phases of the Project. It also anticipates that the City will be able to borrow the money on tax-exempt basis. An interest rate of 3% is utilized. The actual amortization schedule and interest rate will be set when the City borrows the funds.

TABLE 1

Input Data		Assumptions:
Advance Date of Bond	6/1/2017	All 6 phase completed w/ following advances
First Payment Date	6/1/2018	6/17 - \$522,499
Bond Amount	522,499	6/18 - \$536,271
Rate	3.00%	6/19 - \$318,274
Maturity Date	6/1/2036	6/20 - \$218,994
Repayment Frequency	Semi-Annual	

Payment Dates	Number Days Between Payments	Actual Interest Expense	Principal Balance	Capitalized Interest Amount	Principal Payment	Pmt Amt
06/01/17			522,499.00			
06/01/18	365	15,892.68	1,070,779.18	12,009.18	-	3,883.50
12/01/18	183	16,329.38	1,083,225.06	12,445.88	-	3,883.50
06/01/19	182	16,428.91	1,405,210.47	3,711.41	-	12,717.50
12/01/19	183	21,429.46	1,413,922.43	8,711.96	-	12,717.50
06/01/20	183	21,562.32	1,631,217.25	-	1,699.18	23,261.50
12/01/20	183	24,876.06	1,632,831.81	1,614.56	-	23,261.50
06/01/21	182	24,764.62	1,623,952.93	-	8,878.88	33,643.50
12/01/21	183	24,765.28	1,615,074.71	-	8,878.22	33,643.50
06/01/22	182	24,495.30	1,595,706.01	-	19,368.70	43,864.00
12/01/22	183	24,334.52	1,576,176.53	-	19,529.48	43,864.00
06/01/23	182	23,905.34	1,544,836.37	-	31,340.16	55,245.50
12/01/23	183	23,558.75	1,513,149.63	-	31,686.75	55,245.50
06/01/24	183	23,075.53	1,467,554.16	-	45,595.47	68,671.00
12/01/24	183	22,380.20	1,421,263.36	-	46,290.80	68,671.00
06/01/25	182	21,555.83	1,362,431.19	-	58,832.17	80,388.00
12/01/25	183	20,777.08	1,302,820.26	-	59,610.92	80,388.00
06/01/26	182	19,759.44	1,232,916.20	-	69,904.06	89,663.50
12/01/26	183	18,801.97	1,162,054.68	-	70,861.53	89,663.50
06/01/27	182	17,624.50	1,083,180.67	-	78,874.00	96,498.50
12/01/27	183	16,518.51	1,003,200.68	-	79,979.99	96,498.50
06/01/28	183	15,298.81	917,607.49	-	85,593.19	100,892.00
12/01/28	183	13,993.51	830,709.00	-	86,898.49	100,892.00
06/01/29	182	12,599.09	742,416.09	-	88,292.91	100,892.00
12/01/29	183	11,321.85	652,845.93	-	89,570.15	100,892.00
06/01/30	182	9,901.50	561,855.43	-	90,990.50	100,892.00
12/01/30	183	8,568.30	469,531.73	-	92,323.70	100,892.00
06/01/31	182	7,121.23	375,760.96	-	93,770.77	100,892.00
12/01/31	183	5,730.35	280,599.31	-	95,161.65	100,892.00
06/01/32	183	4,279.14	183,986.45	-	96,612.86	100,892.00
12/01/32	183	2,805.79	85,900.24	-	98,086.21	100,892.00
06/01/33	182	1,302.82	-	-	85,900.24	100,892.00
12/01/33	183	-	-	-	-	100,892.00
06/01/34	182	-	-	-	-	100,892.00
12/01/34	183	-	-	-	-	100,892.00
06/01/35	182	-	-	-	-	100,892.00
12/01/35	183	-	-	-	-	100,892.00
06/01/36	183	-	-	-	-	100,892.00
				38,493.00	1,634,531.00	2,730,837.00

## SCHEDULE 3 – “ECONOMIC DEVELOPMENT STUDY”

### SECTION 1- INTRODUCTION

The City has been approached concerning the creation of a tax increment district located within the City of Mitchell, Davison County, South Dakota. 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, or a finding that the area contained within the proposed TID boundaries contains conditions which amount to “blight”, and that not less than 25% of the proposed TID area is blighted as defined by SDCL 9-11.

### SECTION 2 - STUDY AREA BOUNDARY

The Study area is described as the area depicted on the map attached to this Project Plan as Attachment 2 and includes the legal descriptions set forth on page 4 of this Project Plan.

### SECTION 3 - ESTABLISHING ECONOMIC DEVELOPMENT

The Developer of the Project to be built within the TID boundaries plans on constructing an approximate 24,000 square foot addition to its existing building, which will be utilized as a warehouse. It will create up to five new employment positions, including a design engineer. The Patzer addition will allow the relocation of a portion of Patzer's existing business from another community to Mitchell and will create up to six new full-time positions. The town home development will add additional affordable three-bedroom rental properties to the City of Mitchell, while the twin home development will add additional affordable housing to the City of Mitchell, a need for the City.

### 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.

The goal of the TID is to complete the construction of several streets within the TID boundaries and remedy existing drainage problems in the TID area. Currently, Hackberry Avenue, Kimball Street and Lawler Street, as they surround the Klockwerks building, are gravel and, as a result, Klockwerks and surrounding areas have flooding issues whenever there is a “hard” rain. Representatives of the City of Mitchell have provided information that it costs the City approximately \$14,400 per year for cleaning out the storm sewer located by Klockwerks due to gravel in the storm sewer from Hackberry Avenue resulting from storms.

The completion of streets in a portion of the City of Mitchell and the addition of \$8,798,154 or more to the assessed valuation to the City of Mitchell, South Dakota, as well as the creation of new jobs at Klockwerks and Patzers and new housing options will stimulate and develop not only the general economic welfare and prosperity of the City of Mitchell, but also of the State of South Dakota through promotion and advancement of commercial and industrial business.

It is specifically found that once the improvements set forth within City TID #22 Project Plan are completed the area making up the TID and surrounding the TID will enhance significantly the value of substantially all of the other real property in the TID District with two new commercial additions and new expanded housing opportunities and new streets and will provide additional development and employment in the Mitchell, Davison County area.

## Section 5 - Conditions within the Study Area; Land Use and Planning

### Land Use and Planning

#### Comprehensive Plan

The City of Mitchell Comprehensive Plan and Davison County Comprehensive Plan are 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 by increasing the number of visitors stopping and spending additional time in Mitchell, Davison County area, 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).

# SCHEDULE 4 - "FISCAL IMPACT STATEMENT"

## FISCAL IMPACT STATEMENT CITY - TAX INCREMENT DISTRICT NUMBER 22

### 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 22.

**"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 which at completion will be valued for taxable purposes at approximately \$8,798,154.
2. The average tax levy of all taxing districts will be \$23.775 per thousand dollars of taxable valuation for commercial property and \$19.041 for owner-occupied residential property.
3. Tax increment will start to be collected in 2018 and end in to 2036.
4. The interest rate on the obligation is estimated to be approximately 3% per annum.
5. The discretionary formula will be utilized by the Developer and the owners of the other commercial properties.

**FISCAL IMPACT:**

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

Taxing District will continue to receive taxes on approximately \$1,229,145 of full and true value throughout the duration of the District.

**KLOCKWERKS ADDITION**

<b>Valuation Assumptions</b>	<b>Base</b>	<b>Increase</b>	<b>Positive Increment</b>
Land / Existing Improvements	\$146,575	\$539,400	\$539,400

**PATZER ADDITION**

<b>Valuation Assumptions</b>	<b>Base</b>	<b>Increase</b>	<b>Positive Increment</b>
Land / Existing Improvements	\$986,595	\$269,700	\$269,700

**ROGER KOCK TWIN HOME DEVELOPMENT**

<b>Valuation Assumptions</b>	<b>Base</b>	<b>Increase</b>	<b>Positive Increment</b>
Land / Existing Improvements	\$42,400	\$1,618,200	\$1,618,200

**VALOR INVESTMENT PROPERTIES ADDITION**

<b>Valuation Assumptions</b>	<b>Base</b>	<b>Increase</b>	<b>Positive Increment</b>
Land / Existing Improvements	\$53,575	\$6,370,854	\$6,370,854

## SCHEDULE 5 – "ESTIMATED CAPTURED TAXABLE VALUES"

For purposes of this Project Plan, Developer and the other commercial property owners will elect to utilize the real property tax discretionary formula currently utilized in Davison County, 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.

\*Once Davison County determines 100% of full and true value for real property and real property improvements, it implements a multiplier of 0.899 to establish "taxable value" of real property and real property improvements. 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 are estimated to be at the maximum range of \$2,824,386 covering a span of captured tax years not to exceed 20 years. Collection is anticipated to begin in 2018, 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:

2015 Payable in 2016	Commercial/Non Ag	
	\$ Per \$1000	Residential \$ Per \$1000
Davison County	4.088	4.088
City of Mitchell	6.034	6.034
Water District	.069	.069
School	<u>13.564</u>	<u>8.850</u>
Total Tax Levy	\$23.755	\$19.041

Utilizing the information regarding expected increment valuation and tax generation, it is possible to generate an expected revenue stream that can be utilized to retire debt that will be created as a result of implementing the Project Plan, which is presented on the following table.

**Commercial - Klockwerks**

Klockwerks Addition	Year Built	Year Assessed	Collection Year	Percent of Assessed Value		County	City	School	JR Water	Total
						<b>4,088</b>	<b>6,034</b>	<b>13,564</b>	<b>0.069</b>	<b>23.755</b>
\$539,400	2016	2017	2018	20%	\$107,800	\$441	\$650	\$1,462	\$7	\$2,561
\$539,400	2017	2018	2019	40%	\$215,600	\$881	\$1,301	\$2,924	\$15	\$5,122
\$539,400	2018	2019	2020	60%	\$323,400	\$1,322	\$1,951	\$4,387	\$22	\$7,682
\$539,400	2019	2020	2021	80%	\$431,200	\$1,763	\$2,602	\$5,849	\$30	\$10,243
\$539,400	2020	2021	2022	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2021	2022	2023	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2022	2023	2024	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2023	2024	2025	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2024	2025	2026	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2025	2026	2027	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2026	2027	2028	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2027	2028	2029	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2028	2029	2030	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2029	2030	2031	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2030	2031	2032	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2031	2032	2033	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2032	2033	2034	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2033	2034	2035	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804
\$539,400	2034	2035	2036	100%	\$539,000	\$2,203	\$3,252	\$7,311	\$37	\$12,804

**\$217,667**

**Commercial - Patzer**

Klockwerks Addition	Year Built	Year Assessed	Collection Year	Percent of Assessed Value		County	City	School	JR Water	Total
						4.088	6.034	13.564	0.069	23.755
\$269,700	2017	2018	2019	20%	\$53,940	\$221	\$325	\$732	\$4	\$1,281
\$269,700	2018	2019	2020	40%	\$107,880	\$441	\$651	\$1,463	\$7	\$2,563
\$269,700	2019	2020	2021	60%	\$161,820	\$662	\$976	\$2,195	\$11	\$3,844
\$269,700	2020	2021	2022	80%	\$215,760	\$882	\$1,302	\$2,927	\$15	\$5,125
\$269,700	2021	2022	2023	100%	\$269,700	\$1,102.53	\$1,627.37	\$3,658.21	\$18.61	\$6,407
\$269,700	2022	2023	2024	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2023	2024	2025	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2024	2025	2026	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2025	2026	2027	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2026	2027	2028	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2027	2028	2029	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2028	2029	2030	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2029	2030	2031	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2030	2031	2032	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2031	2032	2033	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2032	2033	2034	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2033	2034	2035	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407
\$269,700	2034	2035	2036	100%	\$269,700	\$1,103	\$1,627	\$3,658	\$19	\$6,407

\$102,508

**Twin Home Development Table**

# of Twin Homes Built	Total of Twin Homes	Year Assessed	Levy Year	Collection Year	Percent of Assessed Value		County	City	School	JR Water	Total
							4.088	6.034	0.069	8.850	19.041
1 (2 units)	1	2016	2017	2018	100%	\$269,700	\$1,103	\$1,627	\$19	\$2,387	\$5,135
2 (4 units)	3	2017	2018	2019	100%	\$809,100	\$3,308	\$4,882	\$56	\$7,161	\$15,406
2 (4 units)	5	2018	2019	2020	100%	\$1,348,500	\$5,513	\$8,137	\$93	\$11,934	\$25,677
1 (2 units)	6	2019	2020	2021	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2020	2021	2022	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2021	2022	2023	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2022	2023	2024	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2023	2024	2025	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2024	2025	2026	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2025	2026	2027	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2026	2027	2028	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2027	2028	2029	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2028	2029	2030	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2029	2030	2031	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2030	2031	2032	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2031	2032	2033	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2032	2033	2034	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2033	2034	2035	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812
	6	2034	2035	2036	100%	\$1,618,200	\$6,615	\$9,764	\$112	\$14,321	\$30,812

**\$539,213**

**Commercial Town Homes (Phase I)**

TIF Year	Asses Year	Levy Year	Collec- tion Year	Phase I Units 1-7	Taxable Value of Property	County	City	School	JR Water	Total
						4.088	6.034	13.564	0.069	23.755
2016	2016	2017	2018							
2017	2017	2018	2019	\$143,858	\$143,858	\$588	\$868	\$1,951	\$10	\$3,417
2018	2018	2019	2020	\$287,716	\$287,716	\$1,176	\$1,736	\$3,903	\$20	\$6,835
2019	2019	2020	2021	\$431,574	\$431,574	\$1,764	\$2,604	\$5,854	\$30	\$10,252
2020	2020	2021	2022	\$575,432	\$575,432	\$2,352	\$3,472	\$7,805	\$40	\$13,669
2021	2021	2022	2023	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2022	2022	2023	2024	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2023	2023	2024	2025	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2024	2024	2025	2026	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2025	2025	2026	2027	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2026	2026	2027	2028	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2027	2027	2028	2029	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2028	2028	2029	2030	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2029	2029	2030	2031	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2030	2030	2031	2032	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2031	2031	2032	2033	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2032	2032	2033	2034	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2033	2033	2034	2035	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2034	2034	2035	2036	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087

subtotal      \$273,388

**Commercial Town Homes (Phase II)**

TIF Year	Asses Year	Levy Year	Collec- tion Year	Phase II Units 8-14	Taxable Value of Property	County	City	School	JR Water	Total
						4.088	6.034	13.564	0.069	23.755
2016	2016	2017	2018							
2017	2017	2018	2019		\$0	\$0	\$0	\$0	\$0	\$0
2018	2018	2019	2020	\$143,858	\$143,858	\$588	\$868	\$1,951	\$10	\$3,417
2019	2019	2020	2021	\$287,716	\$287,716	\$1,176	\$1,736	\$3,903	\$20	\$6,835
2020	2020	2021	2022	\$431,574	\$431,574	\$1,764	\$2,604	\$5,854	\$30	\$10,252
2021	2021	2022	2023	\$575,432	\$575,432	\$2,352	\$3,472	\$7,805	\$40	\$13,669
2022	2022	2023	2024	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2023	2023	2024	2025	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2024	2024	2025	2026	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2025	2025	2026	2027	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2026	2026	2027	2028	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2027	2027	2028	2029	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2028	2028	2029	2030	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2029	2029	2030	2031	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2030	2030	2031	2032	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2031	2031	2032	2033	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2032	2032	2033	2034	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2033	2033	2034	2035	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087
2034	2034	2035	2036	\$719,290	\$719,290	\$2,940	\$4,340	\$9,756	\$50	\$17,087

**subtotal      \$256,301**

**Commercial Town Homes (Phase III)**

TIF Year	Asses- s Year	Levy Year	Collec- tion Year	Phase III Units 15- 24	Taxable Value of Property	County	City	School	JR Water	Total
						4.088	6.034	13.564	0.069	23.755
2016	2016	2017	2018							
2017	2017	2018	2019		\$0	\$0	\$0	\$0	\$0	\$0
2018	2018	2019	2020		\$0	\$0	\$0	\$0	\$0	\$0
2019	2019	2020	2021	\$205,511	\$205,511	\$840	\$1,240	\$2,788	\$14	\$4,882
2020	2020	2021	2022	\$411,023	\$411,023	\$1,680	\$2,480	\$5,575	\$28	\$9,764
2021	2021	2022	2023	\$616,534	\$616,534	\$2,520	\$3,720	\$8,363	\$43	\$14,646
2022	2022	2023	2024	\$822,046	\$822,046	\$3,361	\$4,960	\$11,150	\$57	\$19,528
2023	2023	2024	2025	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2024	2024	2025	2026	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2025	2025	2026	2027	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2026	2026	2027	2028	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2027	2027	2028	2029	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2028	2028	2029	2030	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2029	2029	2030	2031	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2030	2030	2031	2032	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2031	2031	2032	2033	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2032	2032	2033	2034	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2033	2033	2034	2035	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2034	2034	2035	2036	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410

subtotal            \$341,735

**Commercial Town Homes (Phase IV)**

TIF Year	Asses s Year	Levy Year	Collec- tion Year	Phase IV Units 25- 34	Taxable Value of Property	County	City	School	JR Water	Total
						4.088	6.034	13.564	0.069	23.755
2016	2016	2017	2018							
2017	2017	2018	2019		\$0	\$0	\$0	\$0	\$0	\$0
2018	2018	2019	2020		\$0	\$0	\$0	\$0	\$0	\$0
2019	2019	2020	2021		\$0	\$0	\$0	\$0	\$0	\$0
2020	2020	2021	2022	\$205,611	\$205,611	\$840	\$1,240	\$2,788	\$14	\$4,882
2021	2021	2022	2023	\$411,023	\$411,023	\$1,680	\$2,480	\$6,575	\$28	\$9,764
2022	2022	2023	2024	\$616,534	\$616,534	\$2,520	\$3,720	\$8,363	\$43	\$14,646
2023	2023	2024	2025	\$822,046	\$822,046	\$3,361	\$4,960	\$11,150	\$57	\$19,528
2024	2024	2025	2026	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2025	2025	2026	2027	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2026	2026	2027	2028	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2027	2027	2028	2029	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2028	2028	2029	2030	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2029	2029	2030	2031	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2030	2030	2031	2032	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2031	2031	2032	2033	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2032	2032	2033	2034	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2033	2033	2034	2035	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2034	2034	2035	2036	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410

subtotal            \$317,325

**Commercial Town Homes (Phase V)**

TIF Year	Asses s Year	Levy Year	Collec- tion Year	Phase V Units 35-44	Taxable Value of Property	County	City	School	JR Water	Total
						4.088	6.034	13.564	0.069	23.755
2016	2016	2017	2018							
2017	2017	2018	2019		\$0	\$0	\$0	\$0	\$0	\$0
2018	2018	2019	2020		\$0	\$0	\$0	\$0	\$0	\$0
2019	2019	2020	2021		\$0	\$0	\$0	\$0	\$0	\$0
2020	2020	2021	2022		\$0	\$0	\$0	\$0	\$0	\$0
2021	2021	2022	2023	\$205,511	\$205,511	\$840	\$1,240	\$2,788	\$14	\$4,882
2022	2022	2023	2024	\$411,023	\$411,023	\$1,680	\$2,480	\$5,575	\$28	\$9,764
2023	2023	2024	2025	\$616,534	\$616,534	\$2,520	\$3,720	\$8,363	\$43	\$14,646
2024	2024	2025	2026	\$822,046	\$822,046	\$3,361	\$4,960	\$11,150	\$57	\$19,528
2025	2025	2026	2027	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2026	2026	2027	2028	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2027	2027	2028	2029	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2028	2028	2029	2030	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2029	2029	2030	2031	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2030	2030	2031	2032	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2031	2031	2032	2033	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2032	2032	2033	2034	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2033	2033	2034	2035	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410
2034	2034	2035	2036	\$1,027,557	\$1,027,557	\$4,201	\$6,200	\$13,938	\$71	\$24,410

subtotal      \$292,915

**Commercial Town Homes (Phase VI)**

TIF Year	Asses Year	Levy Year	Collec- tion Year	Phase VI Units 45-62	Taxable Value of Property	County	City	School	JR Water	Total
						4.088	6.034	13.564	0.069	23.755
2016	2016	2017	2018							
2017	2017	2018	2019		\$0	\$0	\$0	\$0	\$0	\$0
2018	2018	2019	2020		\$0	\$0	\$0	\$0	\$0	\$0
2019	2019	2020	2021		\$0	\$0	\$0	\$0	\$0	\$0
2020	2020	2021	2022		\$0	\$0	\$0	\$0	\$0	\$0
2021	2021	2022	2023		\$0	\$0	\$0	\$0	\$0	\$0
2022	2022	2023	2024	\$369,921	\$369,921	\$1,512	\$2,232	\$5,018	\$26	\$8,787
2023	2023	2024	2025	\$739,841	\$739,841	\$3,024	\$4,464	\$10,035	\$51	\$17,575
2024	2024	2025	2026	\$1,109,762	\$1,109,762	\$4,537	\$6,696	\$15,053	\$77	\$26,362
2025	2025	2026	2027	\$1,479,682	\$1,479,682	\$6,049	\$8,928	\$20,070	\$102	\$35,150
2026	2026	2027	2028	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937
2027	2027	2028	2029	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937
2028	2028	2029	2030	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937
2029	2029	2030	2031	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937
2030	2030	2031	2032	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937
2031	2031	2032	2033	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937
2032	2032	2033	2034	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937
2033	2033	2034	2035	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937
2034	2034	2035	2036	\$1,849,603	\$1,849,603	\$7,561	\$11,161	\$25,088	\$128	\$43,937

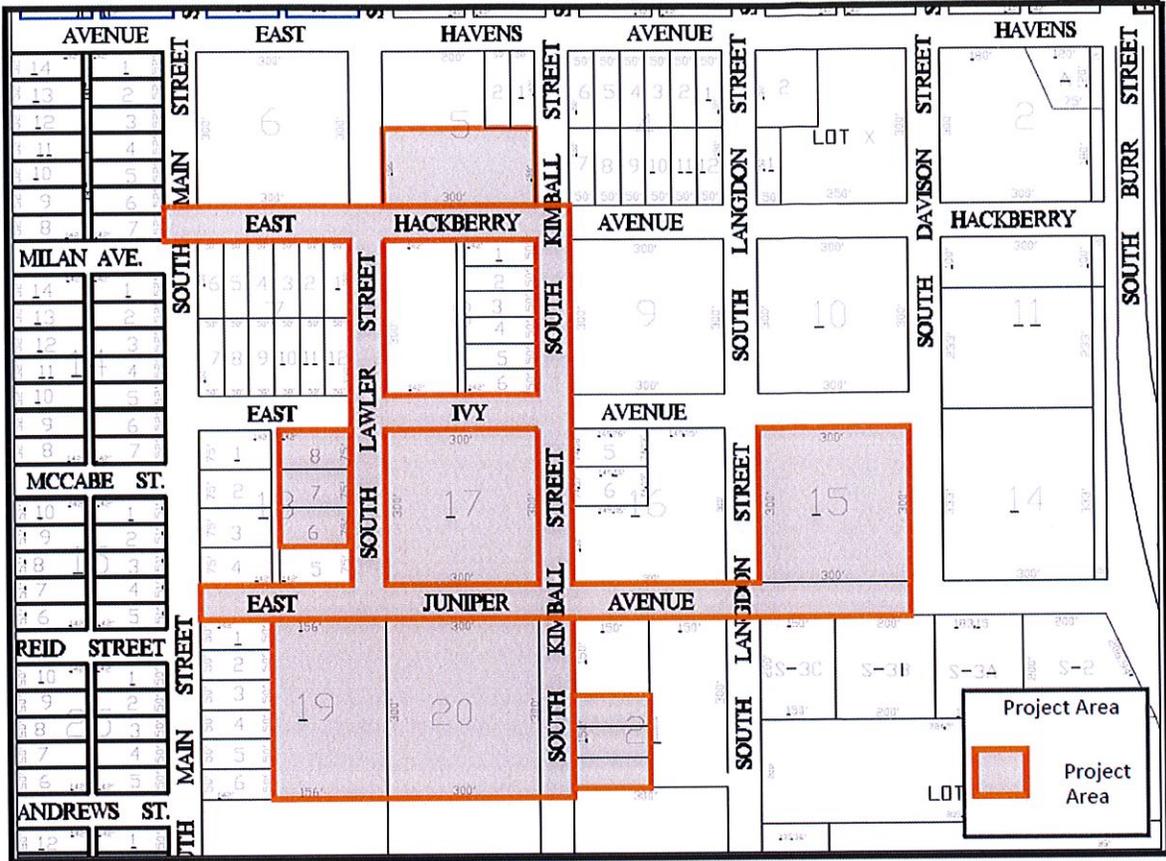
subtotal            \$483,310

## ATTACHMENT 1

- Parcel 1:** South One Hundred Fifty-eight Feet (S.158') of Block Five (5), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 2:** Block Seventeen (17), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 3:** Block Fifteen (15), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota.
- Parcel 4:** Block Twenty (20), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 5:** Lot X and the North Half (N1/2) of Kay Avenue and Lawler Avenue, Block Nineteen (19), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 6:** Lots Six (6), Seven (7) and Eight (8), Block Eighteen (18), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota; and
- Parcel 7:** South One Hundred Fifty Feet (S.150') of the West One Hundred Fifty Feet (W.150') of Block Twenty-one (21), Weavers Squares Addition and the North Half (N1/2) of Vacated East Andrews Street lying south of and abutting the West One Hundred Fifty Feet (W.150') of Block Twenty-one (21), Weavers Squares Addition to the City of Mitchell, Davison County, South Dakota.

In addition to the above parcels, the TID boundaries shall include the East Hackberry Avenue right-of-way from its intersection with South Main Street through its intersection with South Kimball Street; East Ivy Avenue right-of-way from its intersection with South Lawler Street through its intersection with South Kimball Street; East Juniper Avenue right-of-way from its intersection with South Main Street through its intersection with South Davison Street; South Lawler Street right-of-way from its intersection with East Hackberry Avenue to its dead end; and South Kimball Street from its intersection with East Hackberry Avenue to its dead end.

ATTACHMENT 2



## ATTACHMENT 3

### **Zoning Changes**

All parcels shall retain current zoning classifications.