

**OFFICIAL MINUTES
SUMMERSET PLANNING AND ZONING COMMISSION
REGULAR MEETING
TUESDAY, JUNE 25th, 2024 @ 6:00 P.M.**

The meeting was called to order by Chairman Brody Oldfield at 6:00 p.m.

ROLL CALL: Dustin Hirsch, Mitchell Woldt, Brittini Bjorum, Casey Kenrick and Brody Oldfield were present. Also present was the City Administrator.

CALL FOR CHANGES: Motion by Kenrick, second by Bjorum to approve the agenda of the meeting for June 25th, 2024. Motion carried.

CONSENT CALENDAR: Motion by Hirsch, second by Kenrick to approve the minutes of the regular meeting of April 8th, 2024. Motion carried.

**VARIANCE REQUESTS BLACK RIVER CONTRACTING -HARD SURFACE
REQUIREMENT/ANNEXATION**

Motion by Kenrick, second by Bjorum, to open discussion on the hard surface requirement. Motion carried.

City Administrator Lisa Schieffer presented the two variances to the Board and gave a brief overview of Black River Contracting and their intent. Sam Crittenden and Ethan Peterson were present from Black River Contracting to answer any questions. Crittenden stated that they will have heavy machinery in and out of the lot and that could potentially damage the hard surface instead they would like to put down gravel. Planning & Zoning Member Mitchell Woldt expressed his concerns regarding the gravel going out onto Norman Avenue which is paved. Meade County would be the authority for approval of the approach. These items will all be addressed when the preliminary plat is turned in.

Motion by Kenrick, second by Woldt to close discussion. Motion carried.

Motion by Kenrick, second by Hirsch to recommend approval of the variance to not have a hard surface to the Board of Commissioners. Motion carried.

Motion by Bjorum, second by Kenrick, to open discussion on the variance for annexation. Motion carried.

Crittenden explained that it is a hardship to have another layer of taxation over the top of the property. Summerset can only give limited services and would not be on sewer, and water does not run all the way down to the property from Black Hawk Water.

Discussion ensued about this being a unique property in that it was platted and then unplatted according to the Meade County Register of Deeds Office. Crittenden will be platting the same and feels he is not subdividing according to the ordinance. The property in question is contiguous to the City of Summerset.

Motion by Hirsch, second by Bjorum to close discussion. Motion carried.

Motion by Kenrick, second by Bjorum to deny the variance regarding not being annexed into the city limits of Summerset to the Board of Commissioners.

ADJOURNMENT

Motion by Bjorum, second by Kenrick to adjourn the meeting at 6:27 p.m. Motion carried.

Brielle Schrock, Finance Officer

Brody Oldfield, Chairman

Published once _____ at a cost of \$ _____.



COMMUNITY PLANNING & DEVELOPMENT SERVICES

City of Summerset
7055 Leisure Lane, Summerset, SD 57718
Phone: (605) 718-9858 Fax: (605) 718-9883 Web: www.summerset.us

APPLICATION FOR DEVELOPMENT REVIEW

REQUEST (please check all that apply)

- Annexation
- Comprehensive Plan Amendment
- Fence Height Exception
- Planned Development (Overlay)
 - Designation
 - Initial Plan Final Plan
 - Major Amendment
 - Minimal Amendment

- Subdivision
 - Layout Plan
 - Preliminary Plat
 - Final Plat
 - Minor Plat
- Rezoning
- Road Name Change

- Conditional Use Permit
 - Major Amendment
 - Minimal Amendment
- Vacation
 - Utility / Drainage Easement
 - R.O.W. / Section Line Highway
 - Access / Non-Access
 - Planting Screen Easement
- OTHER (specify) _____

LEGAL DESCRIPTION (Attach additional sheets as necessary)

EXISTING Plat of Lots 1-10 of Summerset Meadows S 31, T 3N, R 7E

PROPOSED Lot 1R of Summerset Meadows

LOCATION

Size of Site-Acres	Square Footage	Proposed Zoning <u>R1</u>
--------------------	----------------	---------------------------

DESCRIPTION OF REQUEST:

Combining Lots 1 & 2

Utilities: Private / Public
Water
Sewer

APPLICANT

Name Justin Rudland Phone justin.superiorcustomers@gmail.com
 Address 4992 N. Elk Vale Rd E-mail 605-484-7631
 City, State, Zip Rapid City SD 57701 Signature [Signature] Date 6-18-24
PROJECT PLANNER - AGENT

Name _____ Phone _____
 Address _____ E-mail _____
 City, State, Zip _____ Signature _____ Date _____
OWNER OF RECORD (If different from applicant)

Name _____ Phone _____
 Address _____ E-mail _____
 City, State, Zip _____

[Signature] 6-18-24
 Property Owner Signature Date Property Owner Signature Date

Signature _____ Date _____ Signature _____ Date _____
 Print Name: _____ Print Name: _____
 Title*: _____ Title*: _____

*required for Corporations, Partnerships, etc.

FOR STAFF USE ONLY

ZONING
Current
North
South
East
West
Planner
File No.
Comp Plan
Received By:

- | | | |
|--|---|--|
| <input type="checkbox"/> Sewer Utility | <input type="checkbox"/> BHP&L | <input type="checkbox"/> Diamond D Water |
| <input type="checkbox"/> Fire Department | <input type="checkbox"/> Finance Officer | <input type="checkbox"/> Black Hills Water |
| <input type="checkbox"/> Public Works | <input type="checkbox"/> Register of Deeds | <input type="checkbox"/> |
| <input type="checkbox"/> Planning | <input type="checkbox"/> County - Planning | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Building Inspector | <input type="checkbox"/> SD DOT | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Engineering | <input type="checkbox"/> SD DENR | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> City Code Enforcement | <input type="checkbox"/> Auditor - Annexation | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Police | <input type="checkbox"/> Drainage | <input type="checkbox"/> |
| <input type="checkbox"/> City Attorney | <input type="checkbox"/> Parks & Recreation | |

Planning and Zoning Meeting Date: _____ Covenants filing fee? Yes No
 Commission Meeting Date: _____
 Date Paid: _____ Payment Type: Cash Check Credit Card



Minor Plat Review

Summerset Meadows

Lot 1R of Summerset Meadows

Prepared By: Shannon Vasknetz, Baseline Surveying, Inc.

Submitted On: Tuesday, June 18, 2024

Reviewed By: Lindsay Shagla, HDR Engineering, Inc.

Review Date: Tuesday, July 2, 2024

The contents of this checklist are based upon the content outlined in the City's Subdivision Ordinances 151 and 155. Note that per Ordinance 151.038 Minor Plat "No lot created by a minor plat shall be included in another subdivision plat for a period of two years from the Register of Deeds' filing date of the minor plat."

The following items have been reviewed for the Plat as defined above:

Plat Content

- Subdivision name shall not duplicate, be the same in spelling, or alike in pronunciation with the name of any other recorded subdivision, unless it is an extension of or adjacent to said subdivision

Comments

- Includes a Scale & North Arrow

Comments

- All Lot and Block Lines are illustrated

Comments

- Bearing & Distances check

Comments

- Lot & Block numbering pattern is systematic (not scattered)

Comments

- Areas of all Lots is identified in both square footage and acres

Comments

- Lots meet lot width and area requirements

Comments

- For R-3 zoned properties, all required greenspaces are provided

Comments NA

- All Easements are identified & Include Dimensions

Comments

- Right-of-Ways are dimensioned and widths meet Summerset IDCM requirements

Comments NA

- Names of all adjoining subdivisions, other unplatted properties, and easements are labeled

Comments



Minor Plat Review

<input checked="" type="checkbox"/>	Boundary Lines of the area being subdivided are tied to the nearest established street line, section corner, other previously described subdivision, or other recognized permanent monuments accurately described per SDCL-43-18, 43-20, and 43-21
Comments	
<input checked="" type="checkbox"/>	Location of all monuments and permanent control points, and all survey pins, either set of located as required by SDCL 43-18, 43-20, and 43-21.
Comments	
<input type="checkbox"/>	Plat identifies and delineates any portions of the property intended to be dedicated or granted for public use such as drainage facilities, schools or park land.
Comments	NA
<input checked="" type="checkbox"/>	All dimensions, both linear and angular, necessary for locating the boundaries of the subdivision lots, streets/roads, alleys, easements, and other areas for public or private use are shown to the nearest 1/100 of a foot.
Comments	
<input type="checkbox"/>	Dimensions are identified for the radii, chords, length of curve, point of tangency, and central angles for all curvilinear streets/roads and radii for rounded corners.
Comments	NA
<input checked="" type="checkbox"/>	The boundary lines of the floodway and 100-year flood zones, along with the base flood elevation on each lot as delineated on the Flood Insurance Rate Maps (FIRM) are illustrated.
Comments	Note FEMA Mapping, FIRM Panel 46093C Designated in area of Minimal Flood Hazard, Zone X.

Certifications

<input checked="" type="checkbox"/>	Acknowledgment of the Owner or Owners of the plat of any restrictions, including dedication to public use of all streets/roads, alleys, parks or other open spaces shown thereon and the granting of easements required; as well as the use of any required common areas is included.
Comments	
<input checked="" type="checkbox"/>	Acknowledgement of Registered Land Surveyor
Comments	Certification is on the plat, signatures still needed.
<input checked="" type="checkbox"/>	Acknowledgement of City Finance Officer
Comments	Certification is on the plat, signatures still needed.
<input checked="" type="checkbox"/>	Acknowledgement of County Treasurer
Comments	Certification is on the plat, signatures still needed.
<input checked="" type="checkbox"/>	Acknowledgement of County Official of Equalization
Comments	Certification is on the plat, signatures still needed.
<input checked="" type="checkbox"/>	Acknowledgement of all relevant Street and/or Highway Authorities
Comments	Certification is on the plat, signatures still needed.
<input checked="" type="checkbox"/>	Acknowledgement of Planning Commission
Comments	Certification is on the plat, signatures still needed.
<input checked="" type="checkbox"/>	Board of Commissioners Resolution, signed by the Mayor and the Finance Officer
Comments	Certification is on the plat, signatures still needed.
<input checked="" type="checkbox"/>	Register of Deeds Recording area
Comments	Certification is on the plat, signatures still needed.



Minor Plat Review

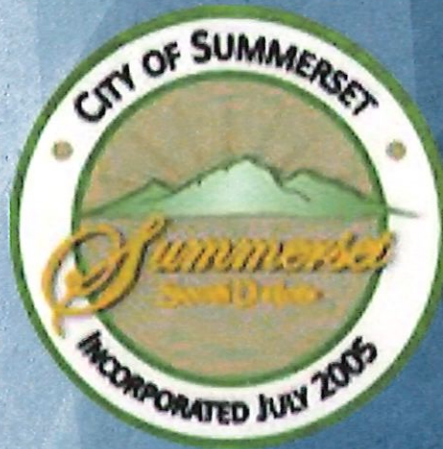
Comments from the City Council and the Planning & Zoning Committee may also be included with this review.

The next City Council Meeting is scheduled for: Tuesday, July 9, 2024

The next Planning & Zoning Meeting is scheduled for: Tuesday, July 9, 2024

The following additional comments have been shared by various members of the City's Planning & Zoning Committee and City Council:

TAX INCREMENT FINANCE DISTRICT #3



CITY OF SUMMERSET

Submitted by:
Tobin J. Morris
Colliers Securities, LLC

On behalf of
Norman Ranch Subdivision, LLC
July 2024

Colliers Securities LLC
124 W Dakota Ave | Pierre, SD 57501

tobin.morris@colliers.com

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INTRODUCTION – THE PROJECT

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

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

In addition to increasing property valuation, creating a Tax Increment District for the benefit of affordable housing can mean retaining and creating more jobs. Today's business climate allows corporations the flexibility to call any state in the union their home. It is up to local communities to attract and retain companies to their communities. Using Tax Increment Financing is one of the most powerful economic development tools to help communities achieve their goals.

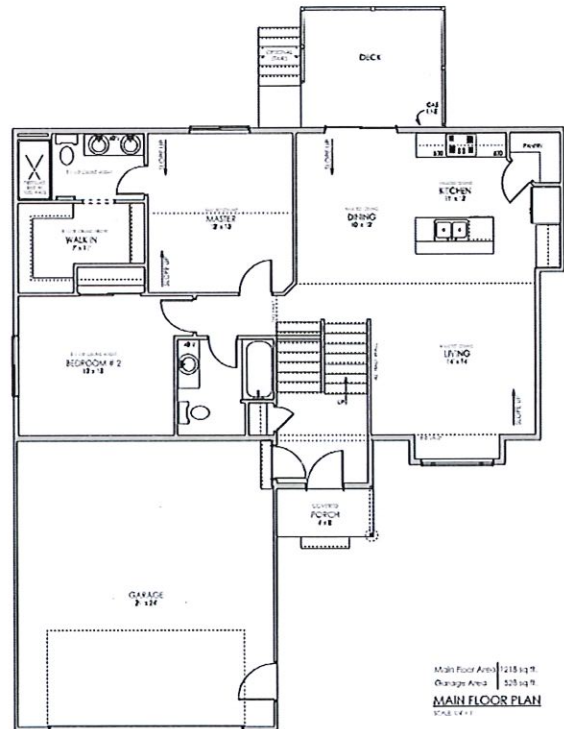
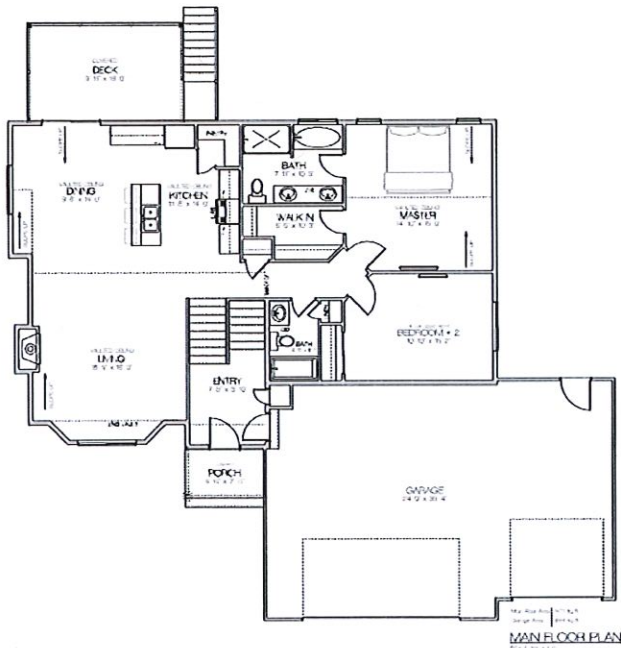
A local government, per South Dakota Codified Law, Chapter 11-9, can designate a specific area within its boundaries as a redevelopment area appropriate for a TIF district and prepare a plan for development. TIF projects must be recommended for approval by the County or City Planning Commission and the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

The intention of this TIF Project is to provide affordable housing in the City of Summerset. The Project will increase the availability of affordable housing, including providing the necessary infrastructure for the development.

The proposed Norman Ranch Subdivision will consist of more than 131 single family homes and 72 town homes. The development will help alleviate the need for additional housing options in the City of Summerset and the surrounding area.

Shown below are housing options similar to the Norman Ranch development:





Purpose & General Definitions

The property upon which this Tax Incremental District (TID) is proposed to be implemented is located within City of Summerset, South Dakota.

As such, the creation of City of Summerset TIF #3 shall be conditioned upon the creation of the District by resolution, and the establishment of the TID boundaries and approval of the TID Project plan by the City Planning and Zoning Commission.

The purpose of this Plan, to be implemented by City of Summerset, South Dakota is to satisfy the requirements for a Tax Increment District #3 as specified in SDCL Chapter 11-9. The principal purpose of the Plan is to define eligible property and to define a Tax Increment Plan for funding eligible activities in an eligible area of the City. The Plan will describe the boundary, estimated costs, feasibility and fiscal impact of the District.

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

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 by providing affordable housing.

The intention of this TIF Project is to increase the availability of affordable housing in the City of Summerset, as well as improve community infrastructure. The lots and homes will be sold at the South Dakota Housing Development Authority's standard for first-time homebuyers.

The development of affordable housing will provide necessary housing to meet the needs of the increased attraction of the region. Affordable housing is important to the economic vitality of communities; access to affordable housing improves a community's ability to attract and retain residents and remain competitive in the global economy.

The Black Hills have experienced a large amount of population growth in the last few years. The growth can be attributed to various different factors. One of the main factors in the Black Hills is the B-21 project at Ellsworth Airforce Base. Elevate Rapid City, the regional economic development organization has predicted a need for more than 3,000 new homes to accommodate the commitments the community has made to securing the new B-21 project at Ellsworth. This prediction was made prior to the COVID pandemic, which is important to note, for the pandemic has created even more demand for housing due to the influx of people moving to the Black Hills.

The following tables show the population growth from the years 2010 to 2020. The City of Summerset had already seen a 52% increase in population growth. According to Elevate Rapid City Housing Study, it is projected that the City of Summerset could see an additional 38% population increase by the year 2030.

According to Elevate Rapid City Housing Study –

“In total, there is demand for 291-333 single family-detached, duplex, townhouse units over the next eight years. Based on population projections and target vacancy rate, the total ownership units needed by 2030 are in the range of 291-333, approximately 36- 42 net new units constructed per year.”

Figure 4. Population Change
Source: 2020 ACS 5-Year Estimates DP05

Municipality	2010-2020 Population Change	Percent Change Over Decade
Rapid City	10,397	15%
Black Hawk	401	15%
Box Elder	2,251	29%
Colonial Pine Hills	64	2.4%
Piedmont*	1,150	3,026%
Rapid Valley	423	5.2%
Sturgis	297	4.4%
Summerset*	890	52%
Spearfish	1,507	15%
Rapid City MSA**	15,597	12.3%

Figure 16. Population Projections by Age for Summerset
Source: MSA Projections

Summerset Population by Age				
	2020 ACS Estimate		Projected 2030	
	Count	10-year % Change	Count	10-year % Change
0-9 Years	388	31.5%	504	30.0%
10-19 Years	433	42.4%	563	30.0%
20-34 Years	589	25.9%	736	25.0%
35-54 Years	612	28.0%	796	30.0%
55-64 Years	260	229.1%	416	60.0%
65-84 Years	286	248.8%	515	80.0%
85 and Over	39	254.5%	78	100.0%
Totals	2,607	51.8%	3,608	38.4%

The Elevate Rapid City tables below show the need for up to 264 single family, 25 duplex, and 22 townhome units by the year 2030. The proposed development will help alleviate the need for additional housing units.

Figure 112. Summerset Ownership Housing Demand by Unit Type
 Source: Rapid City Community Housing Survey, MSA household projections

Summerset New Construction OWNERSHIP Housing Demand to 2030 BY UNIT TYPE			
Total Ownership Units by Age			
Net Additional Households Under Age 55			134
Net Additional Households Age 55-74			120
Net Additional Households Age 75+			58
Total Ownership Units by Age			312
Unit Type Preference by Age*	Single Family	Duplex	Townhome
Net Additional Households Under Age 55	95%	2%	3%
Net Additional Households Age 55-74	80%	10%	9%
Net Additional Households Age 75+	70%	18%	13%
Total Units by Age and Type	Single Family	Duplex	Townhome
Net Additional Households Under Age 55	128	3	4
Net Additional Households Age 55-74	96	12	11
Net Additional Households Age 75+	41	10	8
Total Ownership Units by Type - by 2030	264	25	22
Total Ownership Units by Type - per year	33	3	3

Figure 99. Summerset Ownership Housing Demand
 Source: MSA Projections

Summerset OWNERSHIP Housing Demand to 2030			
Demand from Household Growth 2020-2030		% Owner	Owner Household Growth
Net Additional Households Under Age 55	178	75%-85%	134 - 151
Net Additional Households Age 55-74	169	70%-80%	119 - 135
Net Additional Households Age 75+	68	85%-95%	58 - 65
Additional Units for 1.5% Vacancy			5-5
Subtotal Units - Demand from	416		315-357
Units Needed to Restore Target Vacancy			
2020 Ownership Households			798
2020 Ownership Vacancy Rate			0.0%
Additional Vacancy to Achieve 1.5%			1.5%
Subtotal - Units to Restore Target Vacancy			12
Units Already Permitted in 2020 and 2021			
Single Family and Duplex Units Permitted in 2020			(20)
Single Family and Duplex Units Permitted in 2021			(16)
Subtotal - Units already Permitted			(36)
Total Additional Ownership Units by 2030:			291 - 333
Average Annual Net New Construction Ownership Units per Year:			36 - 42

General Definitions

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

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

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

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

"Commission" means the City Commission of the City of Summerset

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

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

"Developer" means Norman Ranch Subdivision, LLC

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

"District" means the Tax Incremental District.

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

"Fiscal year" means that fiscal year for City of Summerset

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

"Governing body" means the Summerset, City Commission

"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.

"Planning Commission" means the City of Summerset Planning Commission

"Plan" means this Project Plan.

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

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

"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 County defined and created by resolution of the governing body and named City of Summerset Tax Incremental District #3.

"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 SUMMERSET TAX INCREMENT DISTRICT #3

Representatives of the Developer have approached officials of City Summerset regarding the possibility of creating a Tax Incremental Financing District (“TID”) to assist in the Project Costs within the Plan on land located within the City of Summerset, South Dakota.

Affordable housing is important to the economic vitality of communities. It can attract and retain employees to a community, supporting the local workforce so they can live close to their jobs. In revitalizing communities, the construction of affordable homes can also help to stimulate economic growth.

A healthy mix of housing options ensures opportunities for all individuals to improve their economic situation and contribute to their communities. For many working families, homeownership represents the American Dream. From a community’s perspective, homeowners may provide stability to their neighborhoods in which they are invested.

Property Within Tax Increment #3

- Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

TAXABLE VALUE OF CITY OF SUMMERSET

State law requires that tax increment districts cannot exceed ten percent of the taxable value of a municipality. The 2024 valuation of the City of Summerset is \$283,332,195. The base value of the taxable property for inclusion into this Tax Incremental District #3, as estimated but not yet verified by Meade County Director of Equalization, is \$631,744.

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

There is two other active TIF district in the City of Summerset. Using the estimates provided for TID #3, the value of all existing Tax Increment Districts combined is less than 5.2% of the total 2024 Taxable Valuation.

City of Summerset

Tax Increment District	Base Value
1	\$6,942,299
2	\$7,113,445
3	\$631,744
Total	\$14,687,488

City of Summerset Taxable Value

\$283,332,195

All Base Value must be less than 10%

\$28,333,220

KIND, NUMBER, LOCATION, AND DETAILED COSTS OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS SDCL § 11-9-13(1)

In order to implement the provisions of SDCL Chapter 11-9, the following are Project Costs and expenditures made or estimated to be made and the monetary obligations incurred or estimated to be incurred. The Project Costs include capital costs, financing costs, real property assembly costs, professional fee costs, imputed administration costs, relocation costs, organizational costs, discretionary costs and grants, plus any costs incidental thereto.

All Project Costs are found to be necessary and convenient to the creation of the Tax Incremental District and its implementation. The project constitutes economic development which is a proper public purpose of the City. The City exercises the powers expressly stated in and reasonably inferred by SDCL §11-9-15 and Chapter 9-54. The City shall enter into all contracts in accordance with South Dakota Law.

Costs of Public Works and 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.

The following are estimated costs of the Project:

Kind of Project	Location ¹	Amount	Reference ²
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) ²	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	\$1,200,000	11-9-15(5)
Relocation Costs	District		11-9-15(6)
Organizational Costs	District		11-9-15(7)
Discretionary Costs and Grants	District	\$12,000,000	11-9-15(8)
Eligible Project Costs		13,200,000	

The above are estimates of the costs involved in the project; the final total may be greater or smaller. An itemized listing of the estimated costs is set forth on Schedule 1. Because the cost estimates are only projected expenditures, the total authorized TID costs is expected to be \$13,200,000. This amount is the controlling value with respect to authorized TID Project Costs rather than the particular line item amounts contained in the above Chart and Schedule 1. The line item categories proposed are for guidance only, and actual costs will be determined upon completion of the improvements. The above total represents eligible Project Costs. Only such amounts as are feasible will be allowed by the City or by monetary obligation.

1 District shall mean the Tax Increment District.

2 SDCL §11-9-15 (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent 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.

Conditions of the Developer Agreement relating to Constitutional Debt

It is specifically a condition of the proposed Developer's Agreement that the City's obligation to pay is limited to the proceeds of the positive tax increment from the TID received into the TIF Fund. The obligation of the City to pay pursuant to the proposed Agreement does not constitute a general indebtedness of the City or a charge against the City's general taxing power. The provisions of SDCL 11-9-36 are specifically incorporated within the Agreement by reference. It is also to be specifically agreed that the City has made no representation that the proceeds from such Fund shall be sufficient to retire any indebtedness incurred by Developer. The parties further acknowledge that SDCL 11-9-25 limits the duration of allocation of the positive tax increment payments and the fund created by the TID.

Additionally, the City's obligations to make the payments set forth in the proposed Agreement shall be lawfully made from funds to be budgeted and appropriated on an ANNUAL BASIS for that purpose during the City's then current fiscal year, thus not counting towards Constitutional Debt. If at any time during the term of this Agreement, the governing body of the City shall fail or refuse to approve or authorize the funds due hereunder, then the Agreement shall terminate upon the end of the fiscal year for which funds were approved or authorized, without penalty to the City. The City's obligation hereunder shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. Notwithstanding anything to the contrary contained in the proposed Agreement, the City hereby acknowledges and agrees that the obligations of the City under this Agreement are a material inducement for Developer to incur various development and construct improvements upon the TID property and the failure to pay tax increment to Developer will be financially detrimental to future improvements on said property.

The Developer anticipates the project costs in acquiring, developing, financing, and preparing the TIF Property for sale, lease and/or development will meet or exceed Thirteen Million, Two Hundred Thousand Dollars (\$13,200,000). Certain of these costs would be considered TIF-eligible costs within the meaning of SDCL § 11-9-14 and SDCL § 11-9-15.

It is further understood that the amount of \$13,200,000 will be the maximum amount the City will ever pass on acting as a conduit for TIF #3. This amount will include any and all interest associated with the debt and the controlling value of the TIF will never pay more than \$13,200,000.

The payment of tax increment funds under this Agreement is a Grant under Chapter 11-9 of the South Dakota Codified Laws (the "Grant"). The Grant is a personal property right vested with the Developer on the effective date of this Agreement. The City will Grant this amount to the Developer and thus not have to account for any assets on the City's financial statement. The

Developer will be responsible for obtaining their financing and the City will not be liable for any Developer debt.

Upon completion of the construction of the infrastructure improvements, the Developer shall certify to the City's Finance Officer the costs of construction, including capital costs, Professional Fees, and contingency costs. The Developer shall provide contractor/supplier invoices or other supporting documentation upon request of the Finance Officer. Upon certification and verification of costs, the City shall pay all available tax increment fund revenues not to exceed \$13,200,000 to the Developer.

Expenditures Exceeding Estimated Cost

Any expenditures, which in sum would exceed the total amount of the TID amount of \$13,200,000 will require an amendment of this Plan. All amendments would be undertaken pursuant to SDCL §11-9-23.

When the expenditures within the Plan are increased in excess of more than 35 percent of the total above, the Department of Revenue will be required to reset the base, in accordance with SDCL §11-9-23.

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

FEASIBILITY STUDY, ECONOMIC DEVELOPMENT STUDY, AND FISCAL IMPACT STATEMENT

Detailed List of Estimated Project Costs

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

Feasibility Study

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

Economic Development Study

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

Fiscal Impact Statement

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

METHOD OF FINANCING, TIMING OF COSTS AND MONETARY OBLIGATIONS

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

Maximum Amount of Tax Increment Revenue

The maximum amount of tax increment revenue bonds or monetary obligations to be paid through Tax Increment District #3 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 \$13,200,000 principal and interest or such lesser amount as may be feasible with the estimated revenue generated by the Tax Increment District. The final terms and conditions will be set forth in the Developer's Agreement.

Duration of Tax Increment 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 calendar years** of revenue from the date of creation of the District.

ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS

The site will generate taxes to the local jurisdictions at or above the assessed value of the base. All taxing districts shall receive the taxes from that base which will be the value set for 2023 taxes payable in 2024. The tax increment will be available to the taxing jurisdictions at or before twenty years after the creation of the District. Schedule 5 details the tax capture implications to each of the local taxing jurisdictions. After the repayment of the bonds and monetary obligations, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

Mechanisms are built within State Codified Law to ensure that school districts are held harmless by TIF districts for their General and Special Education Funds. For these purposes, law (SDCL 13-13-10.2) defines four classifications of TIFs:

- Economic Development - Any area where there is or will be one or more businesses engaged in any activity defined as commercial or industrial by the governing body that has zoning authority over the land contained within the tax incremental district
- Industrial – Any factory or any business engaged primarily in the manufacturing or assembly of goods, the processing of raw materials, and the wholesale distribution of products for resale
- Affordable Housing – Includes an area where: 1. The original selling price of any house in the district will be at or below the first-time homebuyer purchase price limit being used by the South Dakota Housing Development Authority as of the date the house is sold; OR 2. The monthly rental rate of all multifamily housing units in the district will be at or below the calculated rent for the state's eighty percent area median income as of the date the district is created, for a minimum of five years following the date of first occupancy.
- Local – Any tax incremental districts that do not fall under Economic Development or Industrial

All public school districts are funded through the State Aid to Education formula. The two primary channels of the formula are State Aid and Local Effort. Multiple agencies of the State of South Dakota calculate the amount of General Fund monies to be distributed to school districts each year through the State portion. Local effort is considered the amount of revenue that is generated by local property taxes at maximum levies.

If a TIF is classified as Economic Development, Industrial, or Affordable Housing, the school funding that would be generated by the increment valuation is considered lost local effort and is paid through the State Aid side of the formula. If a TIF is classified as Local, the affected school district funding must be recouped through local effort in the form of an additional levy added to the General and Special Education Funds. In either scenario, the school district receives the financial need associated with the increment valuation.

City of Summerset TIF #3 will be classified as Affordable Housing; therefore, any lost local effort will be covered through the State Aid to Education Formula.

MAPS

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

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

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

SUPPLEMENTARY FINDINGS

CHANGES TO CITY & COUNTY COMPREHENSIVE/MASTER PLAN MAP, BUILDING CODES & COUNTY ORDINANCES PER SDCL §11-9-16 (4)

No changes to neither City ordinances nor the City Master Plan are required.

LIST OF ESTIMATED NON-PROJECT COSTS

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

Item	Amount
Estimated cost to build homes	\$87,157,554
TOTAL	\$87,157,554

STATEMENT OF DISPLACEMENT AND RELOCATION PLAN

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

PERFORMANCE BOND, SURETY BOND OR OTHER GUARANTY

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

LIST OF SCHEDULES

SCHEDULE 1 - Estimated Project Cost

SCHEDULE 2 - Economic Feasibility Study & Estimated Captured Taxable Values


SCHEDULE 3 - Economic Development Study

SCHEDULE 4 - Fiscal Impact Statement

SCHEDULE 1

ESTIMATED PROJECT COSTS

The following is the actual costs for project number one.

BID TAB SUMMARY							
				Project Name: <u>Norman Ranch Subdivision</u> Project Number: <u>2493.01</u> Owner: <u>Norman Ranch Subdivision, LLC</u> Date: <u>5/1/2024</u> Completed By: <u>KVT</u>			
				NORMAN RANCH SUBDIVISION SANITARY SEWER FORCE MAIN			
ITEM NO.	DESCRIPTION OF ITEM	UNIT	QUANTITY	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	10" RJ PVC SEWER FORCEMAIN DR 25	LF	600	\$100.00	\$60,000.00	\$119.08	\$71,448.00
1R	10" C900 SDR 18 FORCEMAIN	LF	7071	\$90.00	\$636,390.00	\$97.83	\$691,755.93
2	8" SEWERMAIN	LF	1960	\$80.00	\$156,800.00	\$83.73	\$164,110.80
3	20" STEEL CASING BORE AND JACK	LF	406	\$580.00	\$235,480.00	\$695.37	\$282,320.22
3R	20" STEEL CASING BORE AND JACK (STURGIS ROAD)	LF	100	\$580.00	\$58,000.00	\$895.93	\$89,593.00
4	10" FITTINGS	EA	40	\$500.00	\$20,000.00	\$1,576.40	\$63,056.00
5	STANDARD MANHOLE, 48"	EA	6	\$7,850.00	\$47,100.00	\$8,408.98	\$50,453.88
6	AIR RELEASE VALVE VAULT	EA	2	\$65,000.00	\$130,000.00	\$34,804.15	\$69,608.30
7	DRAIN VAULT	EA	1	\$70,000.00	\$70,000.00	\$5,005.11	\$5,005.11
8	TRANSITION MANHOLE & CHECK VALVE VAULT	LS	1	\$110,000.00	\$110,000.00	\$9,805.99	\$9,805.99
9	LIFT STATION WET WELL	LS	1	\$125,000.00	\$125,000.00	\$139,403.62	\$139,403.62
10	LIFT STATION VALVE VAULT	LS	1	\$75,000.00	\$75,000.00	\$8,068.60	\$8,068.60
11	LIFT STATION PUMPS	LS	1	\$95,000.00	\$95,000.00	\$111,347.04	\$111,347.04
12	LIFT STATION CONTROLS & SCADA	LS	1	\$65,000.00	\$65,000.00	\$90,025.26	\$90,025.26
13	CONTRACTOR MOBILIZATION	LS	1	\$75,000.00	\$75,000.00	\$64,232.26	\$64,232.26
14	TRAFFIC CONTROL	LS	1	\$50,000.00	\$50,000.00	\$29,613.57	\$29,613.57
15	EROSION CONTROL	LS	1	\$12,000.00	\$12,000.00	\$17,768.14	\$17,768.14
16	GRAVEL SURFACING	T	400	\$18.50	\$7,400.00	\$28.92	\$11,568.00
17	SAW CUT AND REMOVE ASPHALT	SY	2800	\$7.50	\$21,000.00	\$15.02	\$42,056.00
18	5" ASPHALT PATCH	T	600	\$100.00	\$60,000.00	\$126.05	\$75,630.00
19	SEEDING, FERTILIZING, & MULCHING	SY	13000	\$0.65	\$8,450.00	\$0.56	\$7,280.00
20	RAILROAD INSURANCE	LS	1	\$5,000.00	\$5,000.00	\$11,845.43	\$11,845.43
21	INCIDENTAL	LS	1	\$50,000.00	\$50,000.00	\$25,637.29	\$25,637.29
				TOTAL	\$2,172,620.00	TOTAL	\$2,131,632.44

NORMAN RANCH SUBDIVISION ANDERSON WATER CROSSING				ENGINEERS ESTIMATE		MIDWEST CONTRACTING SOLUTIONS, LLC	
ITEM NO.	DESCRIPTION OF ITEM	UNIT	QUANTITY	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	16" RJ PVC WATER MAIN C-900 DR18	LF	460	\$175.00	\$80,500.00	\$193.96	\$89,221.60
2	30" STEEL CASING BORE AND JACK	LF	439	\$750.00	\$329,250.00	\$842.11	\$369,686.29
3	16" PVC WATER MAIN C-900 DR18	LF	2870	\$150.00	\$430,500.00	\$185.23	\$531,610.10
4	16" GATE VALVE W/ BOX	EA	6	\$9,000.00	\$54,000.00	\$20,604.18	\$123,625.08
5	16" FITTING	EA	24	\$2,800.00	\$67,200.00	\$5,018.17	\$120,436.08
6	6" FIRE HYDRANT, LEAD, AUXILIARY VALVE	EA	1	\$6,400.00	\$6,400.00	\$11,049.93	\$11,049.93
7	PRV STATION	EA	1	\$60,000.00	\$60,000.00	\$130,015.13	\$130,015.13
8	METER PIT	EA	1	\$25,000.00	\$25,000.00	\$2,109.33	\$2,109.33
9	CONTRACTOR MOBILIZATION	LS	1	\$30,000.00	\$30,000.00	\$11,122.47	\$11,122.47
10	TRAFFIC CONTROL	LS	1	\$10,000.00	\$10,000.00	\$16,683.70	\$16,683.70
11	EROSION CONTROL	LS	1	\$5,000.00	\$5,000.00	\$11,122.47	\$11,122.47
12	GRAVEL SURFACING	T	200	\$20.00	\$4,000.00	\$38.93	\$7,786.00
13	CONNECT TO EXISTING WATER MAIN	EA	1	\$6,000.00	\$6,000.00	\$6,130.42	\$6,130.42
14	INCIDENTAL	LS	1	\$30,000.00	\$30,000.00	\$38,218.71	\$38,218.71
				TOTAL	\$1,137,850.00	TOTAL	\$1,468,817.31

NORMAN RANCH SUBDIVISION PHASE 1A				ENGINEERS ESTIMATE		MIDWEST CONTRACTING SOLUTIONS, LLC	
ITEM NO.	DESCRIPTION OF ITEM	QUANTITY	UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
	GENERAL						
100	MOBILIZATION	1	LS	\$95,000.00	\$95,000.00	\$134,693.10	\$134,693.10
101	MATERIAL TESTING	1	LS	\$9,000.00	\$9,000.00	\$28,084.23	\$28,084.23
102	CONSTRUCTION STAKING	1	LS	\$11,000.00	\$11,000.00	\$11,122.47	\$11,122.47
103	TRAFFIC CONTROL	1	LS	\$3,000.00	\$3,000.00	\$5,561.23	\$5,561.23
104	INCIDENTAL WORK	1	LS	\$7,500.00	\$7,500.00	\$38,928.64	\$38,928.64
105	REMOVALS	1	LS	\$2,500.00	\$2,500.00	\$5,561.23	\$5,561.23
	SURFACING						
200	ASPHALT, CLASS E, TYPE 1 PG64-28 (5")	2832	TONS	\$120.00	\$339,840.00	\$124.29	\$351,989.28

201	AGGREGATE BASE COURSE (6")	4094	TONS	\$26.00	\$106,444.00	\$28.92	\$118,398.48
202	GEOTEXTILE FABRIC	12930	SY	\$3.00	\$38,790.00	\$3.34	\$43,186.20
203	CONCRETE CURB & GUTTER, ROLLOVER	5918	LF	\$26.00	\$153,868.00	\$25.03	\$148,127.54
204	CONCRETE SIDEWALK 4" NON-REINFORCED W/ 2" CUSHION	58	SY	\$60.00	\$3,480.00	\$80.08	\$4,644.64
205	CONCRETE SIDEWALK RAMP W/ DETECT. PANEL	6	EA	\$800.00	\$4,800.00	\$1,112.25	\$6,673.50
206	CONCRETE FILLET AND PAN, REINFORCED	320	SY	\$125.00	\$40,000.00	\$127.91	\$40,931.20
207	ASPHALT PATCHING	583	SF	\$10.50	\$6,121.50	\$6.12	\$3,567.96
	SANITARY SEWER						
300	8" PVC SEWER MAIN	3590	LF	\$55.00	\$197,450.00	\$53.70	\$192,783.00
301	48" SANITARY SEWER MANHOLE	14	EA	\$9,000.00	\$126,000.00	\$8,528.87	\$119,404.18
302	4" SANITARY SEWER SERVICE	98	EA	\$3,000.00	\$294,000.00	\$3,067.48	\$300,613.04
303	8" SANITARY SEWER CLEANOUT	1	EA	\$600.00	\$600.00	\$1,389.22	\$1,389.22
	STORM SEWER						
400	12" RCP	217.9	LF	\$70.00	\$15,253.00	\$56.52	\$12,315.71
401	18" RCP	957.2	LF	\$80.00	\$76,576.00	\$80.41	\$76,968.45
402	24" RCP	677.3	LF	\$95.00	\$64,343.50	\$99.43	\$67,343.94
403	24" RCP FLARED END	1	EA	\$2,200.00	\$2,200.00	\$1,872.17	\$1,872.17
404	30" RCP	206.7	LF	\$130.00	\$26,871.00	\$149.14	\$30,827.24
405	30" RCP FLARED END	1	LF	\$2,800.00	\$2,800.00	\$2,217.68	\$2,217.68
406	15" RCP	197.9	LF	\$80.00	\$15,832.00	\$67.94	\$13,445.33
407	TYPE B INLET 2' X 3'	13	EA	\$4,000.00	\$52,000.00	\$3,619.73	\$47,056.49
408	TYPE B INLET 3' X 4'	7	EA	\$5,000.00	\$35,000.00	\$6,473.99	\$45,317.93
409	TYPE B INLET 4' X 4'	4	EA	\$6,000.00	\$24,000.00	\$10,387.49	\$41,549.96
410	48" STORM MANHOLE WITH TYPE B INLET	1	EA	\$4,000.00	\$4,000.00	\$6,649.19	\$6,649.19
411	CLASS 1 RIP RAP W/ FABRIC	700	TONS	\$75.00	\$52,500.00	\$116.79	\$81,753.00
412	72" RCP	368	LF	\$500.00	\$184,000.00	\$546.62	\$201,156.16
413	72" RCP FLARED END	4	EA	\$8,000.00	\$32,000.00	\$4,439.16	\$17,756.64
414	DRAINAGE OUTLET STRUCTURE W/OUTLET PIPE	2	EA	\$15,000.00	\$30,000.00	\$7,282.34	\$14,564.68

WATER							
500	8" PVC WATER MAIN, C-900, CLASS 150	1701	LF	\$70.00	\$119,070.00	\$67.16	\$114,239.16
501	12" PVC WATER MAIN, C-900, CLASS 150	1504	LF	\$100.00	\$150,400.00	\$105.53	\$158,717.12
502	8" GATE VALVE W/BOX	11	EA	\$3,000.00	\$33,000.00	\$3,467.19	\$38,139.09
503	12" GATE VALVE W/BOX	7	EA	\$4,500.00	\$31,500.00	\$5,751.86	\$40,263.02
504	8" BEND	11	EA	\$800.00	\$8,800.00	\$692.24	\$7,614.64
505	8" TEE	4	EA	\$800.00	\$3,200.00	\$992.47	\$3,969.88
506	8" CAP	1	EA	\$600.00	\$600.00	\$513.27	\$513.27
507	12" TEE	7	EA	\$1,800.00	\$12,600.00	\$1,648.56	\$11,539.92
508	12" BEND	8	EA	\$1,200.00	\$9,600.00	\$1,611.17	\$12,889.36
509	1" HDPE WATER SERVICE	98	EA	\$2,500.00	\$245,000.00	\$2,759.59	\$270,439.82
510	12" CAP	1	EA	\$1,200.00	\$1,200.00	\$815.64	\$815.64
511	FIRE HYDRANT ASSEMBLY	9	EA	\$8,000.00	\$72,000.00	\$8,502.96	\$76,526.64
512	CONNECT TO EXISTING WATER MAIN	1	EA	\$1,200.00	\$1,200.00	\$2,427.14	\$2,427.14
513	CONCRETE ENCASEMENT	150	LF	\$25.00	\$3,750.00	\$27.81	\$4,171.50
GRADING							
601	TOPSOIL, REMOVE & REPLACE (6")	22663	CY	\$7.00	\$158,641.00	\$6.67	\$151,162.21
602	SEEDING, FERTILIZING & MULCHING	27.6	AC	\$2,650.00	\$73,140.00	\$2,113.27	\$58,326.25
603	UNCLASSIFIED EXCAVATION	135626	CY	\$5.00	\$678,130.00	\$4.45	\$603,535.70
EROSION CONTROL							
700	EROSION CONTROL	1	LS	\$30,000.00	\$30,000.00	\$55,612.35	\$55,612.35
MISCELLANEOUS							
800	SIGNAGE AND STRIPING	1	LS	\$7,920.00	\$7,920.00	\$16,683.70	\$16,683.70
801	UTILITY TRENCH	3205	LF	\$17.50	\$56,087.50	\$11.12	\$35,639.60
802	UTILITY CROSSINGS	1160	LF	\$19.50	\$22,620.00	\$16.68	\$19,348.80
803	2" STREET LIGHT CONDUIT	120	LF	\$4.50	\$540.00	\$8.95	\$1,074.00
804	3" CONDUIT	11935	LF	\$5.50	\$65,642.50	\$5.67	\$67,671.45
805	3" SWEEPS	90	EA	\$250.00	\$22,500.00	\$317.19	\$28,547.10
				TOTAL	\$3,863,910.00	TOTAL	\$3,996,321.07

NORMAN RANCH SUBDIVISION				ENGINEERS ESTIMATE		MIDWEST CONTRACTING SOLUTIONS, LLC	
PHASE 1B				UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
ITEM NO.	DESCRIPTION OF ITEM	QUANTITY	UNIT				
GENERAL							
100	MOBILIZATION	1	LS	\$75,000.00	\$75,000.00	\$57,280.72	\$57,280.72
101	MATERIAL TESTING	1	LS	\$9,000.00	\$9,000.00	\$18,518.91	\$18,518.91
102	CONSTRUCTION STAKING	1	LS	\$11,000.00	\$11,000.00	\$11,122.47	\$11,122.47
103	TRAFFIC CONTROL	1	LS	\$3,000.00	\$3,000.00	\$5,561.23	\$5,561.23
104	INCIDENTAL WORK	1	LS	\$7,500.00	\$7,500.00	\$38,928.64	\$38,928.64
105	REMOVALS	1	LS	\$2,500.00	\$2,500.00	\$11,122.47	\$11,122.47

SURFACING							
200	ASPHALT, CLASS G, TYPE 1 PG64-28 (5")	2312	TONS	\$120.00	\$277,440.00	\$128.62	\$297,369.44
201	AGGREGATE BASE COURSE (6")	3360	TONS	\$26.00	\$87,360.00	\$28.92	\$97,171.20
202	GEOTEXTILE FABRIC	10610	SY	\$3.00	\$31,830.00	\$3.34	\$35,437.40
203	CONCRETE CURB & GUTTER, ROLLOVER	5020	LF	\$26.00	\$130,520.00	\$25.03	\$125,650.60
204	CONCRETE SIDEWALK 4" NON-REINFORCED W/ 2" CUSHION	39	SY	\$60.00	\$2,340.00	\$80.08	\$3,123.12
205	CONCRETE SIDEWALK RAMP W/ DETECT. PANEL	4	EA	\$800.00	\$3,200.00	\$1,112.25	\$4,449.00
206	CONCRETE FILLET AND PAN, REINFORCED	236	SY	\$125.00	\$29,500.00	\$127.91	\$30,186.76
207	ASPHALT PATCHING	357	SF	\$10.50	\$3,748.50	\$6.12	\$2,184.84
SANITARY SEWER							
300	8" PVC SEWER MAIN	2345	LF	\$55.00	\$128,975.00	\$53.70	\$125,926.50
301	48" SANITARY SEWER MANHOLE	11	EA	\$9,000.00	\$99,000.00	\$8,368.17	\$92,049.87
302	4" SANITARY SEWER SERVICE	61	EA	\$3,000.00	\$183,000.00	\$2,866.20	\$174,838.20
STORM SEWER							
400	12" RCP	82.2	LF	\$70.00	\$5,754.00	\$57.69	\$4,742.12
401	18" RCP	266.7	LF	\$80.00	\$21,336.00	\$81.28	\$21,677.38
402	24" RCP	180.9	LF	\$95.00	\$17,185.50	\$100.35	\$18,153.32
403	24" RCP FLARED END	1	EA	\$2,200.00	\$2,200.00	\$1,872.17	\$1,872.17
404	TYPE B INLET 2' X 3'	9	EA	\$4,000.00	\$36,000.00	\$4,785.60	\$43,070.40
405	CLASS 1 RIP RAP W/ FABRIC	350	TONS	\$75.00	\$26,250.00	\$116.79	\$40,876.50
406	DRAINAGE OUTLET STRUCTURE W/OUTLET PIPE	1	EA	\$15,000.00	\$15,000.00	\$18,404.81	\$18,404.81

	WATER						
500	8" PVC WATER MAIN, C-900, CLASS 150	2555	LF	\$70.00	\$178,850.00	\$67.32	\$172,002.60
501	8" GATE VALVE W/BOX	16	EA	\$3,000.00	\$48,000.00	\$3,467.19	\$55,475.04
502	8" BEND	14	EA	\$800.00	\$11,200.00	\$631.70	\$8,843.80
503	8" TEE	8	EA	\$800.00	\$6,400.00	\$992.47	\$7,939.76
504	8" CAP	1	EA	\$600.00	\$600.00	\$513.27	\$513.27
505	1" HDPE WATER SERVICE	61	EA	\$2,500.00	\$152,500.00	\$2,733.71	\$166,756.31
506	FIRE HYDRANT ASSEMBLY	7	EA	\$8,000.00	\$56,000.00	\$8,467.18	\$59,270.26
507	CONNECT TO EXISTING WATER MAIN	1	EA	\$1,200.00	\$1,200.00	\$1,612.89	\$1,612.89
508	CONCRETE ENCASEMENT	150	LF	\$25.00	\$3,750.00	\$27.81	\$4,171.50
	GRADING						
601	TOPSOIL, REMOVE & REPLACE (6")	18543	CY	\$7.00	\$129,801.00	\$20.02	\$371,230.86
602	SEEDING, FERTILIZING & MULCHING	22.6	AC	\$2,650.00	\$59,890.00	\$2,113.27	\$47,759.90
603	UNCLASSIFIED EXCAVATION	0	CY	\$5.00	\$0.00		\$0.00
	EROSION CONTROL						
700	EROSION CONTROL	1	LS	\$20,000.00	\$20,000.00	\$11,122.47	\$11,122.47
	MISCELLANEOUS						
800	SIGNAGE AND STRIPING	1	LS	\$4,080.00	\$4,080.00	\$11,122.47	\$11,122.47
801	UTILITY TRENCH	2555	LF	\$17.50	\$44,712.50	\$11.12	\$28,411.60
802	UTILITY CROSSINGS	960	LF	\$19.50	\$18,720.00	\$16.68	\$16,012.80
803	2" STREET LIGHT CONDUIT	120	LF	\$4.50	\$540.00	\$8.95	\$1,074.00
804	3" CONDUIT	9585	LF	\$5.50	\$52,717.50	\$5.75	\$55,113.75
805	3" SWEEPS	80	EA	\$250.00	\$20,000.00	\$317.19	\$25,375.20
				TOTAL	\$2,017,600.00	TOTAL	\$2,323,526.54

NORMAN RANCH SUBDIVISION				ENGINEERS ESTIMATE		MIDWEST CONTRACTING SOLUTIONS, LLC	
TOTAL ALL PROJECTS				TOTAL COST	\$9,191,980.00	TOTAL COST	\$9,920,297.36

Estimates TID Eligible of Project Costs Requested

The City of Summerset has determined that this will be an Economic Development Tax Incremental District, thus the eligible cost will be in the form of an infrastructure grant that will not exceed \$13,200,000. This is a permitted use under SDCL 11-9-15.

11-9-15. Specific items included in project costs. Project costs include:

(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 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 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, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state.

SCHEDULE 2

ECONOMIC FEASIBILITY STUDY & TAXABLE VALUE

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

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

Tax increment financing is permitted only in connection with a “Project Plan” duly adopted by the City. The property is currently estimated to have a taxable value of \$631,744. The improvements to be made to the property are estimated to add to the assessed valuation. The estimated valuation resulting from the improvements would be approximately \$87,157,554 in new value once fully developed. 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. For purposes of this Project Plan, the Developer is projecting that the property will be built and fully developed by calendar year 2029.

The City’s role is to simply act as a conduit for the revenue and pass on all positive increment to the Developer or to reimburse the City for their expenses, of which, will never exceed \$13,200,000 in total payments, or 20 years, whichever comes first.

It is assumed that all obligations incurred would be adequately secured as to allow the payment of principal and interest when due, whether by means of a taxable bond or loan. The actual repayment schedule may change, but all principal and interest shall be paid within the life of the TID. Utilizing the information regarding expected increment valuation and tax generation, it is possible to estimate an expected revenue stream that can be utilized to retire debt that will be created as a result of implementing the Project Plan.

City of Summerset TID #3 is proven feasible based upon the projections made by the Developer, projecting a total in excess of \$13,200,000 in tax revenue during the life of the 20-year TIF. The calculations of the estimated tax increment valuation and tax generated for the TID can be found in the following tables. For purposes of this Project Plan, it is anticipated no increment generated by City TID #3 will be available until the earliest of calendar year 2026 and thereafter.

TID Tax Revenue Estimates Available for City of Somerset

This project will have properties that are classified as Non-Ag Owner-Occupied. Listed below is a preliminary projection of the potential of development to demonstrate the gross revenue available within the District.

Year		2027		
Single Family	Avg Price	Total	Mill Rate	TIF Revenue
12	\$385,000.00	\$4,620,000.00	0.01309	\$54,428.22
Townhomes	Avg Price	Total	Mill Rate	
6	\$360,000.00	\$2,160,000.00	0.01309	\$25,446.96
Other	Avg Price	Total	Mill Rate	
0	\$285,000.00	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$311,643.00	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$280,000.00	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$312,401.00	\$0.00	0.01309	\$0.00
		\$6,780,000.00		
Year		2028		
Single Family	Avg Price	Total	Mill Rate	TIF Revenue
32	\$396,550.00	\$12,689,600.00	0.01309	\$149,496.18
Townhomes	Avg Price	Total	Mill Rate	
16	\$370,800.00	\$5,932,800.00	0.01309	\$69,894.32
Other	Avg Price	Total	Mill Rate	
0	\$293,550.00	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$320,992.29	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$288,400.00	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$321,773.03	\$0.00	0.01309	\$0.00
		\$18,622,400.00		
Year		2029		
Single Family	Avg Price	Total	Mill Rate	TIF Revenue
32	\$408,446.50	\$13,070,288.00	0.01309	\$153,981.06
Townhomes	Avg Price	Total	Mill Rate	
16	\$381,924.00	\$6,110,784.00	0.01309	\$71,991.15
Other	Avg Price	Total	Mill Rate	
0	\$302,356.50	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$330,622.06	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$297,052.00	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$331,426.22	\$0.00	0.01309	\$0.00
		\$19,181,072.00		
Year		2030		
Single Family	Avg Price	Total	Mill Rate	TIF Revenue
19	\$420,699.90	\$7,993,298.01	0.013090	\$94,169.04
Townhomes	Avg Price	Total	Mill Rate	
26	\$393,381.72	\$10,227,924.72	0.013090	\$133,883.53
Other	Avg Price	Total	Mill Rate	
0	\$311,427.20	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$340,540.72	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$305,963.56	\$0.00	0.01309	\$0.00
Other	Avg Price	Total	Mill Rate	
0	\$341,369.01	\$0.00	0.01309	\$0.00
		\$18,221,222.73		

Year		2031		
Single Family	Avg Price	Total	Mill Rate	TIF Revenue
24	\$433,320.89	\$10,399,701.40	0.013090	\$122,518.88
Townhomes	Avg Price	Total	Mill Rate	
8	\$405,183.17	\$3,241,465.37	0.013090	\$38,187.70
Single Family	Avg Price	Total	Mill Rate	
0	\$320,770.01	\$0.00	0.01309	\$0.00
Single Family	Avg Price	Total	Mill Rate	
0	\$350,756.94	\$0.00	0.01309	\$0.00
Duplex	Avg Price	Total	Mill Rate	
0	\$315,142.47	\$0.00	0.01309	\$0.00
Duplex	Avg Price	Total	Mill Rate	
0	\$351,610.08	\$0.00	0.01309	\$0.00
		\$13,641,166.78		
Year		2032		
Single Family	Avg Price	Total	Mill Rate	TIF Revenue
12	\$446,320.52	\$5,355,846.22	0.01309	\$63,097.22
Townhomes	Avg Price	Total	Mill Rate	
0	\$417,338.67	\$0.00	0.01309	\$0.00
Duplex	Avg Price	Total	Mill Rate	
0	\$0.00	\$5,355,846.22	0.01309	\$63,097.22
		\$10,711,692.45		

Projections were provided by the developer.

Total Units	
Single Family	131
Townhome	72
Other	0
Total Available	203

The following table shows the total amount of tax increment the TID will produce over the course of its 20 year lifespan:

Year	New Amt Avail. For D/S	Total Amount Available for Debt Service		
		Cumulative	Annual	Semi
2027	\$79,875.18	\$79,875.18	\$79,875.18	\$39,937.59
2028	\$299,265.67	\$379,140.85	\$299,265.67	\$149,632.84
2029	\$525,237.88	\$904,378.74	\$525,237.88	\$262,618.94
2030	\$753,290.46	\$1,657,669.20	\$753,290.46	\$376,645.23
2031	\$913,997.05	\$2,571,666.25	\$913,997.05	\$456,998.52
2032	\$977,094.27	\$3,548,760.52	\$977,094.27	\$488,547.14
2033	\$977,094.27	\$4,525,854.79	\$977,094.27	\$488,547.14
2034	\$977,094.27	\$5,502,949.06	\$977,094.27	\$488,547.14
2035	\$977,094.27	\$6,480,043.34	\$977,094.27	\$488,547.14
2036	\$977,094.27	\$7,457,137.61	\$977,094.27	\$488,547.14
2037	\$977,094.27	\$8,434,231.88	\$977,094.27	\$488,547.14
2038	\$977,094.27	\$9,411,326.15	\$977,094.27	\$488,547.14
2039	\$977,094.27	\$10,388,420.43	\$977,094.27	\$488,547.14
2040	\$977,094.27	\$11,365,514.70	\$977,094.27	\$488,547.14
2041	\$977,094.27	\$12,342,608.97	\$977,094.27	\$488,547.14
2042	\$977,094.27	\$13,319,703.24	\$977,094.27	\$488,547.14
2043	\$977,094.27	\$14,296,797.51	\$977,094.27	\$488,547.14
2044	\$977,094.27	\$15,273,891.79	\$977,094.27	\$488,547.14
			\$15,273,891.79	\$7,636,945.89

The TIF can not exceed 20 years from the year of creation
Actual Revenue is for 18 years
For projection purposes only and do not reflect actual revenue

The table below shows the total projected increase in valuation of the proposed development:

Year	Increase in Valuation	Total Increase in Valuation
2027	\$6,780,000	\$6,780,000
2028	\$18,622,400	\$25,402,400
2029	\$19,181,072	\$44,583,472
2030	\$18,221,223	\$62,804,695
2031	\$13,641,167	\$76,445,862
2032	\$10,711,692	\$87,157,554

The following table shows the proposed revenue split between the City of Summerset and Norman Ranch Subdivision, LLC:

Revenue Split - Norman Ranch Subdivision				
Year	Revenue Available	Norman Ranch Subdivision, LLC	City of Summerset	Total
		90%	10%	100%
2027	\$79,875	\$71,888	\$7,988	\$79,875
2028	\$299,266	\$269,339	\$29,927	\$299,266
2029	\$525,238	\$472,714	\$52,524	\$525,238
2030	\$753,290	\$677,961	\$75,329	\$753,290
2031	\$913,997	\$822,597	\$91,400	\$913,997
2032	\$977,094	\$879,385	\$97,709	\$977,094
2033	\$977,094	\$879,385	\$97,709	\$977,094
2034	\$977,094	\$879,385	\$97,709	\$977,094
2035	\$977,094	\$879,385	\$97,709	\$977,094
2036	\$977,094	\$879,385	\$97,709	\$977,094
2037	\$977,094	\$879,385	\$97,709	\$977,094
2038	\$977,094	\$879,385	\$97,709	\$977,094
2039	\$977,094	\$879,385	\$97,709	\$977,094
2040	\$977,094	\$879,385	\$97,709	\$977,094
2041	\$977,094	\$913,646	\$63,449	\$977,094
2042	\$977,094	\$857,391		\$857,391
2043	\$977,094			\$0
2044	\$977,094			\$0
Total	\$15,273,892	\$12,000,000	\$1,200,000	\$13,200,000

SCHEDULE 3

ECONOMIC DEVELOPMENT STUDY

Introduction

City of Summerset has been approached concerning the creation of a tax increment district (TID). Per South Dakota Codified Law 11-9-8, 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.

Study Area Boundary

The Project boundaries are described and depicted on the maps in Attachments 1 and 2 of this Plan.

Establishing Economic Development

South Dakota law describes economic development as activity that stimulates and develops the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources. The definition of economic development for State Aid to Education Formula purposes is any area where there is or will be one or more businesses engaged in any activity defined as commercial or industrial. The proposed Summerset TID #3 meets both of these criteria.

Finding That the Improvements to the Area Are Likely To Enhance Significantly the Value Of Substantially All Of The Other Real Property In The District

It is definitively found that once the improvements set forth within the Project Plan are initiated, the improvements will significantly enhance the value of substantially all of the other real property in the district. The City of Summerset TID #3 will provide much needed economic development to the growing City of Summerset region. A supplemental use of the TIF will be improvements as deemed necessary within the developed area.

Conditions Within The Study Area; Land Use And Planning Land Use, Planning And Comprehensive Plan

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

Findings within the Project Area Analysis

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

The investment in the Project area will stimulate and develop the general economic welfare and prosperity of the region through the promotion of employment, retail/commercial housing units, as well as an attraction to the area.

SCHEDULE 4

FISCAL IMPACT STATEMENT FOR CITY OF SUMMERSET TID #3

Introduction

A fiscal impact statement shows the impact of the TID, both until and after the bonds or obligations are repaid, upon all entities levying taxes upon property in the District. The following fiscal impact statement is intended to provide only a brief 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 challenge a more detailed, complete financial analysis.

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 Summerset Tax Increment District Number 3

“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 is estimated at taxable purposes at \$87,157,554
2. The average tax levy of all taxing districts will be \$13.09 per thousand dollars of taxable valuation.
3. Tax increment will start to be collected in 2027 and end prior to 2044.
4. The discretionary formula will be waived by Developer.

SCHEDULE 5

ESTIMATED CAPTURED TAXABLE VALUES

For purposes of this Project Plan, it is assumed that the **Developer will elect not to use the real property tax discretionary formula** currently utilized in Meade 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.)

* Actual valuation shall depend upon the value determined by the Meade County Director of Equalization when assessed, with the application of dollars-per-thousand from local taxes. All tax increment revenues shall be from Generally Applicable Taxes attributable to the improvements to be constructed in the TID. The potential for total increment collections is estimated to be at the maximum range of \$13,200,000 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2024, 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 for Owner Occupied property types:

2024 Property Tax Rate		
2023 Payable 2024	\$ per \$1,000 assessed	
Entity	"Owner Occupied"	"Other"
City of Summerset	2.549	2.549
Meade County	3.182	3.182
Black Hawk Fire District	0.523	0.523
Rapid City School District 51-4	6.836	10.00
Total	13.09	16.254

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.

LIST OF ATTACHMENTS

Attachment 1 - Descriptions of Real Property

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

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

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

Attachment 5 – Land Donation

Attachment 6 – Department of Revenue Classification Letter

ATTACHMENT 1

DESCRIPTIONS OF REAL PROPERTY:

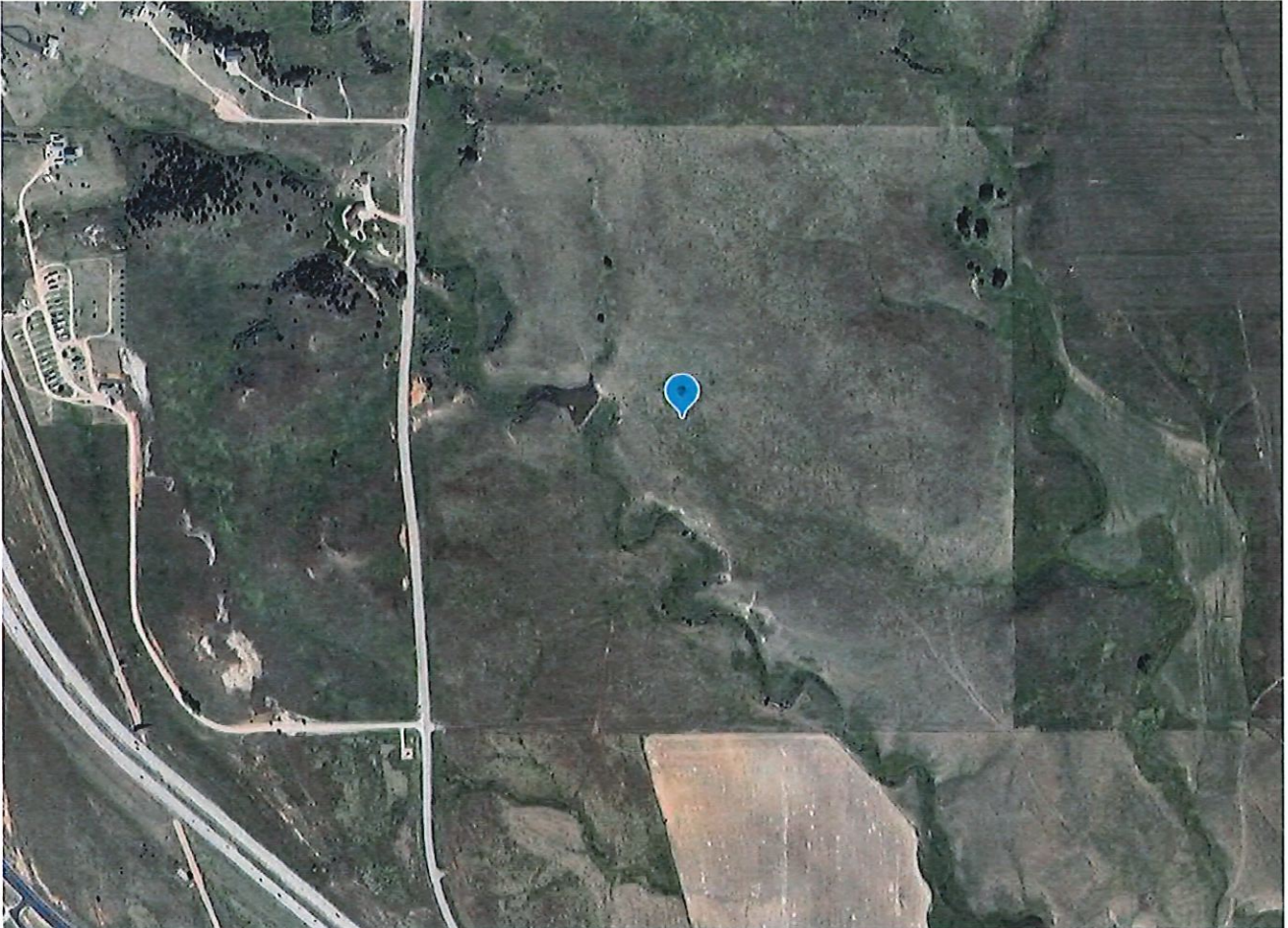
- Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

ATTACHMENT 2

Conditions picture for City of Summerset Tax Incremental District #3, SDCL § 11-9-16(1)

The following is a picture showing the current conditions of the proposed location of TIF #3:



ATTACHMENT 3

Improvements map for City of Summerset Tax Incremental District #3, SDCL § 11-9-16(2).

Boundary Map for the City of Summerset TIF #3:



ATTACHMENT 4

Zoning Map for City of Summerset Tax Incremental District #3, SDCL § 11-9-16(2).

The following is an excerpt from the City of Summerset Commission meeting minutes dated May 2nd, 2024:

NORMAN RANCH R3 ZONING HEARING

Motion by Reade, second by Markham, to take the matter off the table from the April 18th meeting. Motion carried.

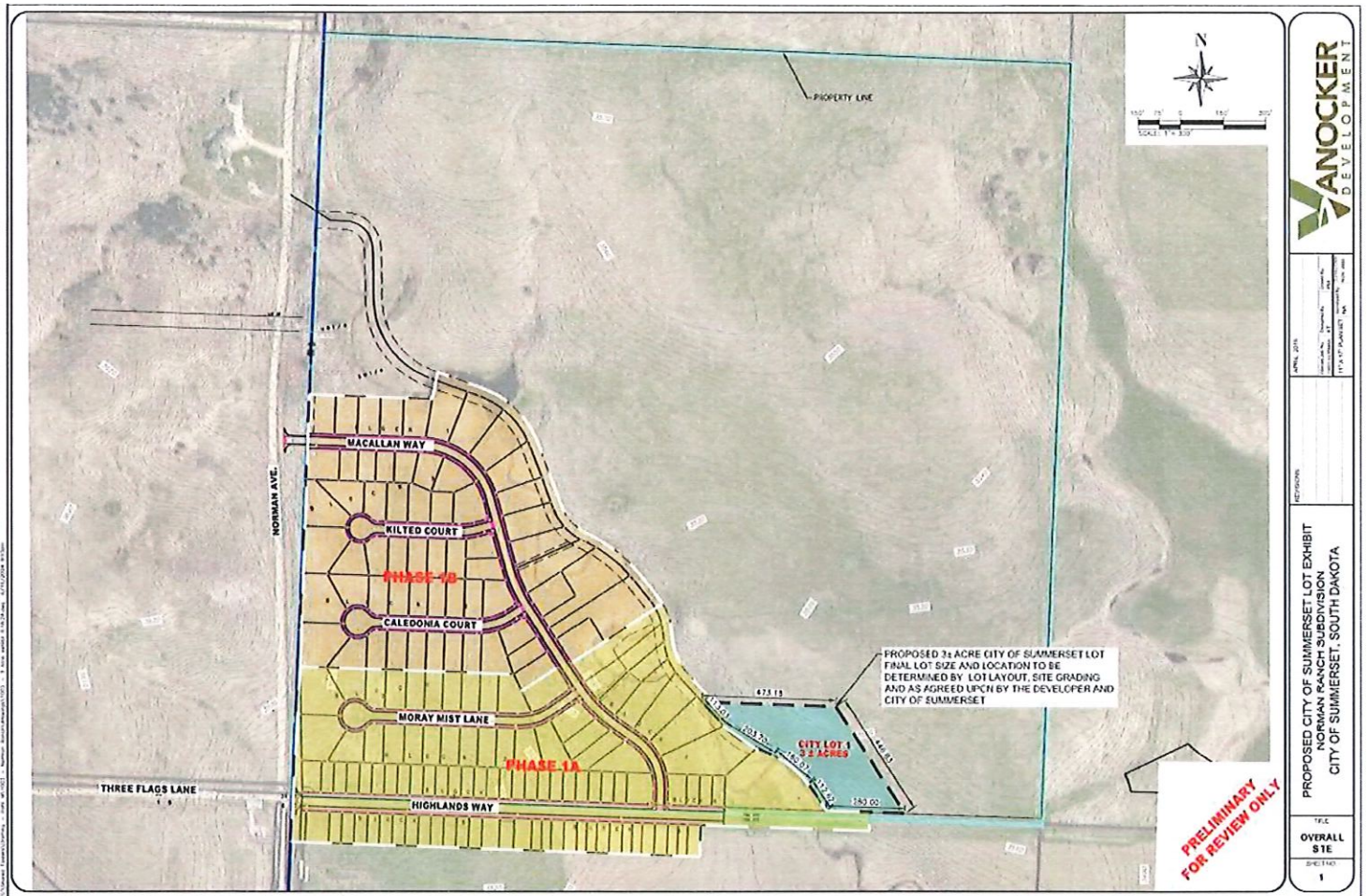
Motion by Osten, second by Reade, to open discussion. Motion carried.

Commissioners Osten, Markham and Hirsch walked the development to get a better understanding of the same. Kyle Treloar and Megan Kingsbury from Vanocker Development were present to answer any questions.

ATTACHMENT 5

The following image shows the preliminary proposed three acre +/- parcel of land that the developer will donate to the City:

The actual size will be determined in an official plat at a later date. The transfer will be a stipulation documented in the developer agreement.



ATTACHMENT 6

Department of Revenue Classification Letter:



SOUTH DAKOTA DEPARTMENT OF REVENUE
445 East Capitol Avenue • Pierre, SD 57501
(605) 773-3311 • dor.sd.gov

June 20, 2024

City of Summerset
7055 Leisure Lane
Summerset SD 57718

RE: Preliminary Classification of City of Summerset # 3

Dear Lisa Schieffer:

The Department of Revenue hereby acknowledges receipt of your request for Preliminary Classification of Tax Increment Financing District submitted on 06/20/2024.

Upon review of the provided information, the Department has determined the preliminary classification for the TIF District "City of Summerset # 3" to be Affordable Housing for the purposes of the State Aid to Education formula.

If you have any questions or concerns, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in blue ink, appearing to read "WJS", is written over a light blue circular stamp.

Wendy Semmler, Director
Property Tax Division

NOTICE OF PUBLIC HEARING OF THE SUMMERSSET PLANNING COMMISSION ON THE CREATION OF THE TAX INCREMENT DISTRICT NUMBER THREE FOR THE BENEFIT OF AFFORDABLE HOUSING,

Notice is hereby given pursuant to § 11-9-3 of the South Dakota Codified Laws, that a public hearing shall be conducted at 7055 Leisure Lane, Summerset, South Dakota, on July 9th at 6:00 p.m. or as soon thereafter as can be heard by the Summerset Planning Commission on the question of whether to recommend the formation of a tax incremental district to be located in the following location:

- Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

At said time and place, the City Planning Commission shall give all parties who appear or submit written comments an opportunity to express their views with respect to the proposed creation of the District and its proposed location. Written comments will be received at the office of the Planning Department until the date and time set for the public hearing.

MICHAEL KITZMILLER,
MAYOR

COMMISSION:
CLYDE HIRSCH
GWENN MARKHAM
MICHAEL J. OSTEN
SIDNEY READE

CITY OF
SUMMERSET



CITY HALL
7055 LEISURE LANE
SUMMERSET, SD 57718

TEL: 605.718.9858
FAX: 605.718.9883

WWW.SUMMERSET.US

June 20, 2024

To: The City of Summerset
7055 Leisure Lane
Summerset, SD 57718

From: Lisa Schieffer
City of Summerset
7055 Leisure Lane
Summerset, SD 57718

RE: Notice to create Tax Increment District #3

**NOTICE OF PUBLIC HEARING OF THE SUMMERSET PLANNING COMMISSION ON THE CREATION OF THE
TAX INCREMENT DISTRICT NUMBER THREE FOR THE BENEFIT OF AFFORDABLE HOUSING,**

Notice is hereby given pursuant to § 11-9-3 of the South Dakota Codified Laws, that a public hearing shall be conducted at 7055 Leisure Lane, Summerset, South Dakota, on July 9th at 6:00 p.m. or as soon thereafter as can be heard by the Summerset Planning Commission on the question of whether to recommend the formation of a tax incremental district to be located in the following location:

- Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

At said time and place, the City Planning Commission shall give all parties who appear or submit written comments an opportunity to express their views with respect to the proposed creation of the District and its proposed location. Written comments will be received at the office of the Planning Department until the date and time set for the public hearing.

MICHAEL KITZMILLER,
MAYOR

COMMISSION:
CLYDE HIRSCH
GWENN MARKHAM
MICHAEL J. OSTEN
SIDNEY READE

CITY OF
SUMMERSET



CITY HALL
7055 LEISURE LANE
SUMMERSET, SD 57718

TEL: 605.718.9858
FAX: 605.718.9883

WWW.SUMMERSET.US

June 20, 2024

To: Rapid City School District 51-4
Attn: Nicole Swigart
625 9th Street
Rapid City, SD 57701

From: Lisa Schieffer
City of Summerset
7055 Leisure Lane
Summerset, SD 57718

RE: Notice to create Tax Increment District #3

**NOTICE OF PUBLIC HEARING OF THE SUMMERSET PLANNING COMMISSION ON THE CREATION OF THE
TAX INCREMENT DISTRICT NUMBER THREE FOR THE BENEFIT OF AFFORDABLE HOUSING,**

Notice is hereby given pursuant to § 11-9-3 of the South Dakota Codified Laws, that a public hearing shall be conducted at 7055 Leisure Lane, Summerset, South Dakota, on July 9th at 6:00 p.m. or as soon thereafter as can be heard by the Summerset Planning Commission on the question of whether to recommend the formation of a tax incremental district to be located in the following location:

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All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

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CITY HALL
7055 LEISURE LANE
SUMMERSET, SD 57718

TEL: 605.718.9858
FAX: 605.718.9883

WWW.SUMMERSET.US

June 20, 2024

To: Meade County Commission
Attn: Chairperson
1300 Sherman Street, Suite 222
Sturgis, SD 57785

From: Lisa Schieffer
City of Summerset
7055 Leisure Lane
Summerset, SD 57718

RE: Notice to create Tax Increment District #3

**NOTICE OF PUBLIC HEARING OF THE SUMMERSET PLANNING COMMISSION ON THE CREATION OF THE
TAX INCREMENT DISTRICT NUMBER THREE FOR THE BENEFIT OF AFFORDABLE HOUSING,**

Notice is hereby given pursuant to § 11-9-3 of the South Dakota Codified Laws, that a public hearing shall be conducted at 7055 Leisure Lane, Summerset, South Dakota, on July 9th at 6:00 p.m. or as soon thereafter as can be heard by the Summerset Planning Commission on the question of whether to recommend the formation of a tax incremental district to be located in the following location:

- Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

At said time and place, the City Planning Commission shall give all parties who appear or submit written comments an opportunity to express their views with respect to the proposed creation of the District and its proposed location. Written comments will be received at the office of the Planning Department until the date and time set for the public hearing.

MICHAEL KITZMILLER,
MAYOR

COMMISSION:
CLYDE HIRSCH
GWENN MARKHAM
MICHAEL J. OSTEN
SIDNEY READE

CITY OF
SUMMERSET



CITY HALL
7055 LEISURE LANE
SUMMERSET, SD 57718

TEL: 605.718.9858
FAX: 605.718.9883

WWW.SUMMERSET.US

June 20, 2024

To: Black Hawk Fire District
Rick Schroeder
7004 Ridgeview Dr
Black Hawk, SD 57718

From: Lisa Schieffer
City of Summerset
7055 Leisure Lane
Summerset, SD 57718

RE: Notice to create Tax Increment District #3

**NOTICE OF PUBLIC HEARING OF THE SUMMERSET PLANNING COMMISSION ON THE CREATION OF THE
TAX INCREMENT DISTRICT NUMBER THREE FOR THE BENEFIT OF AFFORDABLE HOUSING,**

Notice is hereby given pursuant to § 11-9-3 of the South Dakota Codified Laws, that a public hearing shall be conducted at 7055 Leisure Lane, Summerset, South Dakota, on July 9th at 6:00 p.m. or as soon thereafter as can be heard by the Summerset Planning Commission on the question of whether to recommend the formation of a tax incremental district to be located in the following location:

- Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

At said time and place, the City Planning Commission shall give all parties who appear or submit written comments an opportunity to express their views with respect to the proposed creation of the District and its proposed location. Written comments will be received at the office of the Planning Department until the date and time set for the public hearing.

RESOLUTION 2024-12
RESOLUTION APPROVING AND RECOMMENDING OF TAX INCREMENTAL
DISTRICT PLAN NUMBER THREE,
CITY OF SUMMERSET

WHEREAS, the Planning Commission of City of Summerset, South Dakota, received an application to create a Tax Incremental District and thereafter prepared a Notice of Hearing held on July 9th, 2024, advising interested parties that they were being given a reasonable opportunity to express their views on the proposed creation of a Tax Incremental District on real property consisting of the following parcels:

District Legal Description:

The real property to be located within the Tax Increment District is within the boundaries of the City of Summerset and described as follows:

- Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

WHEREAS, such Notice was published in the official newspapers in City of Summerset not less than ten (10) nor more than thirty (30) days from the date of the hearing which was held on July 9th, 2024.

WHEREAS, a copy of the Notice was sent prior to publication by first-class mail to the Chief Executive Officers of the following taxing entities:

City of Summerset
Meade County
Black Hawk Fire District
Rapid City School District 51-4

WHEREAS, a hearing was held on July 9th, 2024, as provided in such Notice, and all interested parties were allowed a reasonable opportunity to be heard on the proposed Tax Incremental District Three plan;

NOW THEREFORE, BE IT RESOLVED by the Planning Commission of City of Summerset, South Dakota:

Authority and declaration of necessity. Pursuant to SDCL §§ 11-9-4 & 11-9-13, City of Summerset Commission hereby declares the necessity to form a tax incremental district in the City of Summerset.

NOW THEREFORE, IT IS HEREBY RESOLVED:

1. **Authority and Declaration of Necessity.** The Planning Commission declares the necessity for the approval of Tax Incremental District Number Three plan, City of Summerset, Meade County (hereinafter sometimes referred to as the

“District”), pursuant to SDCL Chapter 11-9, and finds that the improvement of the area within the District are likely to enhance significantly the value of substantially all of the other real property in the District and is necessary for housing within the County and the City of Summerset.

2. **Findings.** The Planning Commission finds that there is statutory authority to refer said district to the City of Summerset Commission for their consideration and that all notice requirements have been met and all findings required by statute are hereby made.
 - A. The South Dakota Department of Revenue has reviewed the TIF Plan and classified the Tax Increment District Three of City of Summerset to be Affordable Housing.
 - B. Not less than twenty-five percent, by area, of the real property within the district is a blighted area as defined under SDCL 11-9-11.
 - C. At least fifty percent 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 housing opportunities.
 - D. The improvement of the area is likely to significantly enhance the value of substantially all other real property in the district;
 - E. The aggregate assessed value of the District plus the tax incremental base of all other existing Districts in the City does not exceed Ten (10%) percent of the total assessed valuation in the City;
3. **Recommendation of District.** There is hereby created, pursuant to SDCL Chapter 11-9, Tax Increment District Number Three, City of Summerset, South Dakota. The District is hereby created on the day this resolution becomes effective which shall be twenty (20) days after publication of this resolution
4. **Boundaries of District.** The Boundaries of the district are determined to be as follows:
 - Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

5. **Adoption of Tax Increment Plan.** The Planning Commission of the City of Summerset does hereby adopt the Tax Increment Plan Number Three and recommend to the City of Summerset.

Passed this 9th day of July 2024

Chairperson

ATTEST:

Secretary

RESOLUTION 2024-13
RESOLUTION APPROVING AND RECOMMENDING OF TAX INCREMENTAL
DISTRICT PLAN NUMBER THREE,
CITY OF SUMMERSET

WHEREAS, the Planning Commission of City of Summerset, South Dakota, received an application to create a Tax Incremental District and thereafter prepared a Notice of Hearing held on July 9th, 2024, advising interested parties that they were being given a reasonable opportunity to express their views on the proposed creation of a Tax Incremental District on real property consisting of the following parcels:

District Legal Description:

- Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

WHEREAS, such Notice was published in the official newspapers in City of Summerset not less than ten (10) nor more than thirty (30) days from the date of the hearing which was held on July 9th, 2024.

WHEREAS, a copy of the Notice was sent prior to publication by first-class mail to the Chief Executive Officers of the following taxing entities:

City of Summerset
Meade County
Black Hawk Fire District
Rapid City School District 51-4

WHEREAS, a hearing was held on July 9th, 2024, as provided in such Notice, and all interested parties were allowed a reasonable opportunity to be heard on the proposed Tax Incremental District Three plan;

NOW THEREFORE, BE IT RESOLVED by the City Commission of City of Summerset, South Dakota:

Authority and declaration of necessity. Pursuant to SDCL §§ 11-9-4 & 11-9-13, City of Summerset - City Commission hereby declares the necessity to form a tax incremental district in the City of Summerset.

NOW THEREFORE, IT IS HEREBY RESOLVED:

1. **Authority and Declaration of Necessity.** The City Commission declares the necessity for the approval of Tax Incremental District Number Three plan, City of Summerset, Meade County (hereinafter sometimes referred to as the "District"), pursuant to SDCL Chapter 11-9, and finds that the improvement of the area within the District are likely to enhance significantly the value of substantially all of the other real property in the District and is necessary for economic development within the County and the City of Summerset.
2. **Findings.** The City Commission makes the following findings with regard to affordable housing:
 - A. The South Dakota Department of Revenue has reviewed the TIF Plan and classified the Tax Increment District Three of City of Summerset to be Affordable Housing.
 - B. Not less than twenty-five percent, by area, of the real property within the district is a blighted area as defined under SDCL 11-9-11.
 - C. At least fifty percent 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 housing opportunities.
 - D. The improvement of the area is likely to significantly enhance the value of substantially all other real property in the district;
 - E. The aggregate assessed value of the District plus the tax incremental base of all other existing Districts in the City does not exceed Ten (10%) percent of the total assessed valuation in the City;
3. **Boundaries of District.** The Boundaries of the district are determined to be as follows:
 - Southwest Quarter (SW1/4) of Section 32, Township 3 North, Range 7 East, Black Hills Meridian (BHM), City of Summerset, Meade County, South Dakota

All Located in the City of Summerset, Meade County, South Dakota including within and adjacent rights-of-way.

4. **Findings of Annual Appropriation TID.** Tax Increment District #3 will be designated as an Annual Appropriations TIF to ensure that it does NOT count against constitutional debt.
5. **Creation of Tax Incremental Fund.** There is hereby created, pursuant to SDCL 11-9-31, a Tax Incremental District Number Three Fund, which shall be a segregated asset account. All tax increments collected pursuant to Tax Incremental District Number Three shall be deposited into the Tax Incremental District Number Three Fund. All funds in the Tax Incremental District Number Three Fund shall be used solely for those purposes expressly stated and reasonably inferred in SDCL Chapter 11-9

