



1040 Harley-Davidson Way
Sturgis, SD 57785
605-347-4422

City Council Report

Meeting Date: September 21, 2020
Agenda Item: TIFD #16 Boundary, Project Plan, Planned Unit Development Designation
Prepared By: Laura Abernathy

Background Information:

The City of Sturgis has received a project plan and proposal of establishing Tax Increment Finance District #16. The legal description of the proposed boundary is as follows:

Lots 1-22 in Block 2 of Pine Acres Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 6 on Page 118.

Lot A of Lot C-5 of Barry Subdivision, less the North 93.41' of the West 112' of the NW ¼ SE ¼ of Section 16, T5N, R5E, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 5 on Page 28.

The North 93.41' of the West 112' of Lot A of Lot C-5 in Barry Subdivision, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 12 on Page 60.

Lot B of C-5 of Barry Subdivision, Located in the NE ¼ SE ¼ of Section 16, T5N, R5E, BHM, City of Sturgis, Meade County South Dakota, as shown by the plat filed in Plat Book 12 on Page 60.

Lot D of the SE ¼ SE ¼ of Section 16, T5N, R5E, BHM, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 3 on Page 299.

Lots 1 and 2 of Barry Subdivision, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 26 Page 179.

The purpose of creating a new tax district is to help fund improvements within the proposed boundary and to encourage development of vacant property. Through means of the TIF district, the city will complete construction of water and sewer main tie ins from Vanocker Canyon Road to the proposed Trailhead Subdivision submitted by the developer, and all road, bicycle path and stormwater improvements along Vanocker Canyon Road. The developer (PSI Family LLLP) agrees to complete the construction of 23 new units of affordable residential units and the construction of a storage facility on property currently described as Lot D, and complete the construction of all necessary infrastructure for the new development (including but not limited to sidewalks, curb, gutter, storm water lines and retention ponds, domestic water lines, sewer lines, street lighting and pavement). In addition to the Project Plan, the development will be designated as a Planned Unit Development. The property is currently zoned as Medium-Density Residential Housing. A PUD is allowable within a Medium-Density Residential zone. A Planned Unit Development provides "optional methods of land development which encourage more imaginative solutions to environmental design problems." Action will be required to designate Lot D of the SE ¼ SE ¼ of Section 16-5-5 as a PUD zone by the Planning Commission and City Council to allow for the commercial use of the portion of Lot D in which a storage facility will be built.

Cost, Benefit or Risks:

www.sturgis-sd.gov

www.facebook.com/cityofsturgis



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Additional tax growth for the properties within the TIF boundary will help subsidize the cost of improvements to the area, including a bike path and infrastructure for a new housing development with an anticipated assessed valuation of at least \$3,450,000. The storage unit facility has an anticipated assessed value of \$742,000. This development will significantly enhance the property value of the TIF district. After the TIF is paid off in 2039, the tax revenues for the full value of the property will be allocated to the three tax entities (city, county, and school). The developer will be responsible for any unpaid balance as per the attached agreement. The City will benefit from the additional property tax and utility revenue that would be generated from the construction of any future single-family homes. Details regarding the financial details of the TIFD Project Plan are included as an attachment. In addition to the housing development, the construction of a storage facility is perceived to be the best use when considering the 2018 geotechnical study of the property, which reported a large amount of fill due to the former salvage and scrap yard on the property. The location of the floodplain on Block 3 would also make development of additional residential housing unfeasible.

Budget Impact:

Development of the property would increase the assessed values of the property, but any additional tax growth from the time the TIF is established will be reallocated towards paying for infrastructure improvements. The city will see the full benefit of development once the TIF loan is paid off.

Staff Recommendation:

The Planning Commission reviewed the request at the September 9 meeting and recommended approval of the TIFD boundary, project plan, and PUD designation. City staff recommends that the City Council approves the boundaries of TIFD #16, approves the project plan and approves of the Planned Unit Development zoning designation of the property.

City Manager Approval:



www.sturgis-sd.gov

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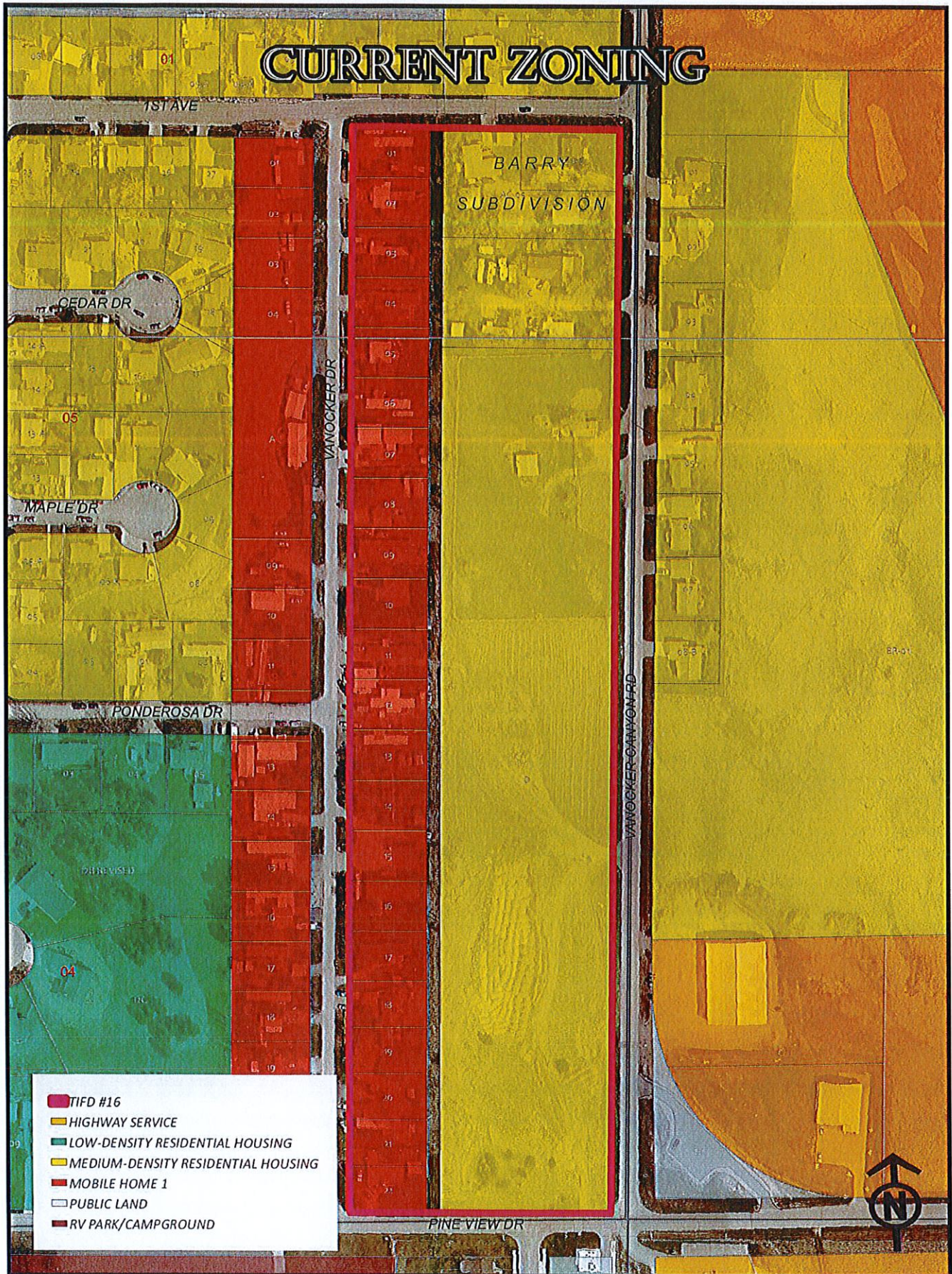


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TAX INCREMENTAL DISTRICT #16

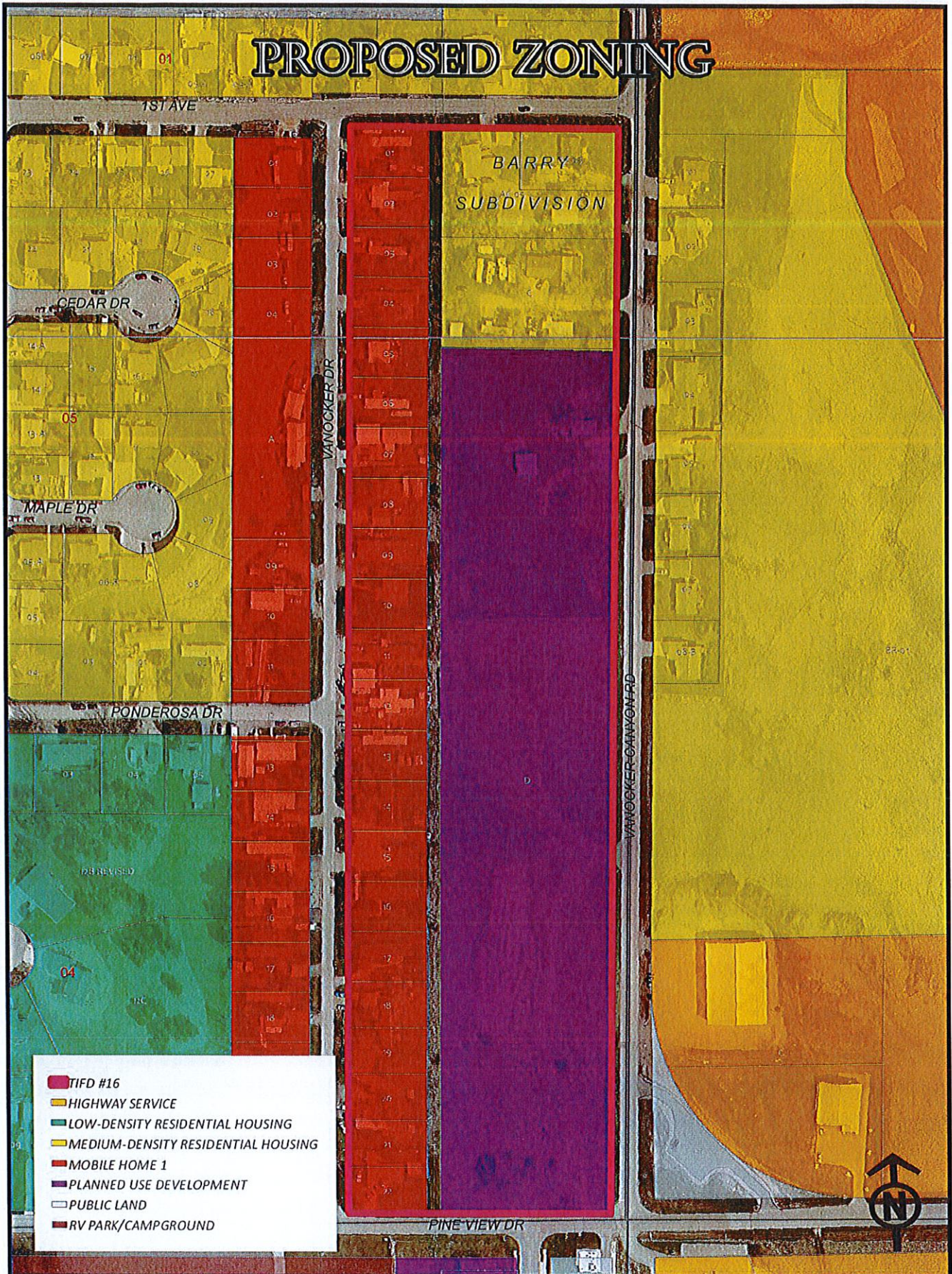


CURRENT ZONING

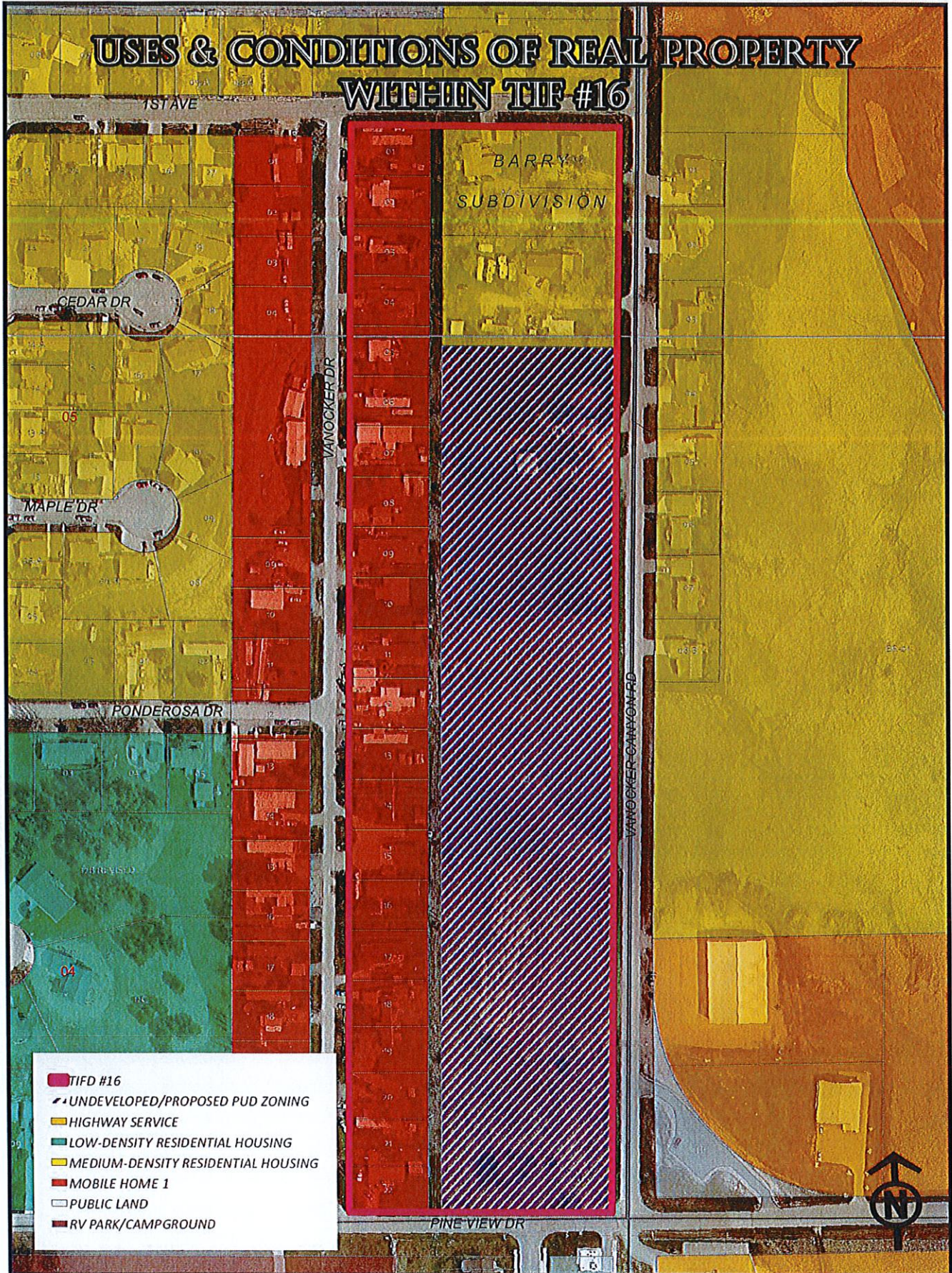


- TIFD #16
- HIGHWAY SERVICE
- LOW-DENSITY RESIDENTIAL HOUSING
- MEDIUM-DENSITY RESIDENTIAL HOUSING
- MOBILE HOME 1
- PUBLIC LAND
- RV PARK/CAMPGROUND

PROPOSED ZONING

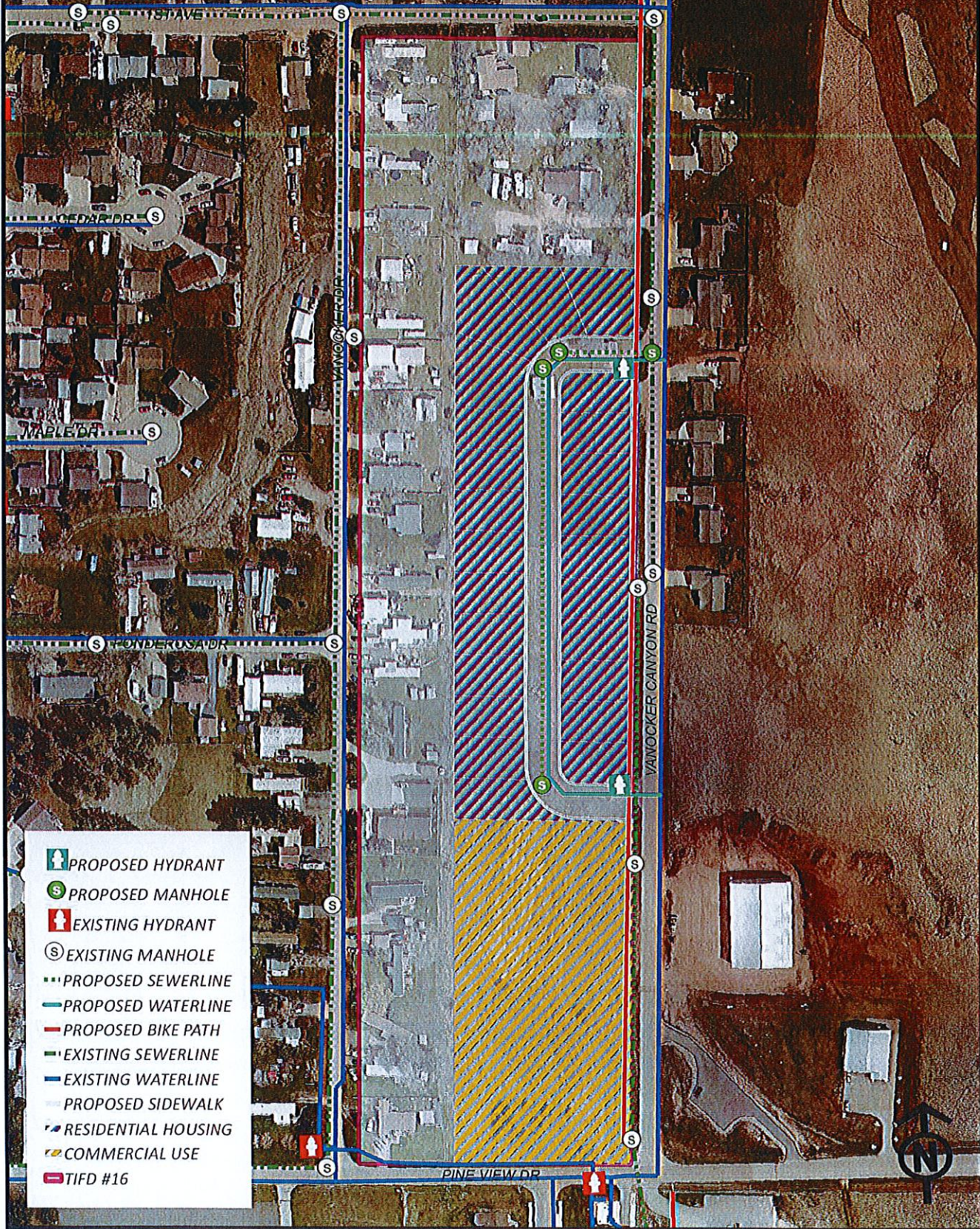


USES & CONDITIONS OF REAL PROPERTY WITHIN TIF #16



- TIF #16
- UNDEVELOPED/PROPOSED PUD ZONING
- HIGHWAY SERVICE
- LOW-DENSITY RESIDENTIAL HOUSING
- MEDIUM-DENSITY RESIDENTIAL HOUSING
- MOBILE HOME 1
- PUBLIC LAND
- RV PARK/CAMPGROUND

PROPOSED IMPROVEMENTS TIFD #16

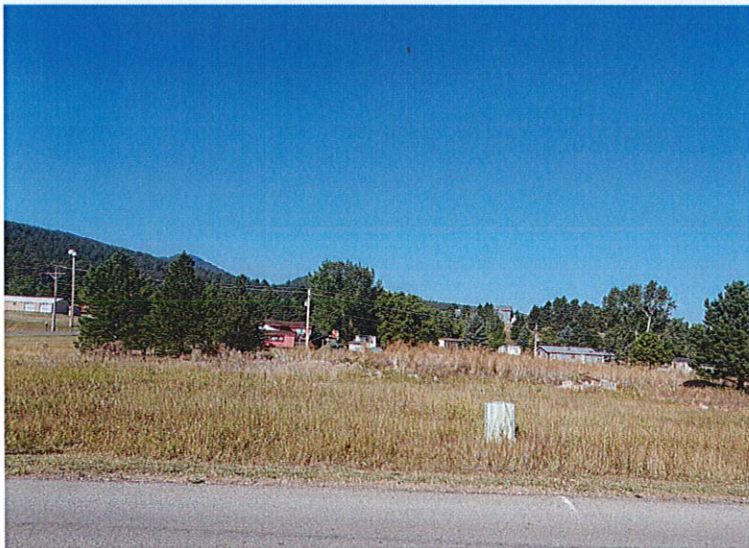


- PROPOSED HYDRANT
- PROPOSED MANHOLE
- EXISTING HYDRANT
- EXISTING MANHOLE
- PROPOSED SEWERLINE
- PROPOSED WATERLINE
- PROPOSED BIKE PATH
- EXISTING SEWERLINE
- EXISTING WATERLINE
- PROPOSED SIDEWALK
- RESIDENTIAL HOUSING
- COMMERCIAL USE
- TIFD #16



Left, Bottom Left:

Block 3—Proposed Storage Unit Facility



Bottom:

Proposed 23 lot housing development



**PROJECT PLAN FOR
TAX INCREMENTAL DISTRICT NUMBER SIXTEEN**

**Between
PSI FAMILY, LLLP
and
CITY OF STURGIS, SOUTH DAKOTA**

September 21, 2020

1. PARTIES:

The parties to this plan are the CITY OF STURGIS, a municipal corporation organized under the laws of the State of South Dakota, hereinafter referred to as CITY; and PSI FAMILY, LLLP a South Dakota company, hereinafter referred to as DEVELOPER.

2. PURPOSE:

The City of Sturgis has identified affordable, quality residential growth and additional commercial properties as a community need and has encouraged the private sector to develop such projects. As part of this encouragement, CITY has authorized use of tax increment financing through the creation of Sturgis Tax Incremental District Number Sixteen. Tax increment financing is authorized by South Dakota Law, as specified in SDCL 11-9. The CITY finds that the long-term vacancy of the subject property, the lack of adequate storm water, domestic water and sewer lines has impaired the economic growth of the area as defined in SDCL 11-9-11.

3. TERMS OF PLAN (SDCL 11-9-13(5)):

This plan, covering all work efforts expended to date as well as subsequent efforts to be performed by CITY and DEVELOPER to effectuate Sturgis Tax Incremental District Number Sixteen, shall be completed by September 20, 2025 or sooner if all components of this plan have been completed. The CITY shall provide the funds necessary to finance the obligations identified in this plan as payments are necessary through an interfund loan fully amortized for 20 years at an annual interest rate of 5%. The CITY shall use unobligated funds from the General Fund (40%) and the Water Fund (60%) in the total amount of \$935,000 as needed to make the obligations outlined in this agreement, which will provide the initial financing necessary to make all TIF Fund payments to CITY and DEVELOPER and make annual debt payments for up to five years after the signature of this plan. The City shall account for all expenses paid in relation to this plan in a separate fund. Annual repayment of debt from the tax increment shall be used to retire the City's prefunded expenses incurred when originating the Tax Incremental District 16 Fund as well as annual debt payment made to the City.

4. RESPONSIBILITIES (SDCL 11-9-13(1)):

Parties to this contract agree to the following responsibilities:

CITY agrees to:

- a) Complete the processing of the Project Plan, Private Development Contract documents and the required TIF documentation.
- b) Complete construction of water and sewer main tie ins from Vanocker to the subdivision and all road, bicycle path and stormwater improvements along Vanocker Road

DEVELOPER agrees to:

- a) Complete the construction of 23 new units of affordable residential units, anticipated assessed valuation of at least \$3,450,000 which the parties expect will significantly enhance the property value of the TIF district (SDCL 11-9-8).
- b) Complete the construction of a storage facility, anticipated assessed valuation of at least \$742,000, which the parties expect will significantly enhance the property value of the TIF district (SDCL 11-9-8).
- c) Complete the construction of all necessary infrastructure for ~~the~~this PSI Family, LLLP development (including but not limited to sidewalks, curb, gutter, storm water lines and retention ponds, domestic water lines, sewer lines, street lighting and pavement).

5. COMPENSATION (SDCL 11-9-13(3)):

All parties agree that the CITY shall receive compensation from the TIF Fund proceeds in the following amounts:

Administrative Costs (SDCL 11-9-15 (5))	\$ 25,000
Construction of public infrastructure for project (SDCL 11-9-15 (8))	\$440,000
Financing Costs for up to 5 Years and Reserves (SDCL 11-9-15 (2))	\$190,000

All parties agree that the DEVELOPER shall receive compensation from the TIF Fund proceeds in the following amounts (see attached engineer's estimate):

Construction of public infrastructure for project (SDCL 11-9-15 (8))	\$280,000
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6. FISCAL IMPACT STATEMENT:

Parcel Number	Property Value	Structure Value	Total Value	City General 6.231	School General 7.873/11.474	County General 4.047
01.20.0D	168,577	1,927	170,504	1,062	1,342	690
01.24.01	36,017	108,146	144,163	898	1,135	583
01.24.02	28,024	15,814	43,838	273	345	177
01.24.C5A	36,017	62,078	98,095	611	772	397
01.24.C5A1	28,024	83,538	111,562	695	878	451
01.24.C5B	28,176	60,176	88,352	551	696	358
01.73.02.01	24,012	11,585	35,597	222	280	144
01.73.02.02	24,012	19,570	43,582	272	343	176
01.73.02.03	24,010	8,463	32,473	202	256	131
01.73.02.04	24,010	40,060	64,072	399	504	259
01.73.02.05	36,018	7,560	43,578	272	343	176
01.73.02.07	24,012	49,846	73,858	460	581	299
01.73.02.08	36,017	77,253	113,270	706	892	458
01.73.02.10	24,012	27,271	51,283	320	404	208
01.73.02.11	24,012	0	24,012	150	189	97
01.73.02.12	24,012	30,120	54,132	337	426	219
01.73.02.13	24,012	10,614	34,626	216	273	140
01.73.02.14	29,612	3,200	32,812	204	258	133
01.73.02.16	29,612	98,583	128,195	799	1,009	519
01.73.02.17	29,612	70,278	99,890	622	786	404
01.73.02.19	29,612	38,502	68,114	424	536	276
01.73.02.20	24,012	23,856	47,868	298	377	194
01.73.02.21	24,012	14,066	38,078	237	300	154
01.73.02.22	24,012	95,212	119,224	743	939	482
Current Total	803,460	957,718	1,761,178	10,974	13,866	7,127
23 Homes	345,000	3,105,000	3,450,000	21,497	27,162	13,962
Storage	42,000	700,000	742,000	4,623	8,514	3,003
Total Post Dev	1,190,460	4,762,718	5,953,178	37,094	49,542	24,092
Total Increase Value	387,000	3,805,000	4,192,000	26,120	35,676	16,965

The total assessed valuation upon the completion of the project is anticipated to increase by \$4,192,000. During the period of debt repayment, each taxing agency will retain their existing revenue (City \$10,974, School \$13,866 and County \$7,127). Upon the completion of the repayment of the indebtedness the total assessed valuation is anticipated to grow to \$5,953,178. This is anticipated to generate the following annual revenue for the taxing agencies:

- a) City: \$37,094
- b) School: \$49,542
- c) County: \$24,092

7. ECONOMIC FEASIBILITY STUDY (SDCL 11-9-13(2)):

The fiscal impact statement is modeled after the confidential information provided by the developer to the City of Sturgis. This information includes the anticipated construction and sales forecast of approximately 11 units in 2021 and 12 units in 2022. The forecast takes a conservative approach that all residential units would be owner occupied (this is a 19.8% reduction in total tax revenue). The storage facility is anticipated to be constructed in 2021 and use the Meade County Commercial Discretionary formula.

Year	Start of Year Loan Balance	Yearly Interest Paid	Yearly Principal Paid	Total Interest
2020	935,000	7,782	4,559	7,782
2021	930,441	45,882	28,165	53,665
2022	902,276	44,441	29,606	98,106
2023	872,671	42,927	31,120	141,033
2024	841,551	41,335	32,712	182,368
2025	808,838	39,661	34,386	222,029
2026	774,452	37,902	36,145	259,930
2027	738,307	36,033	42,728	295,963
2028	695,579	33,847	44,914	329,810
2029	650,664	31,549	47,212	361,359
2030	603,452	29,133	49,628	390,492
2031	501,658	26,594	52,167	417,087
2032	501,658	23,925	54,836	441,012
2033	446,822	21,120	57,641	462,132
2034	389,181	18,171	60,590	480,303
2035	328,591	15,071	63,690	495,374
2036	264,901	11,813	66,949	507,186
2037	197,953	8,387	70,374	515,574
2038	127,579	4,787	73,974	520,360

2039	53,605	1,109	53,605	521,470
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As illustrated, the TIF debt would be fully re-paid by 2039. Each tax payment received shall be credited towards repayment of outstanding principal and interest. If funds advanced to the Developer are not repaid within the fifteen-year period following completion of the project plan, the remaining balance of unpaid principal and interest shall become immediately due on owing by the Developer to the City. A lien for such unpaid balance shall attach to the Developer's property within the Tax Increment District Number Sixteen at 12:01 am on September 20, 2040 to provide security for repayment of that unpaid balance to the City.

8. PROJECT PLAN STATUTORY REQUIRED STATEMENTS (SDCL 11-9-16):

The proposed development does not require a change to the City's adopted comprehensive plan and building codes. The development would be zoned Planned Unit Development to allow for commercial use on the south and residential use on the north side of the development.

Cost of 23 units	\$3,450,000
Cost of Storage facility	\$ 742,000

There are no existing residents~~???~~ or commercial entities [on the parcel being developed as part of this proposed ~~within the~~ TIFD](#) and no relocation is anticipated.

9. MODIFICATION OF CONTRACT:

This contract and the companion Contract for Private Development for Tax Incremental District Number Sixteen constitutes the entire agreement for Tax Incremental District Number Sixteen between all parties. No amendment or modification changing its scope or terms shall have any force or effect unless it is in writing and signed by all parties.

10. AUTHORITY TO ACT:

Each person signing below hereby represents to the other party that by signing below they have been duly authorized by the respective contracting parties to negotiate, execute and perform the actions subject to and required by this contract.

11. COMPLETE AND FINAL AGREEMENT:

This written Project Plan Agreement and the Private Development Plan for Tax Incremental District Number Sixteen shall be considered the complete agreement of the parties relating to the matters set forth therein, notwithstanding any oral representations or other writings to the

contrary. The parties specifically understand and agree that upon execution of this Project Plan and Private Development Plan for Tax Increment District Number Sixteen any prior oral representations or other writings to the contrary, related to the subject matter of this contract, shall be terminated and extinguished and shall be of no further force or effect between the parties

12. PARTIES BOUND:

This agreement shall be binding upon the parties hereto and their successors and assigns.

Executed this ____ of September, 2020.

PSI Family, LLLP

Rodney J. Bradley, General Partner

State of South Dakota)

) ss.

County of Meade)

On this the ___ day of September, 2020, before me, the undersigned officer(s), personally appeared Rod Bradley, who acknowledged himself to be a partner of PSI Family, LLLP and that he, as such partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name PSI Family, LLLP by himself as partner.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public – South Dakota
My Commission Expires_____

CITY OF STURGIS

By: Daniel Ainslie
Sturgis City Manager
State of South Dakota)

) ss.

County of Meade)

On this the ____ day of September, 2020 before me, the undersigned officer, personally appeared Daniel Ainslie who acknowledged himself to be the City Manager of THE CITY OF STURGIS, South Dakota, a municipal corporation, and that he as such City Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the CITY OF STURGIS by himself as City Manager.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public - South Dakota
My Commission Expires_____

**CONTRACT FOR PRIVATE DEVELOPMENT OF TAX INCREMENTAL DISTRICT
NUMBER SIXTEEN**

Between
PSI FAMILY, LLLP
and
CITY OF STURGIS, SOUTH DAKOTA

September 21, 2020

CONTRACT FOR PRIVATE DEVELOPMENT

THIS AGREEMENT made and entered into on this _____ day of September, 2020, between PSI FAMILY, LLLP (herein referred to as “Developer”), a South Dakota Limited Liability Limited Partnership, and the City of Sturgis, a municipal corporation and political subdivision of the State of South Dakota (herein after referred to as “City”).

SECTION 1. The City of Sturgis created Tax Incremental District (TID) Number Sixteen by Resolution 2020-XX of the Common Council on _____, 2020.

SECTION 2. The City of Sturgis approved the Project Plan for Tax Incremental District Number Sixteen by Resolution 2020-XX of the City Council on _____, 2020.

SECTION 3. The tax incremental base value of property located in Tax Incremental District Number Sixteen as recorded by the Meade County Director of Equalization has a 2020 aggregate assessed value of ONE MILLION SEVENHUNDRED SIXTY-ONE THOUSANDS ONEHUNDRED SEVENTYEIGHT (\$1,761,178) DOLLARS.

SECTION 4. The City will provide internal financing through a loan from the General Fund and Water Fund in the amount of \$935,000 to fund estimated project costs for construction of site improvements, including bicycle paths, sidewalks, water and sanitary sewer lines, curb and gutter, street lights, storm sewer, interim financing and other costs specified in the approved Project Plan referenced in Section 4 and 5 of that Plan. Specifically, under Compensation Developer Costs, the Project Plan authorizes a maximum of \$935,000 for the implementation of the project plan to construct public infrastructure and thereby stimulate and develop the general economic welfare and prosperity of the City and State. The internal finance funds and all other costs to the City shall be repaid to the City utilizing tax increment revenue receipts from Tax Incremental District Number Sixteen.

- a) Project improvements to be constructed with TIFD funds shall conform to plans and specifications prepared and submitted to the City of Sturgis by the Developer in conjunction with their development project. Official documents of record in this

matter shall be those plans and specifications approved by the City in conjunction with issuing any and all project building permits, and these documents shall be maintained in the Office of the City Building Inspector. Further, all included site improvements shall be in full conformity with all applicable city codes and ordinances.

b) All construction activity of public infrastructure shall comply with so-called "State Bid Law" requirements in the same manner in which the City of Sturgis is required to bid and award construction projects. Specifically, it is a condition of this agreement that all provisions of South Dakota law regarding the expenditure of public funds are incorporated herein, and the requirements of Chapter 5-18 in the South Dakota Codified Laws are an integral part of this agreement. The Developer shall provide adequate documentation of compliance with Chapter 5-18 promptly upon the request of the City.

c) Upon completion of the improvements specified in Section 4, the Developer shall certify to the City Finance Officer that such improvements have been completed and shall certify the amount of money disbursed therefore. The City shall have the right to require prompt and reasonable documentation to establish that the amounts set forth in the TIFD Number Sixteen Project Plan have been disbursed in payment for the authorized expenditures. Further, the City shall have the right to inspect the premises at reasonable times and at reasonable intervals for the purpose of establishing that the improvements have been completed in a workmanlike manner. Any inspection made by the City pursuant to this provision shall be solely for the purpose of financial administration, and no liability shall accrue to the City arising out of any alleged insufficiency of such inspection.

SECTION 5. All positive tax increments received from TIFD Number Sixteen shall, upon receipt by the City, be deposited in a special fund to be known as the "Tax Incremental District Number Sixteen Fund." The City shall, within thirty (30) days after receipt of each tax increment payment from the Meade County Treasurer, disburse all receipts to the underlying

City fund from which the initial financing and all additional debt repayment transfer for the “Tax Incremental District Number Sixteen Fund” was provided.

SECTION 6. The parties agree that time is of the essence of this Agreement.

SECTION 7. It is specifically a condition of this Agreement and a condition of the Developer’s obligation to re-pay, that all sums payable during the period of the plan shall be limited to the proceeds of the positive tax increment from Tax Incremental District Number Sixteen received into the special fund specified in Section 5 above. The obligation of the Developer to pay the City pursuant to this Agreement does not constitute a general indebtedness of the City or a charge against the City’s general taxing power. It is also specifically agreed that the City has made no representation that the proceeds from such fund shall be sufficient to retire the indebtedness incurred by the Developer under Section 4 hereof. In addition, the Developer specifically agrees to hold the City harmless and indemnify the City regarding any indebtedness incurred herein as set forth in Paragraph 5 and 8 of the companion Project Plan.

SECTION 8. The parties further agree that in addition to provisions of SDCL 11-9-25 defining maximum limits of the duration of the allocability of positive tax increment payments to the fund created by Section 5 herein; this Agreement further restricts the life of TID Number Sixteen to the earlier of the following:

- a) The retirement of all outstanding authorized TID Number Sixteen debt, as specified in Section 5 of this Agreement; or
- b) Payment of the final positive tax increment payment authorized in the Project Plan specified in Section 2 of this Agreement, with such payment defined as the total amount being assessed in the year 2039, and payable in the year 2040.

SECTION 9. Further, the parties to this Agreement recognize and acknowledge that projected tax increment revenue payments derived in the Project Plan specified in Section 2 of this agreement utilized estimated property valuations-based upon project components and cost estimates provided by the Developer for estimating future tax payments based upon the real property tax structure and taxation rates currently existing in Meade County and the City of Sturgis.

However, both parties acknowledge that there can be no certainty that future tax rates will be at or above the rates utilized in the Project Plan.

SECTION 10. It is contemplated by the parties to this Agreement that the Developer may assign its interest under this Agreement as security for the note or loan agreement, or other financing as described in Section 4 hereof. It is understood and agreed by and between the parties that any such assignment shall be in writing and, if agreed to by the City, the City shall make any subsequent disbursement pursuant to such assignment, and to the extent of such disbursement it shall relieve the City of the obligation to make such disbursement to the Developer.

SECTION 11. Each person signing below hereby represents to the other party that by signing below they have been duly authorized by the respective contracting parties to negotiate, execute and perform the actions subject to and required by this contract.

SECTION 12. This written Project Plan Agreement and the Private Development Plan for Tax Incremental District Number Sixteen shall be considered the complete agreement of the parties relating to the matters set forth therein, notwithstanding any oral representations or other writings to the contrary. The parties specifically understand and agree that upon execution of this Project Plan and the Private Development Plan for Tax Increment District Number Sixteen any prior oral representations or other writings to the contrary, related to the subject matter of this contract, shall be terminated and extinguished and shall be of no further force or effect between the parties

SECTION 13. This agreement shall be binding upon the parties hereto and their successors and assigns.

DATED this _____ day of September, 2020.

PSI Family, LLLP

Rodney J. Bradley, General Partner

State of South Dakota)

) ss.

County of Meade)

On this the ____ day of September, 2020, before me, the undersigned officer(s), personally appeared Rodney J. Bradley, who acknowledged himself to be a partner of PSI Family LLLP and that he, as such partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name PSI Family LLLP by himself as General Partner.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public – South Dakota

My Commission Expires _____

CITY OF STURGIS

By: Daniel Ainslie
Sturgis City Manager

State of South Dakota)
) ss.
County of Meade)

On this the ___ day of September, 2020 before me, the undersigned officer, personally appeared Daniel Ainslie who acknowledged himself to be the City Manager of THE CITY OF STURGIS, South Dakota, a municipal corporation, and that he as such City Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the CITY OF STURGIS by himself as City Manager.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public - South Dakota

My Commission Expires _____

ATTEST:

Fay Bueno, Finance Officer

**RESOLUTION 2020-53
CREATION OF TAX INCREMENTAL DISTRICT NUMBER SIXTEEN**

WHEREAS, the Common Council of the City of Sturgis deems it necessary to create a tax incremental district, pursuant to SDCL 11-9-5, to be designated as Tax Incremental District Number Sixteen (TID #16) and includes the real property as more particularly described herein; and

WHEREAS, the Council has reviewed and considered the recommendation provided to the Council by the Sturgis Planning and Zoning Commission; and

WHEREAS, the property within the following described District meets the qualifications and criteria set forth in SDCL 11-9-8 for a tax incremental district; and

WHEREAS the Council finds that 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

WHEREAS, the Council finds that the use of tax increment financing to promote this development is authorized by the statutes of the State of South Dakota; and

WHEREAS, the Council finds improvement of the area is likely to significantly enhance the value substantially of all the other real property in the district.

NOW, THEREFORE, BE IT RESOLVED by the City of Sturgis that the real property legally described below and known as Trailhead Drive (Bradley project) shall constitute the final boundaries of Tax Incremental District Number Sixteen (TID #16):

Lots 1-22 in Block 2 of Pine Acres Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 6 on Page 118.

Lot A of Lot C-5 of Barry Subdivision, less the North 93.41' of the West 112' of the NW ¼ SE ¼ of Section 16, T5N, R5E, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 5 on Page 28.

The North 93.41' of the West 112' of Lot A of Lot C-5 in Barry Subdivision, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 12 on Page 60.

Lot B of C-5 of Barry Subdivision, Located in the NE ¼ SE ¼ of Section 16, T5N, R5E, BHM, City of Sturgis, Meade County South Dakota, as shown by the plat filed in Plat Book 12 on Page 60.

Lot D of the SE ¼ SE ¼ of Section 16, T5N, R5E, BHM, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 3 on Page 299.

Lots 1 and 2 of Barry Subdivision, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 26 Page 179.

BE IT FURTHER RESOLVED that said Tax Incremental District Number Sixteen, City of Sturgis, described above shall upon passage and publication be forwarded to the State of South Dakota Department of Revenue to set the aggregate assessed value pursuant to SDCL 11-9-20.

Dated at Sturgis, Meade County, South Dakota, and this _____ day of _____, 2020.

CITY OF STURGIS

By: _____
Mark Carstensen, Mayor

ATTEST:

Fay Bueno, Finance Officer

(SEAL)

Published:

Effective:

**RESOLUTION 2020-54 RESOLUTION
APPROVING PROJECT PLAN FOR
TAX INCREMENTAL DISTRICT NUMBER SIXTEEN**

BE IT RESOLVED by the Common Council of the City of Sturgis, as follows:

WHEREAS, the Common Council has established Sturgis Tax Incremental District Number Sixteen by Resolution 2020-53 on _____; and

WHEREAS, the Common Council deems it in the best interests of the City to promote the creation of affordable housing developments within the City; and

WHEREAS, the Project Plan approval helps make such affordable housing development feasible by assisting with various public works improvements including streets, bicycle path, utility connections and earthwork within the tax increment district; and

WHEREAS, the use of tax increment financing to promote this development is authorized by the statutes of the State of South Dakota; and

WHEREAS, the lack of available affordable housing hinders workforce development within the community and the growth in customer base which in turn hampers economic growth and sales tax revenue growth within the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF STURGIS that the Project Plan for Tax Incremental District Number Sixteen be, and is hereby, approved as presented by the Sturgis Planning Commission.

Dated this _____ day of _____, 2020.

CITY OF STURGIS

Mark Carstensen, Mayor

ATTEST:

Fay Bueno, Finance Officer

Published:

Effective:

**RESOLUTION 2020-55
RESOLUTION APPROVING AND
AUTHORIZING THE SIGNING OF
CONTRACTS FOR PRIVATE
DEVELOPMENT OF TAX INCREMENTAL
DISTRICTS NUMBER SIXTEEN**

BE IT RESOLVED by the Common Council of the City of Sturgis, as follows:

WHEREAS, the Common Council has approved a project plan for Sturgis Tax Incremental District Number Sixteen by Resolution 2020-54 on _____, 2020; and

WHEREAS, the approved Project Plans will stimulate development and economic growth throughout the community; and

WHEREAS, the use of tax increment financing to promote these developments are authorized by the statutes of the State of South Dakota; and

WHEREAS, to fully implement each project plan a Contract for Private Development of Tax Incremental District is required and that each Project Plan's associated Contract for Private Development was reviewed and available for public comment during the _____, 2020 Council meeting.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF STURGIS that the associated Contract for Private Development of Tax Incremental District Number Sixteen are hereby approved by the Sturgis Common Council and that City Manager Daniel Ainslie is hereby authorized to sign each contract.

Dated this _____ day of _____, 2020.

CITY OF STURGIS

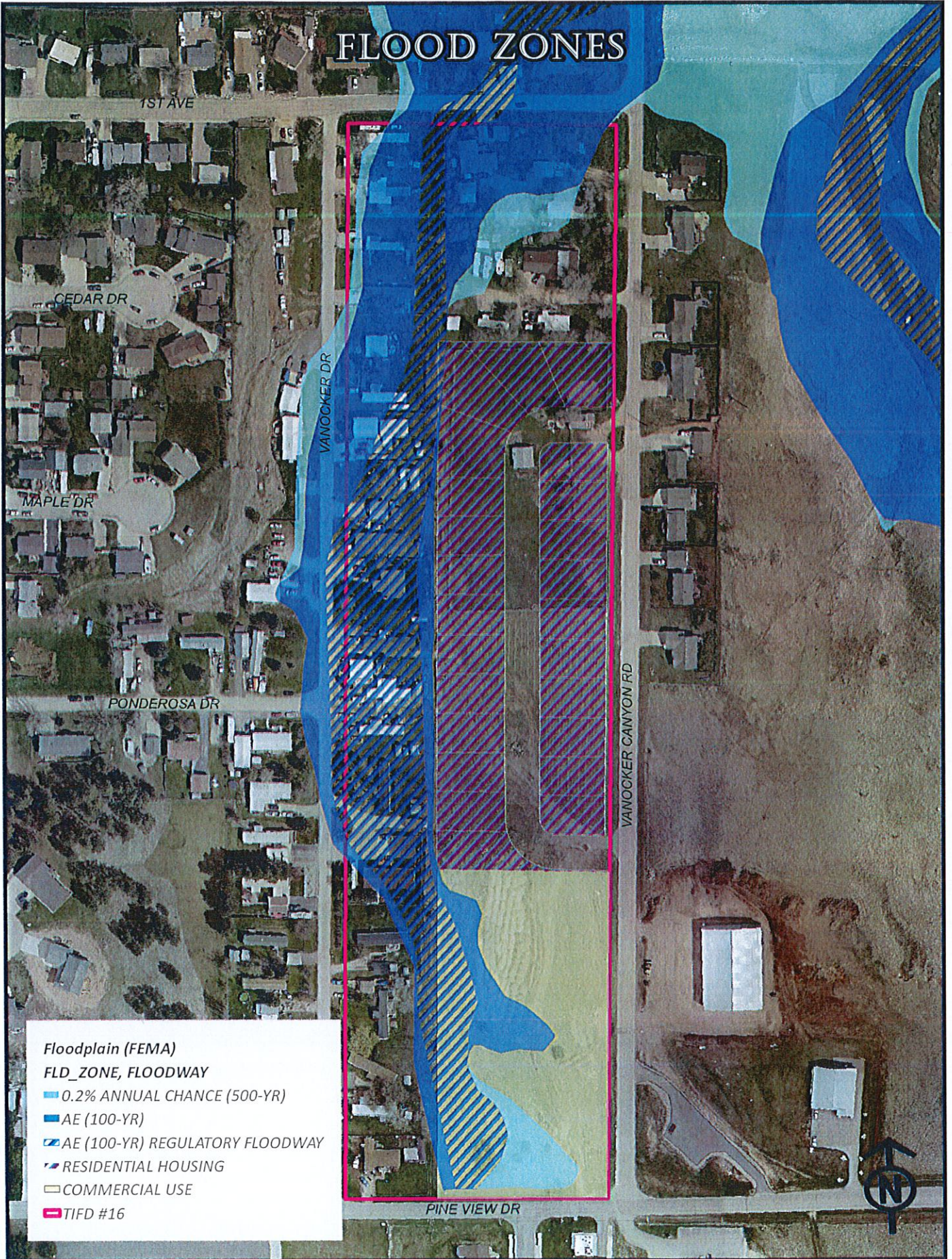
Mark Carstensen, Mayor

ATTEST:

Fay Bueno, Finance Officer

Published:
Effective:

FLOOD ZONES



Floodplain (FEMA)

FLD_ZONE, FLOODWAY

0.2% ANNUAL CHANCE (500-YR)

AE (100-YR)

AE (100-YR) REGULATORY FLOODWAY

RESIDENTIAL HOUSING

COMMERCIAL USE

TIFD #16



1040 Harley-Davidson Way
Sturgis, SD 57785
605-347-4422

City Council Report

Meeting Date: September 21, 2020
Agenda Item: TIFD #18 Boundary and Project Plan
Prepared By: Laura Abernathy

Background Information:

The City of Sturgis is proposing to establish Tax Increment Finance District #18. The legal description of the proposed boundary is as follows:

Lot 1A of Lot A of Hurley Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 23 on Page 72.

Lot B of Hurley Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 21 on Page 324.

Lot 5H3 Revised of Hurley Subdivision, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 24 on Page 76.

Lot 6H of Hurley Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 17 on Page 218.

Lot B of Lot 1 of Murray Tract #1, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, T5N, R5E, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 20 on Page 115.

Lot H-1 (Vacated Right-of-Way adjacent to Lot A and Lot B of Lot 1, Murray Tract #1) Located in SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, T5N, R5E, BHM, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 20 on Page 114.

Lot 12, a portion of Murray Tract #1 lying in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 9, T5N, R5E, BHM, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 5 on Page 168.

Lot 12A of Murray Tract #1, located in the SW $\frac{1}{4}$ of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 12 on Page 27.

Lot 27 in Block 4 of Palisades Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 22 on Page 261.

Lots 28-29 in Block 4 of Palisades Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 23 on Page 71.

Lots 7, 10, and 11 of Hurley Subdivision, located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat recorded in Plat Book 21 on Page 194.

Lots 8 and 9 of Hurley Subdivision, located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, T5N., R5E., B.H.M., of the City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 21 on Page 194.

Lot 5H1-ROE of Hurley Subdivision. Formerly Lots 5H1-A & 5H1-B of Hurley Subdivision, located in the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 16 T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota as shown on the plat filed in Plat Book 23 on Page 316.

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Lot 5H2 Revised of Hurley Subdivision. Formerly Lot 5E12 and Lot 5H3 of Hurley Subdivision, located in the N1/2NW1/4 of Section 16 T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota as shown on the plat filed in Plat Book 24 on Page 76.

Remainder of Lot A-2 of Hurley Subdivision, located in the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 21 on Page 153, and as corrected in the Affidavit of Correction recorded September 30, 2004, in Book 666 on Page 417; EXCEPTING therefrom Lot 7-16 of Hurley Subdivision, as shown on the plat filed in Plat Book 21 on Page 194; and EXCEPTING therefrom Lot 17 of Hurley Subdivision, as shown on the plat filed in Plat Book 23 on Page 92.

Lot 13 of Murray Tract #1, located in the SW1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 5 on Page 235.

Lot 13A of Murray Tract #1, located in the SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 12 on Page 27.

Lot 24N, a subdivision of Lot 24 of Murray Tract #1, located in the SW1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 19 on Page 85.

Lot 24S, a subdivision of Lot 24 of Murray Tract #1, located in the SW1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat recorded in Plat Book 19 on Page 85.

Lot 4 of Lot A of the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 5 on Page 139 (sometimes referred to as Ferguson Subdivision).

Lot 5 located in the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 8 on Page 50.

Lot 6 of Hurley Subdivision, located in the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 13 on Page 10.

Lots 1 and 2 of Lot A of the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 9 on Page 50 (sometimes referred to as Ferguson Plat).

Lot 3 of Lot A of the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County South Dakota (sometimes referred to as Ferguson Subdivision), as shown on the plat filed in Plat Book 8 on Page 50.

Lot C-1 of Lot C of Symonds Subdivision in the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 12 on Page 14.

Lot C-2 of Symonds Subdivision of Lot C in the SE1/4SW1/4 of Section 9 and the vacated portion of the Section Line between the NE1/4NW1/4 of Section 9, T5N., R5E., B.H.M., Meade County, South Dakota, as shown on the plat filed in Plat Book 12 on Page 14.

Lot H-2 (Vacated Right-of-Way adjacent to Lot 1 of Lot A of SE 1/4 SW 1/4). Formerly a portion of the Dolan Creek Road Right-of-Way located in the SE 1/4 SW 1/4 Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota as shown on the plat filed in Plat Book 24 on Page 185.

The purpose of creating a new tax district is to help fund improvements within the proposed boundary and to encourage development of vacant property. The City has been working with Gustafson Development and other interested parties to develop a senior living facility along the intersection of Moose Drive and Dolan Creek Road. The development plan includes a mix of residential units including apartments and townhomes. The plan also includes improvements to city infrastructure including storm water management, sidewalks, road improvements and earthwork. To help promote the development of the property, the TIFD will be

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established to help pay for a portion of these costs. Details regarding the financial impact and responsibilities of the developer and the city are included as an attachment.

Cost, Benefit or Risks:

Additional tax growth for the properties within the TIF boundary will help subsidize the cost of improvements to the area, including a bike path and infrastructure for a new senior living development, and includes improvements to Ferguson Drive, Moose Drive, and Dolan Creek Road. After the TIF expires, the tax revenues for the full value of the property will be allocated to the three tax entities (city, county, and school). Community benefits include satisfying the need for independent living for the senior citizen demographic.

Budget Impact:

Developing the property will eventually lead to increases in local revenues that diversify and strengthen the tax base.

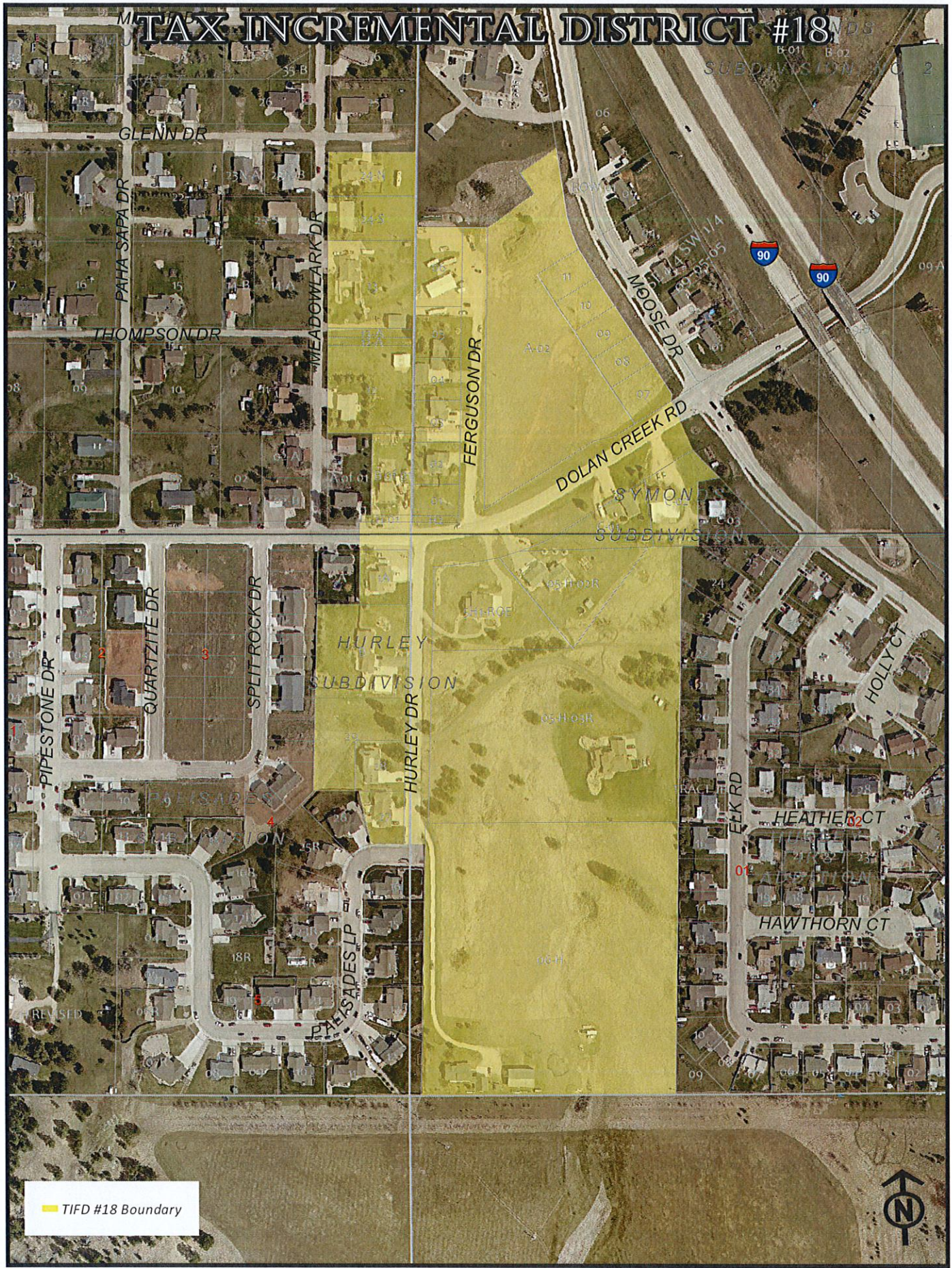
Staff Recommendation:

The Planning Commission reviewed the request at the September 9 meeting and recommended approval of the TIFD boundary. City staff recommends approval of the boundary and of the TIFD #18 Project Plan.

City Manager Approval:

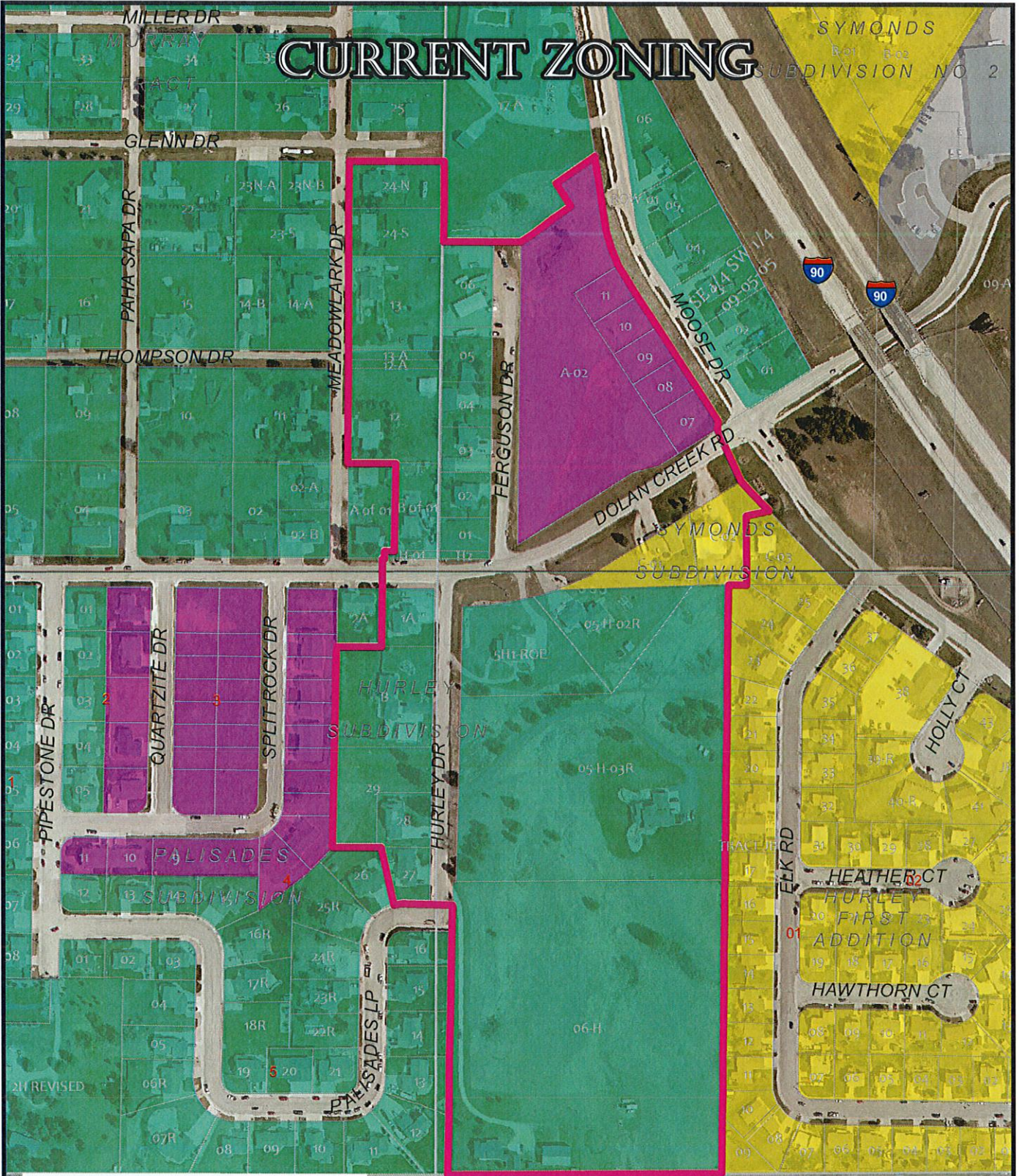


TAX INCREMENTAL DISTRICT #18



— TIFD #18 Boundary

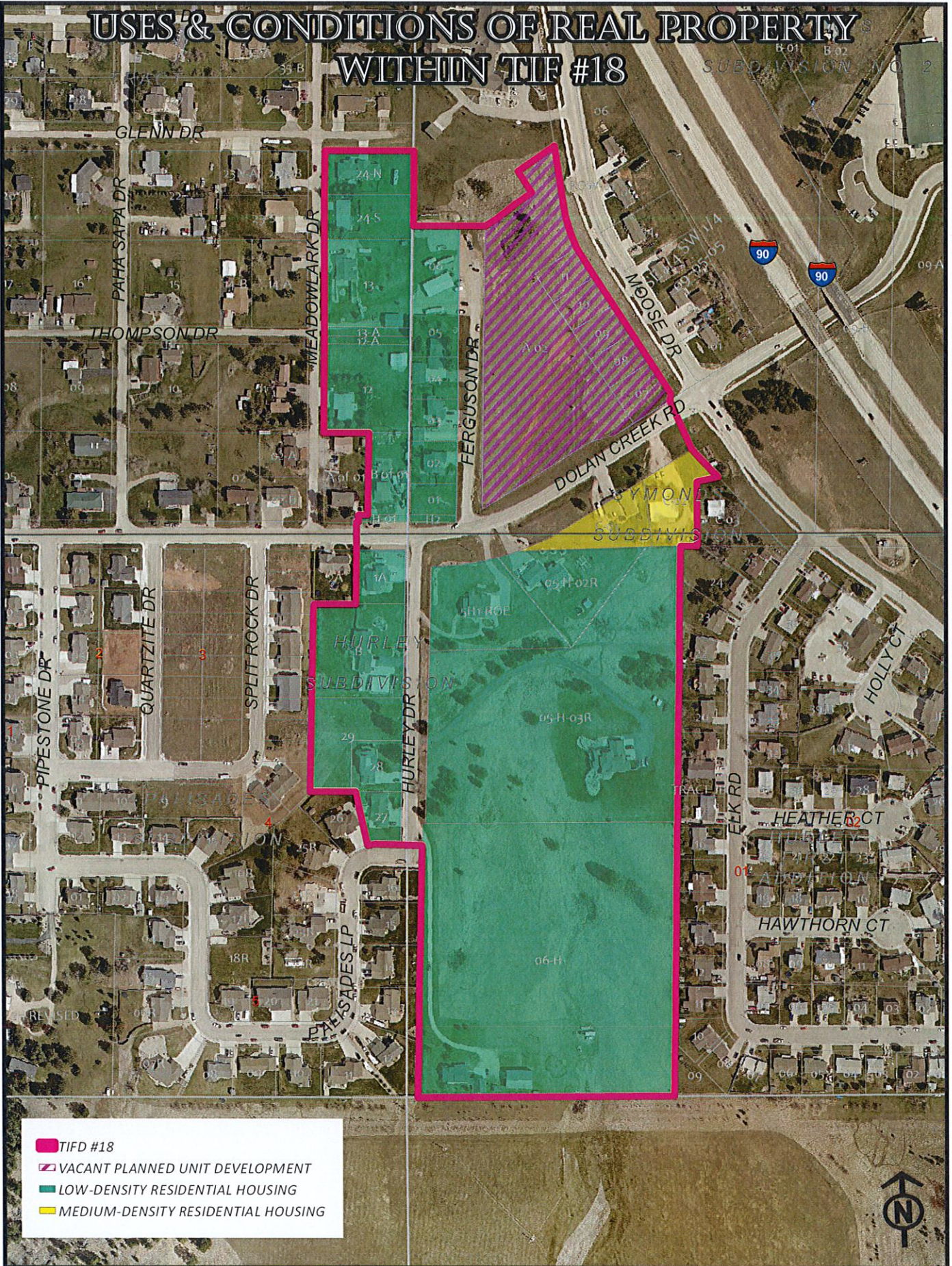
CURRENT ZONING



- TIFD #18
- LOW-DENSITY RESIDENTIAL HOUSING
- MEDIUM-DENSITY RESIDENTIAL HOUSING
- PLANNED USE DEVELOPMENT
- PUBLIC LAND

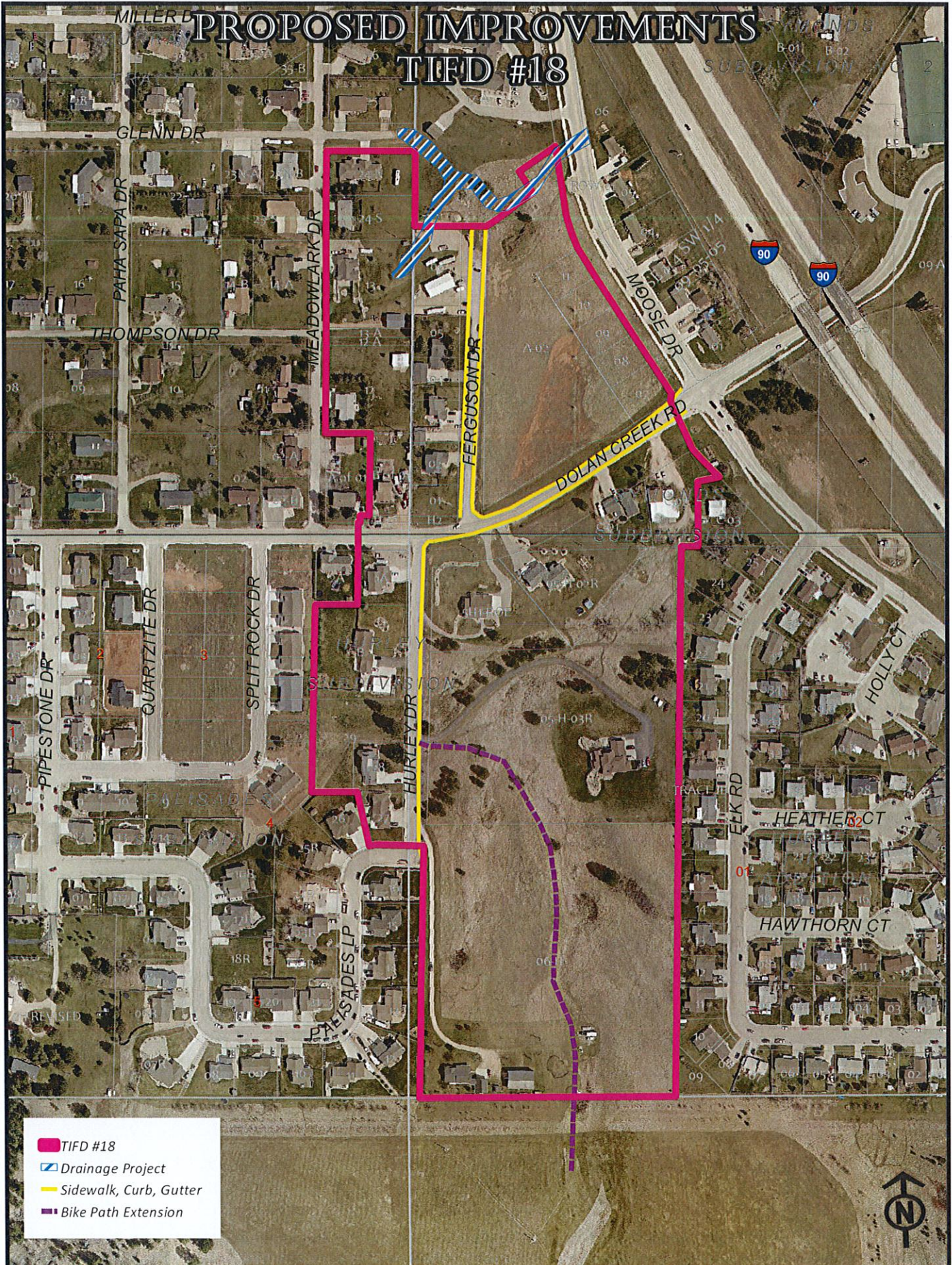


USES & CONDITIONS OF REAL PROPERTY WITHIN TIF #18



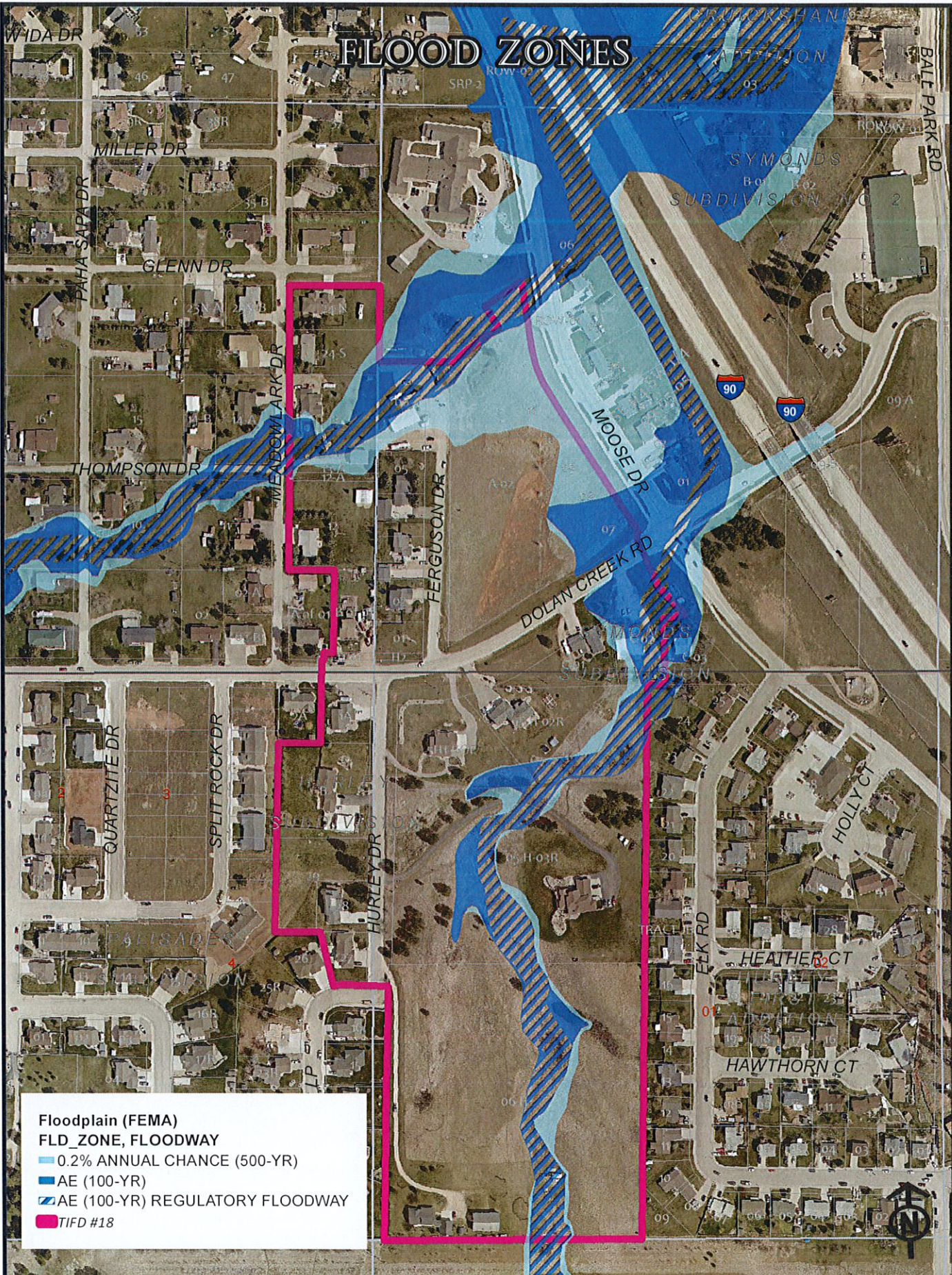
- TIF #18
- VACANT PLANNED UNIT DEVELOPMENT
- LOW-DENSITY RESIDENTIAL HOUSING
- MEDIUM-DENSITY RESIDENTIAL HOUSING

PROPOSED IMPROVEMENTS TIFD #18

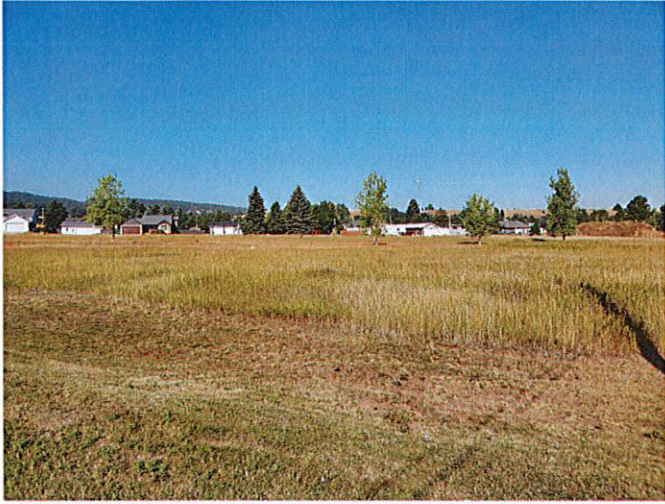


- TIFD #18
- Drainage Project
- Sidewalk, Curb, Gutter
- Bike Path Extension

FLOOD ZONES



- Floodplain (FEMA)
- FLD_ZONE, FLOODWAY
- 0.2% ANNUAL CHANCE (500-YR)
- AE (100-YR)
- AE (100-YR) REGULATORY FLOODWAY
- TIFD #18



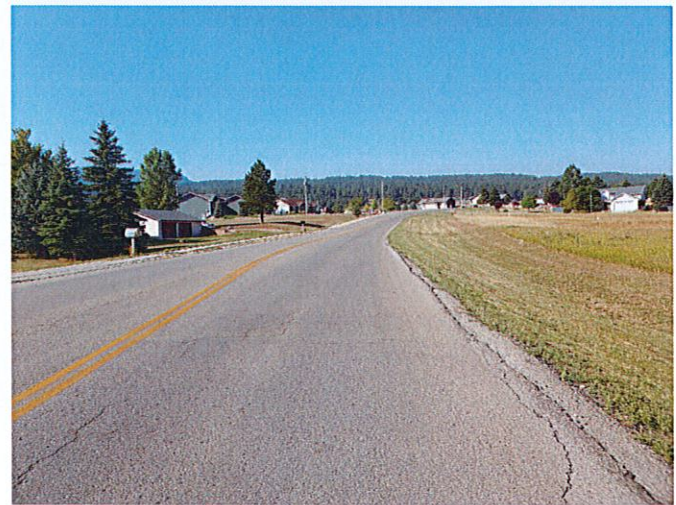
Vacant property to be developed



Existing conditions of Ferguson Drive



Drainage on Lot 17A



Existing conditions of Dolan Creek Road

**PROJECT PLAN FOR
TAX INCREMENTAL DISTRICT NUMBER EIGHTEEN**

Between
**GUSTAFSON DEVELOPMENT COMPANY, LIMITED PARTNERSHIP,
LLLP**
and
CITY OF STURGIS, SOUTH DAKOTA

September _____, 2020

1. PARTIES:

The parties to this plan are the CITY OF STURGIS, a municipal corporation organized under the laws of the State of South Dakota, hereinafter referred to as CITY; and GUSTAFSON DEVELOPMENT COMPANY, LIMITED PARTNERSHIP, LLLP, a South Dakota company, hereinafter referred to as DEVELOPER.

2. PURPOSE:

The City of Sturgis has identified diversified, quality residential growth as a community need and has encouraged the private sector to develop such projects. As part of this encouragement, CITY has authorized use of tax increment financing through the creation of Sturgis Tax Incremental District Number Eighteen. Tax increment financing is authorized by South Dakota Law, as provided in SDCL Chapter 11-9. The CITY finds that the long-term vacancy of the subject property, the lack of adequate storm water, domestic water and street lighting and needed road and sidewalk repairs has impaired the economic growth of the area as defined in SDCL 11-9-11.

3. TERMS OF PLAN (SDCL 11-9-13(5)):

This plan, covering all work efforts expended to date as well as subsequent efforts to be performed by CITY and DEVELOPER to implement Sturgis Tax Incremental District Number Eighteen, shall be completed by September 20, 2025 or sooner if all components of this plan are completed ahead of schedule. The CITY shall provide the funds necessary to finance the obligations identified in this plan as payments are necessary through an interfund loan fully amortized for 20 years at an annual interest rate of 5%. The CITY shall use unobligated funds from the General Fund (40%) and the Water Fund (60%) in the total amount of \$1,290,000 as needed to make the obligations outlined in this agreement, which will provide the initial financing necessary to make all TIF Fund payments to CITY and DEVELOPER and make annual debt payments for up to five years after the signature of this plan. The CITY shall keep a record of all expenses paid in relation to this plan in a separate fund. The annual repayment to CITY of this loan during the TIF period shall be from the tax increment revenue received and shall be used to reimburse CITY for all expenses incurred by CITY in establishing the Tax Incremental District 18 Fund as well as any annual debt payment made to the CITY as described in this Plan.

4. **RESPONSIBILITIES (SDCL 11-9-13(1)):**

Parties to this contract agree to the following responsibilities:

CITY agrees to:

- a. Complete approval of the Project Plan, the Private Development Contract documents and then prepare all the required TIF documentation.
- b. Complete design and construction of stormwater improvements to the north of the subject site
- c. Complete design and construction of a bike path on the southern side of the TIF District.
- d. Complete the reconstruction of Hurley Drive.

DEVELOPER agrees to:

- a. Complete the construction of a three-story 50 unit independent and assisted living senior housing facility with an anticipated increased assessed valuation of at least \$5,500,000 which the parties expect will significantly enhance the property value within the TIF district consistent with the purpose of SDCL 11-9-8. Additional residential construction by DEVELOPER including townhomes and single-family homes may occur.
- b. Complete the reconstruction of the adjoining Moose Drive, Dolan Creek Road and Fergusson Drive to the City of Sturgis specifications, including road surface, curb, gutter and sidewalks.
- c. Complete the construction of all necessary infrastructure for the development (including but not limited to sidewalks, curb, gutter, domestic water, sewer lines, street lighting, landscaping and pavement).
- d. Repay the \$1,290,000 of compensation received from CITY as provided herein and in the companion Contract for Private Development for Tax Increment District Number Eighteen.
- e. Maintain ownership of the Project and all improvements for the duration of the 20-year plan, or ensure all obligations included here within are transferred to the successor and interest until the entire project loan is repaid in full.
- f. If the contract is modified to allow the property or any portion to be sold to a property tax-exempt non-profit organization, DEVELOPER agrees that all remaining principal and interest owing on the project loan and compensation shall become due immediately, to be paid to CITY within 5 business days.

5. ADVANCES FROM TIF LOAN (SDCL 11-9-13(3)):

The parties agree that the CITY shall receive reimbursement from the TIF Fund proceeds in the following amounts:

- | | |
|---|-----------|
| a. Administrative costs (SDCL 11-9-15 (5)) | \$25,000 |
| b. Stormwater improvements (SDCL 11-9-15 (1)) | \$65,000 |
| c. Bike path extension (SDCL 11-9-15 (1)) | \$150,000 |
| d. Hurley Drive Reconstruction (SDCL 11-9-15 (1)) | \$200,000 |

The parties agree that the DEVELOPER shall receive reimbursement from the TIF Fund proceeds in the following amounts (see attached engineer's estimate):

- | | |
|--|-----------|
| a. Construction of infrastructure for project (SDCL 11-9-15 (1)) | \$400,000 |
| b. Economic Development Grant to assist in lease-up (SDCL 11-9-15 (8)) | \$200,000 |
| c. Financing Costs to fund initial TIF Loan Payments (SDCL 11-9-15 2)) | \$450,000 |

The Economic Development Grant funding will be available for disbursement in a monthly amount up to the total grant allocation to offset a portion of the cash flow shortfalls during the initial lease up period. The monthly distribution amount shall be approved by the CITY, and shall be based upon the percentage, hereafter referred to as the occupancy rate, of the units that are occupied and the units that have received deposits at the end of each month as a portion of the total number of units. The approval and distribution of any grant funds will take place within 14 business days after a complete application and all required documents are received by CITY. The monthly distribution shall be made to DEVELOPER or DEVELOPER'S Lessee the determination of which shall be made in writing by DEVELOPER to CITY.

Any monthly grant will be calculated based on the occupancy rate shown below and capped at the corresponding amount for that level of occupancy:

- monthly occupancy 1-20%: \$50,000
- monthly occupancy 21-30% \$40,000
- monthly occupancy 31-40% \$30,000
- monthly occupancy 41-50% \$20,000
- monthly occupancy 51-60% \$10,000

No Economic Development Grant will be available when the occupancy rate exceeds 60%, or when the first one of the following circumstances occur:

- a. The date of September 20, 2025, or
- b. Total Economic Development Grant Assistance of \$200,000 has been paid, or
- c. 36 months after the certificate of occupancy is issued for the planned building.

DEVELOPER agrees that the Economic Development Grant shall be repaid to the CITY at the rate of \$10,000 annually, beginning September 1, 2024 and continuing annually on September 1 thereafter for 19 additional years. However, DEVELOPER will receive a \$10,000 credit against this September 1st grant repayment obligation for each full year during which the senior living amenities included in the construction plans for this Project remain available to tenants in the completed Project. To implement this repayment obligation, DEVELOPER agrees and consents to an annual special assessment payable to the City of Sturgis in the amount of \$10,000, to be collected as provided for in SDCL Chapter 9-43.

6. FISCAL IMPACT STATEMENT:

Parcel Number	Property Value	Structure Value	Total Value	City General 6.231	School General 7.873/11.474	County General 4.047
01.07.7	220,523	0	220,523	1,374.08	1,736.18	892.46
01.07.8	26,726	0	26,726	166.53	210.41	108.16
01.07.9	26,726	0	26,726	166.53	210.41	108.16
01.19.24N	46,000	235,171	281,171	1,751.98	2,213.66	1,137.90
01.19.24S	46,000	142,620	188,620	1,175.29	1,485.01	763.35
01.19.13	51,750	239,452	291,202	1,814.48	2,292.63	1,178.49
01.20.06	46,000	19,183	65,183	406.16	513.19	263.80
01.20.05	36,800	0	36,800	229.30	289.73	148.93
01.20.04	36,800	150,051	186,851	1,164.27	1,471.08	756.19
01.20.3A	36,800	124,729	161,529	1,006.49	1,271.72	653.71
01.20.2A	36,800	209,115	245,915	1,532.30	1,936.09	995.22
01.20.1A	36,800	0	36,800	229.30	289.73	148.93
01.22.C2	40,471	134,128	174,599	1,087.93	1,374.62	706.60
01.22.C1	40,685	98,549	139,234	867.57	1,096.19	563.48

01.07.5H2R	51,750	308,666	360,416	2,245.75	2,837.56	1,458.60
01.07.5H1.ROE	53,712	239,665	293,377	1,828.03	2,309.76	1,187.30
01.07.01A	38,132	174,821	212,953	1,326.91	1,676.58	861.82
01.07.0B	53,712	236,290	290,002	1,807.00	2,283.19	1,173.64
01.43.04.29	1,000	0	1,000	6.23	7.87	4.05
01.19.12	51,750	152,266	204,016	1,271.22	1,606.22	825.65
01.19.01B	36,800	131,313	168,113	1,047.51	1,323.55	680.35
01.07.6H	93,618	231,741	325,359	2,027.31	2,561.55	1,316.73
01.20.H2	0	0	0	0	0	0
01.07.5H3R	83,838	479,801	563,639	3,512.03	4,437.53	2,281.05
01.43.04.28	42,500	292,164	334,664	2,085.29	2,634.81	1,354.39
01.43.04.27	35,000	290,237	325,237	2,026.55	2,560.59	1,316.23
Current Total	1,270,693	3,889,962	5,160,655	32,156	40,630	20,885
Total Post Dev	2,104,236	9,389,962	11,494,198	71,620	113,301	46,517
Total increase	833,543	5,500,000	6,333,543	39,464	72,671	25,632

The total assessed valuation within the TIF district upon the completion of the project is anticipated to have increased by \$6,333,543. Following completion and during the period of debt repayment, each taxing agency will retain their existing revenue (City \$32,156, School \$40,630 and County \$20,885). Upon the completion of the repayment of the indebtedness, the total assessed valuation within the TIF district is anticipated to have grown to \$11,494,198. Based on that projected growth in total assessed valuation, it is anticipated to generate the following additional annual revenue for the taxing agencies once the TIF loan is repaid of:

- a. City: \$39,464
- b. School: \$72,671
- c. County: \$25,632

7. ECONOMIC FEASIBILITY STUDY (SDCL 11-9-13(2)):

The fiscal impact statement is modeled after the confidential information provided by the DEVELOPER to the Sturgis Economic Development Corp.. This information includes the anticipated construction schedule and occupancy forecast included by the DEVELOPER in his financial submittal to Sturgis Economic Development Corp.

Year	Start of Year Loan Balance	Yearly Interest Paid	Yearly Principal Paid	Total Interest
2020	1,490,000	10,737	6,290	10,737
2021	1,283,710	63,303	38,858	74,040
2022	1,244,852	61,315	40,846	135,355
2023	1,204,006	59,225	42,936	194,580
2024	1,161,070	57,029	45,133	251,609
2025	1,115,937	54,719	47,442	306,328
2026	1,068,496	52,144	85,623	358,472
2027	982,872	47,763	90,004	406,235
2028	892,868	43,158	94,609	449,394
2029	798,260	38,318	99,449	487,712
2030	698,810	33,230	104,537	520,942
2031	594,273	27,882	109,885	548,824
2032	484,388	22,260	115,507	571,083
2033	368,880	16,350	121,417	587,434
2034	247,463	10,138	127,629	597,572
2035	119,834	3,633	119,834	601,205

As illustrated, upon completion more than adequate annual tax receipts will be received to make the annual payments needed to repay the loan within 20 years. Revenue will be higher if the additional residential townhomes are constructed. This potential additional revenue is not included in this fiscal analysis. Each tax payment received shall be credited towards repayment of outstanding principal and interest owed to CITY. If funds advanced to the DEVELOPER are not repaid within the fifteen-year period following completion of the project plan, the remaining balance of all unpaid principal and interest shall become immediately due and owing by the DEVELOPER to the CITY. A lien for such unpaid loan balance shall attach to the DEVELOPER'S property within the Tax Increment District Number Eighteen at 12:01 am on

September 20, 2040 by filing a Notice of Lis Pendens and a copy of this Plan at the Office of Meade County Register of Deeds to provide security for repayment of that unpaid balance to CITY.

8. PROJECT PLAN STATUTORY REQUIRED STATEMENTS (SDCL 11-9-16) :

The proposed development does not require a change to the CITY’S adopted comprehensive plan and building codes. The plan would require that the newly reconstructed streets would be included within the “No parking on roadway” designation on Moose and Dolan Creek Road as provided in the CITY’S municipal ordinances. There are no residents or commercial entities within the TIF district that would require a relocation.

9. AUTHORITY TO ACT:

Each person signing below hereby represents to the other party that by signing below they have been duly authorized by the respective contracting parties to negotiate, execute and perform the actions subject to and required by this contract.

10. PARTIES BOUND:

This agreement shall be binding upon the parties hereto and their successors and assigns.

11. NON-ASSIGNMENT:

This agreement has elements in the nature of a personal services contract and DEVELOPER’S interest in the subject property shall not be sold, transferred or assigned by DEVELOPER without the prior written approval signed by CITY’S authorized representative. Such approval shall not be unreasonably withheld.

- The monthly distribution shall be made only to DEVELOPER or DEVELOPER’S Lessee, identified under the terms of Paragraph 11 herein. The monthly application for distribution of a portion of the Grant must be made in writing by DEVELOPER to CITY.

12. DEFAULT:

The occurrence of any of the following shall constitute a default under this contract:

- a. The failure of either Party to provide the elements or make the payment as required by this contract.
- b. The violation of or failure to perform any other material provision or requirement of this contract that is not corrected within fifteen (15) calendar days after written notice of the violation or failure to perform is given.
- c. The insolvency, bankruptcy or the subjection of any property of DEVELOPER to any levy, seizure, assignment, application or sale for or by any creditor or government agency.

13. ENTIRE CONTRACT MODIFICATION:

This contract and the companion Contract for Private Development for Tax Incremental District Number Fourteen constitutes the entire agreement for Tax Incremental District Number Fourteen between all parties. No amendment or modification changing its scope or terms shall have any force or effect unless it is in writing, designated as an Exhibit to this Agreement, signed by all parties, and the original of that signed writing is attached to the original Agreement on file in the City Finance Office as an Exhibit.

14. COMPLETE AND FINAL AGREEMENT:

This written Project Plan Agreement and the Private Development Plan for Tax Incremental District Number Fourteen shall be considered the complete agreement of the parties relating to the matters set forth therein, notwithstanding any oral representations or other writings to the contrary. The parties specifically understand and agree that upon execution of this Project Plan and Private Development Plan for Tax Increment District Number Fourteen any prior oral representations or other writings to the contrary, related to the subject matter of this contract, shall be terminated and extinguished and shall be of no further force or effect between the parties.

Executed this _____ of September, 2020.

GUSTAFSON DEVELOPMENT COMPANY, LIMITED PARTNERSHIP, LLLP

Wayne Gustafson, Partner

State of South Dakota)

) ss.

County of Meade)

On this the ___ day of September, 2020, before me, the undersigned officer(s), personally appeared Wayne Gustafson, who acknowledged himself to be a partner of Gustafson Development Company, Limited Partnership, LLLP and that he, as such partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name Gustafson Development Company, Limited Partnership, LLLP by himself as partner.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public – South Dakota

My Commission Expires_____

GUSTAFSON DEVELOPMENT COMPANY, LIMITED PARTNERSHIP, LLLP

Jacqueline Gustafson, Partner

State of South Dakota)

) ss.

County of Meade)

On this the ___ day of September, 2020, before me, the undersigned officer(s), personally appeared Jacqueline Gustafson, who acknowledged herself to be a partner of Gustafson Development Company, Limited Partnership, LLLP and that she, as such partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name Gustafson Development Company, Limited Partnership, LLLP by herself as partner.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public – South Dakota
My Commission Expires_____

CITY OF STURGIS

By: Daniel Ainslie
Sturgis City Manager
State of South Dakota)

) ss.

County of Meade)

On this the ___ day of September, 2020 before me, the undersigned officer, personally appeared Daniel Ainslie who acknowledged himself to be the City Manager of the City of Sturgis, South Dakota, a municipal corporation, and that he as such City Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the City of Sturgis by himself as City Manager.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public - South Dakota
My Commission Expires_____

**CONTRACT FOR PRIVATE DEVELOPMENT OF TAX INCREMENT
DISTRICT NUMBER EIGHTEEN**

Between

**GUSTAFSON DEVELOPMENT COMPANY, LIMITED PARTNERSHIP,
LLLP**

and

CITY OF STURGIS, SOUTH DAKOTA

September _____, 2020

CONTRACT FOR PRIVATE DEVELOPMENT

THIS AGREEMENT made and entered into on this ____th day of September, 2020, between GUSTAFSON DEVELOPMENT COMPANY, LIMITED PARTNERSHIP, LLLP a South Dakota company (herein referred to as “DEVELOPER”), and the City of Sturgis, a municipal corporation and political subdivision of the State of South Dakota (herein after referred to as “CITY”).

SECTION: The City of Sturgis created Tax Incremental District (TID) Number Eighteen by Resolution 2020-__ of the Common Council on September 21, 2020.

SECTION 2: The City of Sturgis approved the Project Plan for Tax Incremental District Number Eighteen by Resolution 2020-__ of the City Council on September 21, 2020.

SECTION 3: The tax incremental base value of property located in Tax Incremental District Number Eighteen as recorded by the Meade County Director of Equalization has a 2020 aggregate assessed value of FIVE MILLION ONE HUNDRED SIXTY THOUSAND SIX HUNDRED FIFTY-FIVE (\$5,160,655) DOLLARS.

SECTION 4: The CITY will provide internal financing through a loan from the General and Water Funds in the amount of \$1,490,000 to fund estimated project costs for construction of site improvements, including sidewalks, bike paths, curb and gutter, storm sewer, and other costs specified in the approved Project Plan referenced in Section 4 and 5 of that Plan. Specifically, under Compensation Developer Costs, the Project Plan authorizes a maximum of \$1,490,000 for the implementation of the project plan to construct public infrastructure and associated costs and thereby stimulate and develop the general economic welfare and prosperity of the CITY and State. The internal finance funds and all other costs to the CITY shall be repaid to the CITY utilizing tax increment revenue receipts from Tax Incremental District Number Eighteen.

- a. Project improvements to be constructed with TID funds shall conform to plans and specifications prepared and submitted to the City of Sturgis by the DEVELOPER by September 20, 2025 in conjunction with their development project. Official documents of record in this matter shall be those plans and specifications approved by the CITY in conjunction with issuing any and all project building permits, and these documents shall be maintained in the Office of the City Building Inspector. Further, all included site improvements shall be in full conformity with all applicable CITY codes and ordinances. The CITY may extend this deadline by providing written notice to DEVELOPER.
- b. All construction activity shall comply with so-called "State Bid Law" requirements in the same manner in which the City of Sturgis is required to bid and award construction projects. Specifically, it is a condition of this agreement that all provisions of South Dakota law regarding the expenditure of public funds are incorporated herein, and the requirements of Chapter 5-18A and Chapter 5-18B in the South Dakota Codified

Laws are an integral part of this agreement. The DEVELOPER shall provide adequate documentation of compliance with SDCL Chapter 5-18A and SDCL 5-18B promptly upon the request of the CITY.

c. Upon completion of the improvements specified in Section 4 and more fully described the related Contract Documents, Plans and Specifications, the DEVELOPER shall certify to the City Finance Officer that such improvements have been completed and shall certify the amount of money disbursed, therefore. The CITY shall have the right to require prompt and reasonable documentation to establish that the amounts set forth in the TID Number Fourteen Project Plan have been disbursed in payment for the authorized expenditures. Further, the CITY shall have the right to inspect the premises at reasonable times and at reasonable intervals for the purpose of establishing that the improvements have been completed in a workmanlike manner. Any inspection made by the CITY pursuant to this provision shall be solely for the purpose of financial administration, and no liability shall accrue to the CITY arising out of any alleged insufficiency of such inspection.

SECTION 5: All positive tax increments received from TID Number Eighteen shall, upon receipt by the CITY, be deposited in a special fund to be known as the "Tax Incremental District Number Eighteen Fund." The CITY shall, within thirty (30) days after receipt of each tax increment payment from the Meade County Treasurer, disburse all receipts to the underlying CITY fund from which the initial financing and all additional debt repayment transfer for the "Tax Incremental District Number Eighteen Fund" was provided.

SECTION 6: The parties agree that time is of the essence of this Agreement.

SECTION 7: It is specifically a condition of this Agreement and a condition of the DEVELOPER'S obligation to re-pay, that all sums payable during the period of the plan shall be limited to the proceeds of the positive tax increment from Tax Incremental District Number Eighteen received into the special fund specified in Section 5 above. The obligation of the DEVELOPER to pay the CITY pursuant to this Agreement does not constitute a general indebtedness of the CITY or a charge against the CITY'S general taxing power. It is also specifically agreed that the CITY has made no representation that the proceeds from such fund shall be sufficient to retire the indebtedness incurred by the DEVELOPER under Section 4 hereof. In addition, the DEVELOPER specifically agrees to hold the CITY harmless and indemnify the CITY regarding any indebtedness incurred herein as set forth in Paragraph 5 and 8 of the companion Project Plan.

SECTION 8: The parties further agree that in addition to the provisions of SDCL 11-9-25 defining maximum limits of the duration of the allocability of positive tax increment payments to the fund created by Section 5 herein, this Agreement further restricts the duration of TID Number Eighteen to the earlier of the following:

a. The retirement of all outstanding authorized TID Number Eighteen debt, as specified in Section 5 of this Agreement; or

b. Payment of the final positive tax increment payment authorized in the Project Plan specified in Section 2 of this Agreement, with such payment defined as the total amount being assessed in the year 2039, and payable in the year 2040.

SECTION 9: Further, the parties to this Agreement recognize and acknowledge that projected tax increment revenue payments derived in the Project Plan specified in Section 2 of this agreement utilized estimated property valuations-based upon project components and cost estimates provided by the DEVELOPER for estimating future tax payments based upon the real property tax structure and taxation rates currently existing in Meade County and the City of Sturgis. However, both parties acknowledge that there can be no certainty that future tax rates will be at or above the rates utilized in the Project Plan. The parties specifically agree that if the tax increment payments derived from the Project Plan do not fully reimburse the CITY for funds the CITY has advanced to comply with the Project Plan, the DEVELOPER shall be liable for repayment in full of those unpaid amounts as more described in greater detail in the related Project Plan.

SECTION 10: It is contemplated by the parties to this Agreement that the DEVELOPER may assign its interest under this Agreement as security for the note or loan agreement, or other financing as described in Section 4 hereof. It is understood and agreed by and between the parties that any such assignment shall be in writing and, if agreed to by the CITY, the CITY shall make any subsequent disbursement pursuant to such assignment, and to the extent of such disbursement it shall relieve the CITY of the obligation to make such disbursement to the DEVELOPER.

SECTION 11: Each person signing below hereby represents to the other party that by signing below they have been duly authorized by the respective contracting parties to negotiate, execute and perform the actions subject to and required by this contract.

SECTION 12: This agreement shall be binding upon the parties hereto and their successors and assigns.

SECTION 13: ENTIRE COMBINED AGREEMENT

This written Project Plan Agreement and the Private Development Plan for Tax Incremental District Number Eighteen, and the related Construction Plans and Specifications, and associated contracts, shall be considered the complete agreement of the parties relating to the matters set forth therein, notwithstanding any oral representations or other writings to the contrary. The parties specifically understand and agree that upon execution of this Project Plan and the Private Development Plan for Tax Increment District Number Eighteen any prior oral representations or other writings to the contrary, related to the subject matter of this contract, shall be terminated

and extinguished and shall be of no further force or effect between the parties

DATED this _____ day of September, 2020.

GUSTAFSON DEVELOPMENT COMPANY, LIMITED PARTNERSHIP, LLLP

Wayne Gustafson, Partner

State of South Dakota)

) ss.

County of Meade)

On this the ___ day of September, 2020, before me, the undersigned officer(s), personally appeared Wayne Gustafson, who acknowledged himself to be a partner of Gustafson Development Company, Limited Partnership, LLLP and that he, as such partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name Gustafson Development Company, Limited Partnership, LLLP by himself as partner.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public – South Dakota

My Commission Expires _____

GUSTAFSON DEVELOPMENT COMPANY, LIMITED PARTNERSHIP, LLLP

Jacqueline Gustafson, Partner

State of South Dakota)

) ss.

County of Meade)

On this the ___ day of September, 2020, before me, the undersigned officer(s), personally appeared Jacqueline Gustafson, who acknowledged herself to be a partner of Gustafson Development Company, Limited Partnership, LLLP and that she, as such partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name Gustafson Development Company, Limited Partnership, LLLP by herself as partner.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public – South Dakota

My Commission Expires_____

CITY OF STURGIS

By: Daniel Ainslie

Sturgis City Manager

State of South Dakota)

) ss.

County of Meade)

On this the ___day of September, 2020 before me, the undersigned officer, personally appeared Daniel Ainslie who acknowledged himself to be the City Manager of the City of Sturgis, South Dakota, a municipal corporation, and that he as such City Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the CITY OF STURGIS by himself as City Manager.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(seal)

Notary Public - South Dakota

My Commission Expires_____

**RESOLUTION 2020-56
CREATION OF TAX INCREMENTAL DISTRICT NUMBER EIGHTEEN**

WHEREAS, the Common Council of the City of Sturgis deems it necessary to create a tax incremental district, pursuant to SDCL 11-9-5, to be designated as Tax Incremental District Number Eighteen (TID #18) and includes the real property as more particularly described herein; and

WHEREAS, the Council has reviewed and considered the recommendation provided to the Council by the Sturgis Planning and Zoning Commission; and

WHEREAS, the property within the following described District meets the qualifications and criteria set forth in SDCL 11-9-8 for a tax incremental district; and

WHEREAS the Council finds that 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

WHEREAS, the Council finds that the use of tax increment financing to promote this development is authorized by the statutes of the State of South Dakota; and

WHEREAS, the Council finds improvement of the area is likely to significantly enhance the value substantially of all the other real property in the district.

NOW, THEREFORE, BE IT RESOLVED by the City of Sturgis that the real property legally described below and known as Gustafsen Senior Living shall constitute the final boundaries of Tax Incremental District Number Eighteen (TID #18):

Lot 1A of Lot A of Hurley Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 23 on Page 72.

Lot B of Hurley Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 21 on Page 324.

Lot 5H3 Revised of Hurley Subdivision, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 24 on Page 76.

Lot 6H of Hurley Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 17 on Page 218.

Lot B of Lot 1 of Murray Tract #1, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, T5N, R5E, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 20 on Page 115.

Lot H-1 (Vacated Right-of-Way adjacent to Lot A and Lot B of Lot 1, Murray Tract #1) Located in SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, T5N, R5E, BHM, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 20 on Page 114.

Lot 12, a portion of Murray Tract #1 lying in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 9, T5N, R5E, BHM, City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 5 on Page 168.

Lot 12A of Murray Tract #1, located in the SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 12 on Page 27.

Lot 27 in Block 4 of Palisades Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 22 on Page 261.

Lots 28-29 in Block 4 of Palisades Subdivision to the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 23 on Page 71.

Lots 7, 10, and 11 of Hurley Subdivision, located in the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat recorded in Plat Book 21 on Page 194.

Lots 8 and 9 of Hurley Subdivision, located in the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., of the City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 21 on Page 194.

Lot 5H1-ROE of Hurley Subdivision. Formerly Lots 5H1-A & 5H1-B of Hurley Subdivision, located in the N1/2NW1/4 of Section 16 T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota as shown on the plat filed in Plat Book 23 on Page 316.

Lot 5H2 Revised of Hurley Subdivision. Formerly Lot 5E12 and Lot 5H3 of Hurley Subdivision, located in the N1/2NW1/4 of Section 16 T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota as shown on the plat filed in Plat Book 24 on Page 76.

Remainder of Lot A-2 of Hurley Subdivision, located in the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 21 on Page 153, and as corrected in the Affidavit of Correction recorded September 30, 2004, in Book 666 on Page 417; EXCEPTING therefrom Lot 7-16 of Hurley Subdivision, as shown on the plat filed in Plat Book 21 on Page 194; and EXCEPTING therefrom Lot 17 of Hurley Subdivision, as shown on the plat filed in Plat Book 23 on Page 92.

Lot 13 of Murray Tract #1, located in the SW1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 5 on Page 235.

Lot 13A of Murray Tract #1, located in the SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 12 on Page 27.

Lot 24N, a subdivision of Lot 24 of Murray Tract #1, located in the SW1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 19 on Page 85.

Lot 24S, a subdivision of Lot 24 of Murray Tract #1, located in the SW1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat recorded in Plat Book 19 on Page 85.

Lot 4 of Lot A of the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 5 on Page 139 (sometimes referred to as Ferguson Subdivision).

Lot 5 located in the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 8 on Page 50.

Lot 6 of Hurley Subdivision, located in the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 13 on Page 10.

Lots 1 and 2 of Lot A of the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County, South Dakota, as shown on the plat filed in Plat Book 9 on Page 50 (sometimes referred to as Ferguson Plat).

Lot 3 of Lot A of the SE1/4SW1/4 of Section 9, T5N., R5E., B.H.M., City of Sturgis, Meade County South Dakota (sometimes referred to as Ferguson Subdivision), as shown on the plat filed in Plat Book 8 on Page 50.

Lot C-1 of Lot C of Symonds Subdivision in the City of Sturgis, Meade County, South Dakota, as shown by the plat filed in Plat Book 12 on Page 14.

Lot C-2 of Symonds Subdivision of Lot C in the SE1/4SW1/4 of Section 9 and the vacated portion of the Section Line between the NE1/4NW1/4 of Section 9, T5N., R5E., B.H.M., Meade County, South Dakota, as shown on the plat filed in Plat Book 12 on Page 14.

BE IT FURTHER RESOLVED that said Tax Incremental District Number Eighteen, City of Sturgis, described above shall upon passage and publication be forwarded to the State of South Dakota Department of Revenue to set the aggregate assessed value pursuant to SDCL 11-9-20.

Dated at Sturgis, Meade County, South Dakota, and this ____ day of _____, 2020.

CITY OF STURGIS

By: _____
Mark Carstensen, Mayor

ATTEST:

Fay Bueno, Finance Officer

(SEAL)

Published:
Effective:

**RESOLUTION 2020-57 RESOLUTION
APPROVING PROJECT PLAN FOR
TAX INCREMENTAL DISTRICT NUMBER EIGHTEEN**

BE IT RESOLVED by the Common Council of the City of Sturgis, as follows:

WHEREAS, the Common Council has established Sturgis Tax Incremental District Number Eighteen by Resolution 2020-56 on _____; and

WHEREAS, the Common Council deems it in the best interests of the City to promote the creation of affordable housing developments within the City; and

WHEREAS, the Project Plan approval helps make such affordable housing development feasible by assisting with various public works improvements including streets, bicycle path, utility connections and earthwork within the tax increment district; and

WHEREAS, the use of tax increment financing to promote this development is authorized by the statutes of the State of South Dakota; and

WHEREAS, the lack of available affordable housing hinders workforce development within the community and the growth in customer base which in turn hampers economic growth and sales tax revenue growth within the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF STURGIS that the Project Plan for Tax Incremental District Number Eighteen be, and is hereby, approved as presented by the Sturgis Planning Commission.

Dated this _____ day of _____, 2020.

CITY OF STURGIS

Mark Carstensen, Mayor

ATTEST:

Fay Bueno, Finance Officer

Published:

Effective:

**RESOLUTION 2020-58
RESOLUTION APPROVING AND
AUTHORIZING THE SIGNING OF
CONTRACTS FOR PRIVATE
DEVELOPMENT OF TAX INCREMENTAL
DISTRICTS NUMBER EIGHTEEN**

BE IT RESOLVED by the Common Council of the City of Sturgis, as follows:

WHEREAS, the Common Council has approved a project plan for Sturgis Tax Incremental District Number Eighteen by Resolution 2020-57 on _____, 2020; and

WHEREAS, the approved Project Plans will stimulate development and economic growth throughout the community; and

WHEREAS, the use of tax increment financing to promote these developments are authorized by the statutes of the State of South Dakota; and

WHEREAS, to fully implement each project plan a Contract for Private Development of Tax Incremental District is required and that each Project Plan's associated Contract for Private Development was reviewed and available for public comment during the _____, 2020 Council meeting.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF STURGIS that the associated Contract for Private Development of Tax Incremental District Number Eighteen are hereby approved by the Sturgis Common Council and that City Manager Daniel Ainslie is hereby authorized to sign each contract.

Dated this _____ day of _____, 2020.

CITY OF STURGIS

Mark Carstensen, Mayor

ATTEST:

Fay Bueno, Finance Officer

Published:
Effective: