



Planning and Zoning Commission Regular Meeting Agenda

Wednesday, October 06, 2021 at 5:00 PM

City Hall, 102 Sherman Street, Deadwood, SD 57732

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes**
 - [a.](#) Approval of September 15, 2021 Minutes
4. **Sign Review Commission**
 - [a.](#) 789 Main Street - Frank and Kit Pavich - New Sign Below Existing Freestanding Sign
Action Required:
 - a. Approval/Denial by Sign Review Commission
5. **Planning and Zoning Commission**
 - [a.](#) Public Hearing on Proposed Project Approval for Tax Increment District Number Fourteen Boundary
5:05 - Tobias Morris - Presents Resolution Creating Tax Increment and Project Plan for Tax Increment District Number Fourteen
Public Discussion
Action Required:
 - a. Approval/Denial by Planning and Zoning Commission of Resolution 2021-22 Tax Increment District Number Fourteen, Creating TIF District #14 and Boundary
 - b. Approval/Denial by Board of Adjustments of Resolution 2021-22 Tax Increment District Number Fourteen, Creating TIF District #14 and Boundary
6. **Items from Citizens not on Agenda**
(Items considered but no action will be taken at this time.)
7. **Items from Staff**
8. **Adjournment**

Planning and Zoning Commission meetings are not available by Zoom unless requested.



Planning and Zoning Commission Regular Meeting Minutes

Wednesday, September 15, 2021 at 5:00 PM

City Hall, 102 Sherman Street, Deadwood, SD 57732

1. Call to Order

The meeting of the Deadwood Planning and Zoning Commission was called to order by Chairman Martinisko on Wednesday, September 15, 2021 at 5:00 p.m. in the Deadwood City Hall Meeting Room, located at 102 Sherman Street, Deadwood, SD 57732.

2. Roll Call

PRESENT

Commissioner (Chair) John Martinisko

Commissioner (Vice-Chair) Josh Keehn

Commissioner (Secretary) Dave Bruce

Commissioner Kevin Wagner

Commissioner Vicki Dar

City Commissioner Charlie Struble

STAFF PRESENT

Jeramy Russell, Planning and Zoning Administrator

Trent Mohr, Building Inspector

Cindy Schneringer, Administrative Assistant

3. Approval of Minutes

- a. Approval of August 18, 2021 Minutes

It was moved by Commissioner Wagner and seconded by Commissioner Keehn to approve the August 18, 2021 minutes. Voting Yea: Martinisko, Keehn, Bruce, Wagner, Dar

4. Sign Review Commission

- a. 402 Main - Morgan Geidel (Conrad's Signs) - Reface Freestanding Sign and Canopy

Mr. Mohr stated this is for the Big D, the gas station and convenience store. They are going from Mobil to Sinclair. The permit application is to change the wrap on the canopy above the pumps and reface the standing sign that has the fuel prices on it. Neither one will change in size or location. Everything is compliant with the ordinance and requires no variances. ***It was moved by Commissioner Bruce and seconded by Commissioner Wagner to approve the sign permit for 402 Main to reface freestanding sign and canopy. Voting Yea: Martinisko, Keehn, Bruce, Wagner, Dar***

- b. 666 Main - Garth Ligtenberg (Conrad's Signs) - Install New Wall Sign

Mr. Mohr stated this is at 666 Main Street, the Patch Stop. They want to add a wall sign to the front of their business. The rendering isn't to scale. It looks much bigger than it actually will be. It's annotated at eighteen inches. For reference, the Bodega on the awning next door is approximately twelve inches. They've never had any permanent signage for the business. This will be the first one. They've been there for a number of years. The sign and its location is compliant with the ordinance and requires no variances. ***It was moved by Commissioner Keehn and seconded by Commissioner Bruce to approve the sign permit for 666 Main Street to install new wall sign. Voting Yea: Martinisko, Keehn, Bruce, Wagner, Dar***

- c. 560 Main - Bart Ham (Mr. Wu's) - Install New Projecting Sign

Mr. Mohr stated the last one for your consideration is for 560 Main Street. This is a projecting sign. The business name is Mr. Wu's. Previously they did a wall sign on the north side of the building facing the parking lot. This would be a projecting sign on the Main Street facade as indicated in the rendering. This does require one variance. Our ordinance states that projecting signs project not more than six feet from the face of the building or be any closer than four feet to the face of the curb. This one does not project more than six feet from the face of the building but it is closer to the curb than four feet in the ordinance so it does need a variance for that. That is the one variance it will require. It is about a foot from the curb. The sidewalk is six feet there. This one projects sixty-three inches from the face of the building. The applicant is here this evening if you have any questions. ***After some discussion it was moved by Commissioner Keehn and seconded by Commissioner Wagner to approve the sign permit and variance for 560 Main Street to install new projecting sign. Voting Yea: Martinisko, Keehn, Bruce, Wagner, Dar***

5. Planning and Zoning Commission

- a. Final Plat - Development, Construction and Creating Property Lines - Stage Run - Deadwood Stage Run, LLC (William Pearson)
PLAT OF LOTS 1, 2, AND 3, BLOCK 3A OF PALISADES TRACT OF DEADWOOD STAGE RUN ADDITION TO THE CITY OF DEADWOOD LOCATED IN THE SW1/4 OF SECTION 14, THE SE1/4 OF SECTION 15, THE NE1/4NE1/4 OF SECTION 22 AND THE N1/2NW1/4 OF SECTION 23, T5N, R3E, B.H.M., CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA

Mr. Russell stated our applicant today is Deadwood Stage Run, LLC as known as William Pearson. The purpose of this is development, construction and creating property lines. The plats are located in Phase II of Stage Run on Mystery Wagon Road. It is legally described as PLAT OF LOTS 1, 2, AND 3, BLOCK 3A OF PALISADES TRACT OF DEADWOOD STAGE RUN ADDITION TO THE CITY OF DEADWOOD LOCATED IN THE SW1/4 OF SECTION 14, THE SE1/4 OF SECTION 15, THE NE1/4NE1/4 OF SECTION 22 AND THE N1/2NW1/4 OF SECTION 23, T5N, R3E, B.H.M., CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA. As I said, the purpose of this plat is to facilitate the creation of property lines for construction

purposes. The proposed lots meet bulk requirement for square footage for a planned unit development. This is a continuation of Phase II in Stage Run. As you enter onto Mystery Wagon Road and go around the first bend, Lots 1, 2 and 3 will be there on the left. Wouldn't be surprised to see some variances coming our way due to the very large lots with very rough terrain. ***It was moved by Commissioner Wagner and seconded by Commissioner Bruce to approve the final plat for development, construction and creating property lines being a portion of PLAT OF LOTS 1, 2, AND 3, BLOCK 3A OF PALISADES TRACT OF DEADWOOD STAGE RUN ADDITION TO THE CITY OF DEADWOOD LOCATED IN THE SW1/4 OF SECTION 14, THE SE1/4 OF SECTION 15, THE NE1/4NE1/4 OF SECTION 22 AND THE N1/2NW1/4 OF SECTION 23, T5N, R3E, B.H.M., CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA. Voting Yea: Martinisko, Keehn, Bruce, Wagner, Dar***

- b. Final Plat - Transfer of Land & Development - Located Near the Preacher Smith Monument - Randy Horner & Larry Cottier
LOTS 1 & 2, BLOCK 1B OF PREACHER SMITH TRACT LOCATED IN GOVERNMENT LOTS 10 AND 12 OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 3 EAST, BLACK HILLS MERIDIAN, CITY OF DEADWOOD, LAWRENCE COUNTY SOUTH DAKOTA.

Mr. Russell reported our applicants are Randy Horner and Larry Cottier. The purpose is to transfer land and development. For the record, I will let you know you are going to see a second example in front of you. There was a last minute change today that came from the LC Register of Deeds. We will not be making a recommendation on the one in your packet. We will make recommendation on the one in front of you. The only change is the legal description. This plat is legally described as PLAT OF LOTS 1 & 2, BLOCK 1B OF THE RIDGE DEVELOPMENT. FORMERLY A PORTION OF PREACHER SMITH TRACT LOCATED IN GOV'T LOTS 10 AND 12 OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 3 EAST, BLACK HILLS MERIDIAN, CITY OF DEADWOOD, LAWRENCE COUNTY SOUTH DAKOTA. As I stated, the purpose of this is to transfer land for new ownership for the apartments as part of the multi-family housing purpose in the master plan. Leah Berg is here from ACES Engineering and she is also representing the owners. Also here is Shannon Vasknetz from Baseline Surveying just in case you have any questions for them. These lots will consist of multi-family housing (apartments). We desperately need housing for our workers here in Deadwood. This is a great opportunity. This is not located where the quarry work is going on by Preacher Smith. ***It was moved by Commissioner Wagner and seconded by Commissioner Keehn to approve the final plat of transfer of land and development being a portion of LOTS 1 & 2, BLOCK 1B OF PREACHER SMITH TRACT LOCATED IN GOVERNMENT LOTS 10 AND 12 OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 3 EAST, BLACK HILLS MERIDIAN, CITY OF DEADWOOD, LAWRENCE COUNTY SOUTH DAKOTA. Voting Yea: Martinisko, Keehn, Bruce, Wagner, Dar***

6. Items from Citizens not on Agenda

(Items considered but no action will be taken at this time.)

Bart Hamm from Mr. Wu's addressed the Commission about signage that was denied last year. After much discussion it was recommended Mr. Hamm work with City staff to bring forward a new request to the Commission for consideration.

7. Items from Staff

Chairman Martinisko welcomed Vicki Dar as the newest member of the Planning and Zoning Commission.

Mr. Russell said "Welcome Vicki! We are lucky to have you".

8. Adjournment

It was moved by Commissioner Dar and seconded by Commissioner Wagner to adjourn the regular meeting of the Planning and Zoning Commission. Voting Yea: Martinisko, Keehn, Bruce, Wagner, Dar

There being no further business, the Planning and Zoning Commission adjourned at 5:26 p.m.

ATTEST:

Chairman, Planning & Zoning Commission

Cindy Schneringer, Planning & Zoning Office/Recording Secretary

Secretary, Planning & Zoning Commission

OFFICE OF
Planning & Zoning
 108 Sherman Street
 Telephone (605) 578-2082
 Fax (605) 578-2084



"The Historic City of the Black Hills"
 Deadwood, South Dakota 57732

TRENT MOHR
 Building Inspector
 Dept. of Planning & Zoning
 Telephone: (605) 578-2082
 Fax: (605) 578-2084

SIGN PERMIT STAFF REPORT

Sign Review Commission

October 6, 2021

Applicant: Frank and Kit Pavich

Address: 789 Main Street, Deadwood, SD 57732

Site Address of Proposed Signage: 789 Main Street (American Family Insurance)

Computation of Sign Area

Building Frontage: 31 Feet

Total Available Signage: 62 Square Feet

Existing Signage: One Freestanding (10 Square Feet) and one hanging sign (3 Square Feet)

Remaining Available Signage Area: 49 Square Feet

Proposed Sign Project: New sign below existing freestanding sign (3.3 Square Feet)

Proposed Building Materials: Painted metal (see attached rendering)

Proposed Lighting of the Signs: None

Location of Proposed Sign: Added below existing freestanding sign (see attached photos)

Discussion

The sign permit application in review is proposed at a location inside the locally-designated historic district which is regulated by chapter 15.32.300 of the sign ordinance. The current signage at the subject property is compliant with the sign ordinance. The sign proposed in the current application is regulated by 15.32.090 of the Sign Ordinance, reference below.

- A. *Before any sign can be erected or altered in any way, a valid permit must be issued. Any further alteration of the sign shall require an amendment of the existing permit or the issuance of a new permit. Such changes, as well as original permits, shall be issued pursuant to review by the sign review commission. It is unlawful to display, construct, erect, locate or alter any sign without first obtaining a sign permit for such sign.*

The applicant has remodeled the rear of this building from office space to residential living quarters and is operating it as a short-term rental. The proposed sign is to advertise this business.

The proposed sign and its location are compliant with the sign ordinance. Please note that the existing freestanding sign was granted a variance in the past to be larger than 10 square feet and taller than 5 feet.

OFFICE OF
Planning & Zoning
108 Sherman Street
Telephone (605) 578-2082
Fax (605) 578-2084



"The Historic City of the Black Hills"
Deadwood, South Dakota 57732

TRENT MOHR
Building Inspector
Dept. of Planning & Zoning
Telephone: (605) 578-2082
Fax: (605) 578-2084

Variances

The sign permit application in review as proposed requires no variances from the sign ordinance. Signage variances may be obtained if the sign review commission is able to find *"special circumstances or conditions such as the existence of buildings, topography, vegetation, sign structures, distance or other matters on adjacent lots or within the adjacent public right-of-way that would substantially restrict the effectiveness of the sign in question and such special circumstances or conditions are peculiar to the business or enterprise to which the applicant desires to draw attention and do not apply generally to all businesses or enterprises in the area."* However, it is the responsibility of the applicant to provide adequate evidence of such special circumstances or conditions.

Sign Review Commission Action

Motion to approve permit for the proposed sign at 789 Main Street

OR

Motion to deny proposed sign permit application as submitted.

ON EXISTING SKIRT

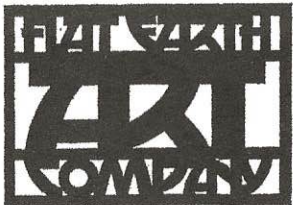
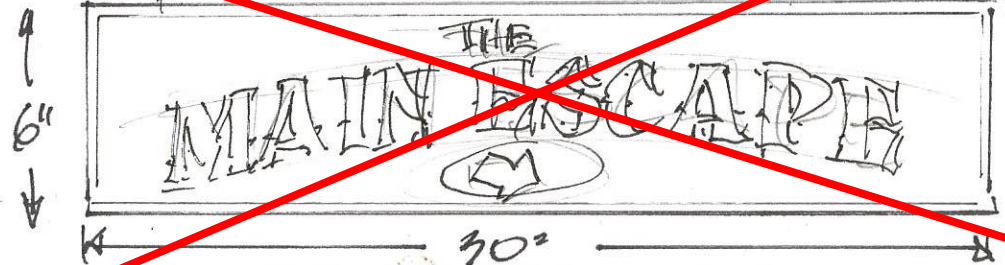


← WHITE LETTERS

← IVORY LETTERS

~~MARON~~ BACKGROUND
BLACK

FACIA PANEL



Tim Peterson
ARTIST

3123 E. FAIRGROUNDS LOOP STE. C
SPEARFISH, SD 57783

(605) 642-5794

Designed exclusively for:

~~MALESCAPE~~

Date:

6/20/21

Address:

MAIN ST DEADWOOD

Phone:

The prices, specifications, and conditions as described are satisfactory and are hereby accepted. You are authorized to do the work as specified.

50% DEPOSIT REQUIRED ON ALL WORK. BALANCE DUE ON COMPLETION.

This design is the property of the designer, and may not be reproduced in any manner without written permission.

Signature

Date

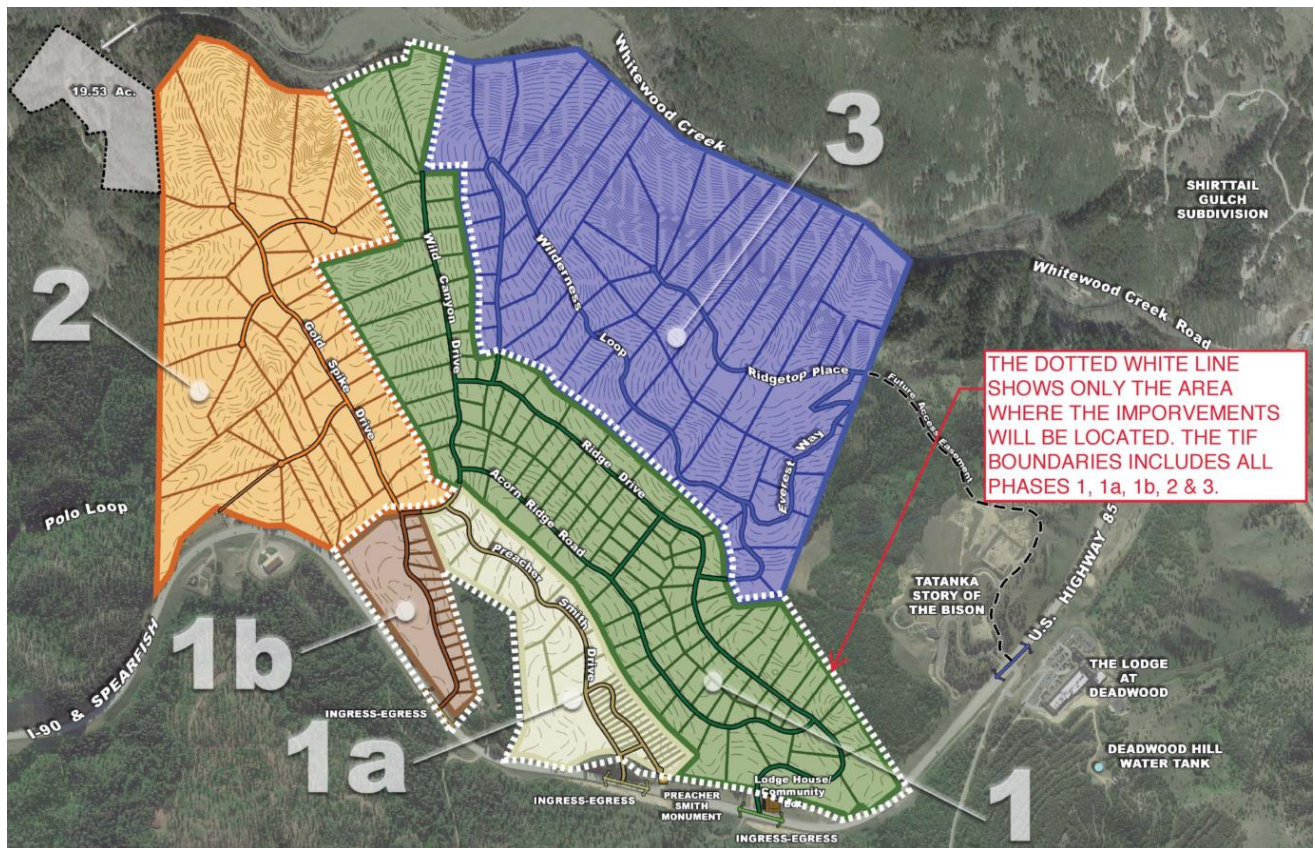


new sign here

ATTACHMENT 3

Improvements map for City of Deadwood Tax Incremental District #14, SDCL § 11-9-16(2).

The following is a plat map of the Tax Increment District, specifically areas 1, 1a, and 1b of where the improvements will be located. The dotted white line is to represent where the improvements will be constructed. The entire parcel of Preacher Smith is depicted below show the various phases that will be developed over time.





TAX INCREMENT FINANCE DISTRICT #14

**Submitted by:
TRD, LLC**

September 2021

**Prepared by Tobin Morris
Colliers Securities LLC
124 W. Dakota Avenue | Pierre, SD 57501
tobin.morris@colliers.com**

Table of Contents

Introduction – The Project.....	2
Purpose & General Definitions.....	4
Creation of City of Deadwood Tax Increment District #14	7
Taxable Value of City of Deadwood.....	8
Kind, Number, Location, and Detailed Costs of Proposed Public Works and Improvements – SDCL § 11-9-13(1).....	9
Feasibility Study, Economic Development Study, and Fiscal Impact Statement	12
Method of Financing, Timing of Costs and Monetary Obligations.....	13
Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions.....	14
Maps	16
Changes to City & City Comprehensive/Master Plan Map, Building Codes & City Ordinances per SDCL §11-9-16 (4).....	17
List of Estimated Non-Project Costs	17
Statement of Displacement and Relocation Plan	17
Performance Bond, Surety Bond or Other Guaranty	17
List of Schedules.....	18
List of Attachments.....	19
Schedule 1 - Detail of Project Costs.....	20
Schedule 2 - Economic Feasibility Study & Taxable Value	23
Schedule 3 - Economic Development Study.....	28
Schedule 4 - Fiscal Impact Statement for City of Deadwood TID #14	30
Schedule 5 - Estimated Captured Taxable Values.....	31
Attachment 1	35
Attachment 2	36
Attachment 3	37
Attachment 4	38

INTRODUCTION – THE PROJECT

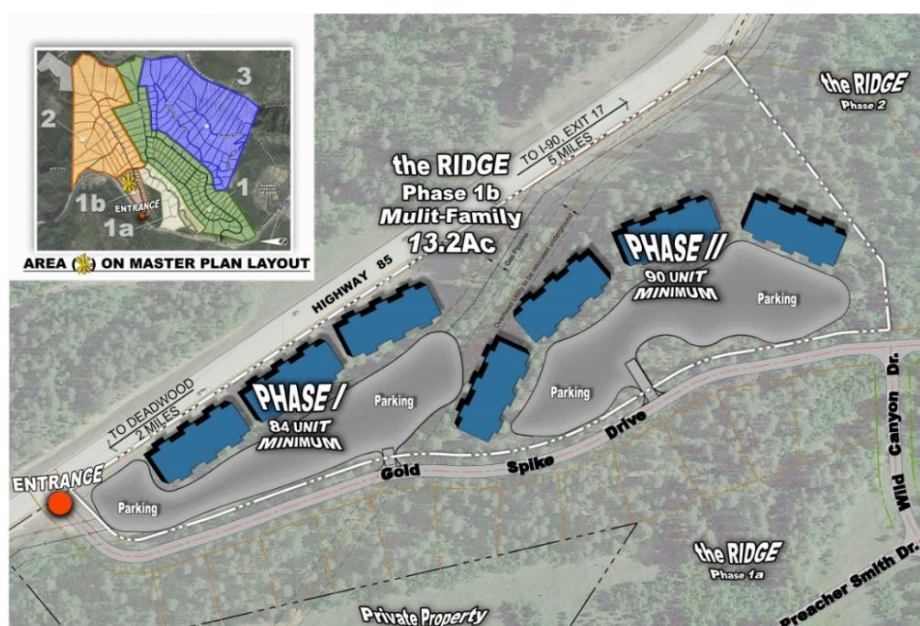
Tax Increment Financing (TIF) is an incentive utilized by local governments to attract private development and investment. New investment equals new jobs, more customers, and in turn, more investment opportunity. The incentive can also help attract and retain existing businesses and workers that might 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 project costs in the TIF district.

In addition to increasing property valuation, creating a Tax Increment District for the benefit of economic development 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 primary objective of TIF #14 is to create a housing development that will boast a commercial component along Highway 85 to augment the growing interest around the Black Hills and especially the City of Deadwood. The development will include a mix of both residential homes, multi-family and workforce housing, and a retail/commercial element.



Affordable housing is important to the economic vitality of communities. It can attract and retain employees to a community, a selling point for area employers. Affordable homes also support the local workforce so they can live close to their jobs. Based upon the Deadwood-Lead Housing Study, most Deadwood residents were working close to their home, with nearly 54% having a travel time that was less than 10 minutes. Fewer than 20% of Deadwood's residents were traveling 20 minutes or more for employment. Shorter commutes allow workers to spend more time with their families while the community benefits from reduction in traffic congestion, air pollution, and expenditures on roads.

Although Deadwood has seen a slow decrease in population over the last few decades, the housing study estimates that the trend will start to reverse over the next several years. The Deadwood area has many assets including a K-12 school, several large employers, a Downtown Commercial District, health facilities, recreational and tourism opportunities, historic buildings, natural amenities, etc. These are strong assets that make Deadwood desirable to live in and are key components to the city's long-term success and viability.

With an increase in families moving to Deadwood there will be a demand for housing. While the existing housing stock is affordable, much is in need of improvements to meet expectations of potential buyers. This is why, in a revitalizing community such as Deadwood, the construction of dependable, affordable homes is so critical. Not only will it meet the demand needed for more households, it 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.

Deadwood's central location in the Black Hills makes it a prime location for visitors. The City offers a rich history offering a multitude of personal and guided tours, an exciting nightlife, the primary gaming center of the state, and various recreational activities, including campgrounds, hiking, and biking. Visitors to a city create a direct economic value within multiple sectors of the economy by staying at hotels, eating at restaurants, and shopping. This in turn supports jobs, wages, and taxes within the area. The induced effect is that the employees whose wages are generated directly or indirectly by visitors will spend their wages in the community, thus further boosting local economic vitality.

Investing in the community and its infrastructure will make the City desirable to live in which is a key component to the city's long-term success and viability.

It must be noted that the TIF WILL NOT directly benefit the homes or businesses that will be established in the Project area. Rather, it will be the increment from these properties that will be used to make the needed infrastructure improvements to develop the area.

PURPOSE & GENERAL DEFINITIONS

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

As such, the creation of City of Deadwood TIF #14 shall be conditioned upon the creation of the District by resolution, and the establishment of the TID boundaries and recommended approval of the TID Project plan by the City of Deadwood.

The purpose of this Plan, to be implemented by the City of Deadwood, South Dakota is to satisfy the requirements for a Tax Increment District Number 14 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 Commissioners 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 county and region.

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.

The intention of this TIF Project is to provide the necessary infrastructure related to the construction of a residential development and a commercial retail area.

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 enhance significantly the value of substantially all of the other real property in the district .

"City Commission" means the City Commission of Deadwood, South Dakota

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

Section 5 Item a.

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

"Developer" means TRD, LLC

"Developer's Agreement" means the agreement between Developer and City of Deadwood 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 Deadwood

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

"Governing body" means City of Deadwood, South Dakota

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

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

"Planning Commission" means the City of Deadwood Planning Commission

"Plan" means this Project Plan.

"Project Costs" means any expenditure or monetary obligations by City of Deadwood, 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 Deadwood 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, condemnation of real and personal property within the Tax Incremental District and the lease, or other disposition of such property to private individuals, partnerships, corporations, or other entities at a price less than the cost of such acquisition which benefit or further the health, safety, welfare and economic development of the City and Project Costs.

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

"Tax Incremental District" means a contiguous geographic area within a City defined and created by resolution of the governing body and named City of Deadwood Tax Incremental District #14.

"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 DEADWOOD TAX INCREMENT DISTRICT

#14

Representatives of the Developer have approached officials of City of Deadwood regarding the possibility of creating a Tax Incremental Financing District ("TID") to assist in the Project Costs within the Plan on land located within City of Deadwood.

The TID will consist of creating a new development and all necessary infrastructure needed in an undeveloped area that is currently on the northern side of the City of Deadwood. Once developed, the area will be the site of a residential and multi-family housing area and a retail/commercial development. A healthy mix of housing options ensures opportunities for all individuals to improve their economic situation and contribute to their communities. Visitors to a city create a direct economic value within multiple sectors of the economy by staying at hotels, eating at restaurants, and shopping, boosting local economic vitality.

Investing in the community and its infrastructure will make the City desirable to live in which is a key component to the city's long-term success and viability.

Property Within Tax Increment #14

The real property to be located within the Tax Increment District is within City of Deadwood, described as follows:

Preacher Smith Tract, in the City of Deadwood, Lawrence County, SD

Lot 1 & 2, Block 1B of The Ridge Development

TAXABLE VALUE OF CITY OF DEADWOOD

State law requires that tax increment districts cannot exceed ten percent of the taxable value of a municipality. The 2021 Taxes Payable value for City of Deadwood is \$230,465,448. The base value of the taxable property for inclusion into this Tax Incremental District #14, as estimated but not yet verified by Lawrence County Director of Equalization, is \$125,050

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.

CITY OF DEADWOOD		
Tax Increment District		Base Value
6	\$	141,353.00
8	\$	883,125.00
9	\$	9,602,165.00
10	\$	1,664,099.00
11	\$	2,929,065.00
12	\$	32,145.00
13	\$	32,737.00
14	\$	125,050.00
Total of ALL Base Valuations	\$	15,409,739.00

City of Deadwood Valuation \$230,465,448

All TIF Base Values must be less than 10% \$23,046,544.80

There are currently seven active TIF districts in City of Deadwood. Using the estimates provided for TID #14, the value of all existing Tax Increment Districts combined is approximately 6.69 % of the total 2021 Taxable Valuation.

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

In order to implement the provisions of SDCL Chapter 11-9, the following are Project Costs and expenditures made or estimated to be made and the monetary obligations incurred or estimated to be incurred. The Project Costs 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		11-9-15(5)
Relocation Costs	District		11-9-15(6)
Organizational Costs	District		11-9-15(7)
Discretionary Costs and Grants	District	\$15,000,000	11-9-15(8)
Eligible Project Costs		\$15,000,000	

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 \$15,000,000. 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.

¹District shall mean the Tax Increment District.

²SDCL §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 receipted 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.

It is further understood that the amount of \$15,000,000 will be the maximum amount the City will ever pass on acting as a conduit for TIF #14. This amount will include any and all interest associated with the debt and the controlling value of the TIF will never pay more than \$15,000,000. All TIF revenue, per the terms of the Agreement, will be passed onto the Developer until the full amount has been paid or 20 years from the year of creation, whichever happens first. It is also understood that of the \$15,000,000, \$4,500,000 will be restricted for the possible use of constructing turn lanes into the Development. Further terms and conditions will be spelt out in the Developer's Agreement.

Developer acknowledges the risks associated with the Annual Appropriation clause that will be implemented in the proposed Tax Increment District

The City will require an ongoing administration fee of 10% of the total increment received on a yearly basis. The total amount projected for the administration fee will not exceed \$1,050,000. When the City receives the total increment, 10% of the amount received will be directed to the City, and the remaining 90% will be passed on to the Developer

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 \$15,000,000, which shall include the total amount paid to the City and Developer.

Expenditures Exceeding Estimated Cost

Any expenditures, which in sum would exceed the total amount of the TID amount of \$15,000,000, 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 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 3 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 #14 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 \$15,000,000 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 year 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 the 2020 assessment year for taxes payable in 2021. The tax increment will be available to the taxing jurisdictions after dissolution, which is 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 all bonds and monetary obligations, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

GENERAL FUND

Mechanisms are built within State Codified Law to ensure that school districts are held harmless by TIF districts for their General Fund. For these purposes, law (SDCL 13-13-10.2) defines three 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

Public school districts are generally 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 Deadwood TIF #14 has already received the preliminary classification from the Department of Revenue. The TIF is considered Economic Development; therefore, any lost local effort of the General Fund will be covered through the State Aid to Education Formula.

CAPITAL OUTLAY FUND

The impact of a TIF to the Capital Outlay Fund is minimal. Starting on July 1, 2020, a school district is limited to the amount of capital outlay dollars they can receive by either:

- A. the previous year's maximum allowable can be increased by a growth factor plus 3%
- Or
- B. a per student amount.

The primary impact would be to the first scenario; a TIF would delay annual growth until the TIF is completed. However, once the TIF is dissolved, all increment value would be considered new growth for the school district.

If a school district falls under a per student limitation, they will see no impact to their funding due to the TIF.

SPECIAL EDUCATION FUND

The Special Ed Fund has the potential to see the greatest negative impact from the creation of a TIF district.

If the school district requests their special education monies in the form of a levy, then the exclusion of the TIF increment in the tax base would mean the school district is not receiving as much as it could.

If the school district submits their request in a dollar amount, then the fund would see no impact from a TIF district.

BOND REDEMPTION FUND

The school district is always able to ask for the needed money for the principal and interest of their bond repayment. The only impact a TIF would have on this fund is by holding back the increment value, lowering tax base for the spreading of the tax burden and creating a slightly higher levy for the local taxpayers.

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

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

LIST OF ESTIMATED NON-ELIGIBLE PROJECT COSTS

The following is a preliminary projected 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
Residential homes	\$100,000,000
Town Homes	\$15,000,000
Multi-family housing	\$25,000,000
Commercial properties	\$10,000,000
TOTAL	\$150,000,000

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

LIST OF ATTACHMENTS

Attachment 1 - Descriptions of Real Property

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

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

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

SCHEDULE 1

DETAIL OF PROJECT COSTS

The following are estimate TIF eligible costs for the project as provided by the Project Engineers. Green cells designate Phase 1 of the project, yellow designates Phase 1a, and brown designates Phase 1b.

	Road Length	Clearing / Grubbing / Mass Grading	Roadway Const.	Culvert / Drainage Feature
	LF	CY \$	CY \$	EA
Phase 1				
Ridge Drive	5900	21923 \$328,845	10926 \$ 327,778	\$ 85,000
Wild Canyon Drive (Connects each Phase together)	3050	28358 \$425,370	7343 \$ 220,278	\$ 100,000
	8950	754,215	\$ 548,056	\$ 185,000
Phase 1a				
Preacher Smith Drive	2964	106096 \$1,591,440	5489 \$ 274,444	\$ 120,000
Phase 1b				
Gold Spike Drive Part 1	2276	73256 \$1,098,840	5479 \$ 273,963	\$ 60,000

Gravel Base 8" thickness	Asphalt 6" thickness	Water Main 8"-10"	Fire Hydrant	Sewer Main 8" (Gravity)
Ton \$	Ton \$	for pipe LF	for all hyd.	for pipe LF
7080 \$ 162,840	5310 \$ 584,100	\$ 442,500	\$ 65,556	\$ 265,500
3660 \$ 84,180	2745 \$ 301,950	\$ 228,750	\$ 33,889	\$ 137,250
\$ 247,020	\$ 886,050	\$ 671,250	\$ 99,444	\$ 402,750
3557 \$ 81,806	2668 \$ 293,436	\$ 222,300	\$ 32,933	\$ 133,380
2731 \$ 62,818	2048 \$ 225,324	\$ 170,700	\$ 25,289	\$ 102,420

Sewer MH for all MH's	Rock Excavation CY	Sewer Force Main pipe LF	Sewer Lift Station System EA	Utilities - Power, gas, communications Per Phase	Utilities - Relocate overhead hazard line Per Phase	Street Lighting Timber with solar fixture Per road length	DOT Hwy Approach and Rock Mass Removal EA
\$ 81,125	\$ 885,000	\$ 480,900	\$ 15,000	\$ 460,000		\$ 48,000	
\$ 41,938	\$ 457,500			\$ 140,000		\$ 26,000	Phase 1 Sub-Total
\$ 123,063	\$ 1,342,500	\$ 480,900	\$ 15,000	\$ 600,000		\$ 74,000	\$ 6,430,000
							Phase 1a Sub-Total
\$ 40,755	\$ 444,600			\$ 85,000		\$ 6,000	\$ 600,000
							\$ 3,927,000
\$ 31,295	\$ 341,400			\$ 75,000	\$ 120,000	\$ 4,000	Phase 1b Sub-Total
							\$ 2,592,000
Critical Infrastructure Construction Total for Phase 1, 1a & 1b:							\$ 12,949,000
Initial Overall Boundary Platting, Master Planning, TIF application, Phase 1, 1a & 1b Engineering Design, Geotech, survey, platting, Const Docs & Const Admin							\$ 950,000
Critical Infrastructure Expense Total for Phase 1, 1a & 1b:							\$ 13,899,000

REQUESTED TIF AMOUNT FOR THE RIDGE PROJECT: \$ 10,500,000

Estimates TID Eligible of Project Costs Requested

City of Deadwood 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 \$15,000,000. 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, permanent fixtures; the acquisition of equipment; the clearing & grading of land; & 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 & 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 \$125,050. The improvements to be made to the property are estimated to add to the assessed valuation. The estimated increment resulting from the improvements would be approximately \$61,300,000 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 infrastructure and site improvements will be fully developed by calendar year 2023.

The City’s role is to simply act as a conduit for the revenue and pass on all positive increment to the Developer, of which, will never exceed \$15,000,000 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.

The City of Deadwood TID #14 is proven feasible based upon the projections made by the Developer, projecting a total in excess of \$15,000,000 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 of Deadwood TID #14 will be available until the earliest of calendar year 2023 and thereafter.

TID Tax Revenue Estimates Available for City of Deadwood

This project will have properties that are classified as both Owner-Occupied and Non-Ag Other.

The following are projections that take into account a conservative build out schedule related to townhomes, homes and workforce apartments. These projections do not include the commercial components that are part of the Ridge.

Based on the projected build out schedule, those numbers are now formulated into a yearly revenue projection. The following demonstrates that the projections are feasible and could pay off the TIF in 2034. However it should be noted that projections could change to a variety of outside influences, such as economy, legislature, contractor availability, etc.

One of the primary components of the projections includes the build out of multi-family units. The Developer has an executed purchase agreement with a Rapid City Developer that will start construction in 2022 to construct up to 108 workforce apartments, and 120 market rate units to follow.

TRD, LLC is also working with another Rapid City Developer to construct up to 50 townhomes. This is still preliminary, but it demonstrates not only the need in the area, but also the energy The Ridge is generating.

City of Deadwood TIF #14 - The Ridge

Assumed Mill Rate for 2021	20.714 estimated
School "OO"	10.899 0.020714
Lawrence County	3.966
City of Deadwood	5.033
Sanitary District	0.816
	20.714

Assumed Percentage of Assessment 90%

Year 2023						
# of Twin Homes		Avg Price		Total	Mill Rate	Revenue from TIF
10	\$	300,000.00	\$	3,000,000.00	0.020714	\$ 55,927.80
# of Houses		Avg Price		Total	Mill Rate	
10	\$	350,000.00	\$	3,500,000.00	0.020714	\$ 65,249.10
Apartments		Assessed Value		Total	Mill Rate	
1	\$	10,000,000.00	\$	10,000,000.00	0.020714	\$ 186,426.00
				\$ 16,500,000.00		
Year 2024						
# of Twin Homes		Avg Price		Total	Mill Rate	Revenue from TIF
10	\$	300,000.00	\$	3,000,000.00	0.020714	\$ 55,927.80
# of Houses		Avg Price		Total	Mill Rate	
10	\$	350,000.00	\$	3,500,000.00	0.020714	\$ 65,249.10
Apartments		Assessed Value				
1	\$	11,000,000.00	\$	11,000,000.00	0.020714	\$ 205,068.60
				\$ 17,500,000.00		
Year 2025						
# of Twin Homes		Avg Price		Total	Mill Rate	Revenue from TIF
10	\$	300,000.00	\$	3,000,000.00	0.020714	\$ 55,927.80
# of Houses		Avg Price		Total	Mill Rate	
20	\$	350,000.00	\$	7,000,000.00	0.020714	\$ 130,498.20
				\$ 10,000,000.00		
Year 2026						
# of Twin Homes		Avg Price		Total	Mill Rate	Revenue from TIF
10	\$	300,000.00	\$	3,000,000.00	0.020714	\$ 55,927.80
# of Houses		Avg Price		Total	Mill Rate	
20	\$	350,000.00	\$	7,000,000.00	0.020714	\$ 130,498.20
				\$ 10,000,000.00		
Year 2027						
# of Twin Homes		Avg Price		Total	Mill Rate	Revenue from TIF
10	\$	300,000.00	\$	3,000,000.00	0.020714	\$ 55,927.80
# of Houses		Avg Price		Total	Mill Rate	
20	\$	350,000.00	\$	7,000,000.00	0.020714	\$ 130,498.20
				\$ 10,000,000.00		
Total Twin		50				
Total Homes		80				

Year	New Amt Avail. For D/S	Total Amount Available for Debt Service	
		Annual	Semi
2024	\$ 307,602.90	\$ 307,602.90	\$ 153,801.45
2025	\$ 633,848.40	\$ 633,848.40	\$ 316,924.20
2026	\$ 820,274.40	\$ 820,274.40	\$ 410,137.20
2027	\$ 1,006,700.40	\$ 1,006,700.40	\$ 503,350.20
2028	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2029	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2030	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2031	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2032	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2033	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2034	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2035	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2036	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2037	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2038	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2039	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
2040	\$ 1,193,126.40	\$ 1,193,126.40	\$ 596,563.20
		\$ 18,279,069.30	

Year	Increase in Valuation	Total Increase in Valuation
2024	\$ 16,500,000.00	\$ 16,500,000.00
2025	\$ 17,500,000.00	\$ 34,000,000.00
2026	\$ 10,000,000.00	\$ 44,000,000.00
2027	\$ 10,000,000.00	\$ 54,000,000.00
2028	\$ 10,000,000.00	\$ 64,000,000.00
	\$ 64,000,000.00	
		\$ 64,000,000.00

NOTE AMORTIZATION						
Date	Principal	Interest	P & I	Semi-Annual Net Revenue	Accrued Interest	Loan Balance Outstanding
						10,500,000.00
12/01/21	0.00	0.00	0.00	0.00	0.00	10,500,000.00
06/01/22	0.00	0.00	0.00	0.00	0.00	10,500,000.00
12/01/22	0.00	0.00	0.00	0.00	0.00	10,500,000.00
06/01/23	0.00	0.00	0.00	0.00	0.00	10,500,000.00
12/01/23	0.00	0.00	0.00	0.00	0.00	10,500,000.00
06/01/24	153,801.45	0.00	153,801.45	153,801.45	0.00	10,346,198.55
12/01/24	153,801.45	0.00	153,801.45	153,801.45	0.00	10,192,397.10
06/01/25	316,924.20	0.00	316,924.20	316,924.20	0.00	9,875,472.90
12/01/25	316,924.20	0.00	316,924.20	316,924.20	0.00	9,558,548.70
06/01/26	410,137.20	0.00	410,137.20	410,137.20	0.00	9,148,411.50
12/01/26	410,137.20	0.00	410,137.20	410,137.20	0.00	8,738,274.30
06/01/27	478,182.69	0.00	478,182.69	478,182.69	0.00	8,260,091.61
12/01/27	571,395.69	0.00	571,395.69	571,395.69	0.00	7,688,695.92
06/01/28	571,395.69	0.00	571,395.69	571,395.69	0.00	7,117,300.23
12/01/28	571,395.69	0.00	571,395.69	571,395.69	0.00	6,545,904.54
06/01/29	571,395.69	0.00	571,395.69	571,395.69	0.00	5,974,508.85
12/01/29	571,395.69	0.00	571,395.69	571,395.69	0.00	5,403,113.16
06/01/30	571,395.69	0.00	571,395.69	571,395.69	0.00	4,831,717.47
12/01/30	571,395.69	0.00	571,395.69	571,395.69	0.00	4,260,321.78
06/01/31	571,395.69	0.00	571,395.69	571,395.69	0.00	3,688,926.09
12/01/31	571,395.69	0.00	571,395.69	571,395.69	0.00	3,117,530.40
06/01/32	571,395.69	0.00	571,395.69	571,395.69	0.00	2,546,134.71
12/01/32	571,395.69	0.00	571,395.69	571,395.69	0.00	1,974,739.02
06/01/33	571,395.69	0.00	571,395.69	571,395.69	0.00	1,403,343.33
12/01/33	571,395.69	0.00	571,395.69	571,395.69	0.00	831,947.64
06/01/34	571,395.69	0.00	571,395.69	571,395.69	0.00	260,551.95
12/01/34	260,551.95	0.00	260,551.95	260,551.95	0.00	0.00
	10,500,000.00	0.00	10,500,000.00	10,500,000.00	0.00	

SCHEDULE 3

ECONOMIC DEVELOPMENT STUDY

Introduction

The City of Deadwood has been approached concerning the creation of a tax increment district (TID) located within the City limits. 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 purpose is any area where there is or will be one or more businesses engaged in any activity defined as commercial or industrial. The proposed City of Deadwood TID #14 meets both of these criteria.

The area within the boundaries of the TIF is generally located north of Deadwood along Highway 85. The project includes an area east of the highway.

The project is expected to be completed by 2024 calendar year.

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 enhance significantly the value of substantially all of the other real property in the district. City of Deadwood TID #14 will have a tremendous economic impact on the region's infrastructure advancement and the labor force.

Conditions Within the Study Area: Land Use and Planning Land Use, Planning and Comprehensive Plan

The City of Deadwood 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 enhance significantly the value of substantially all of the other real property in the District in accordance with SDCL 11-9-8.

The Project area lies north of Deadwood along Highway 85. It is to be used for providing infrastructure for a housing development with a commercial component. The investment in the Project area will stimulate and develop the general economic welfare and prosperity of the State through the increase of housing, promotion of employment, and advancement of commerce.

Schedule 4

FISCAL IMPACT STATEMENT FOR CITY OF DEADWOOD TID

#14

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 Deadwood Tax Increment District Number 14.

"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, are estimated at taxable purposes up to \$61,300,000
2. The average tax levy of all taxing districts will be \$20.714 per thousand dollars of taxable valuation.
3. Tax increment will start to be collected in 2024 and end prior to 2041.
4. The discretionary formula will be waived by Developer.

SCHEDULE 5

ESTIMATED CAPTURED TAXABLE VALUES

For purposes of this Project Plan, Developer assumes that **Developer will elect not to use the real property tax discretionary formula** currently utilized in the City of Deadwood, 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 Lawrence County Director of Equalization when assessed, with the application of dollars-per-thousand from local taxes. All tax increment revenues shall be from Generally Applicable Taxes attributable to the improvements to be constructed in the TID. The potential for total increment collections are estimated to be at the maximum range of \$15,000,000 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2021, 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 Non-AG Other property types:

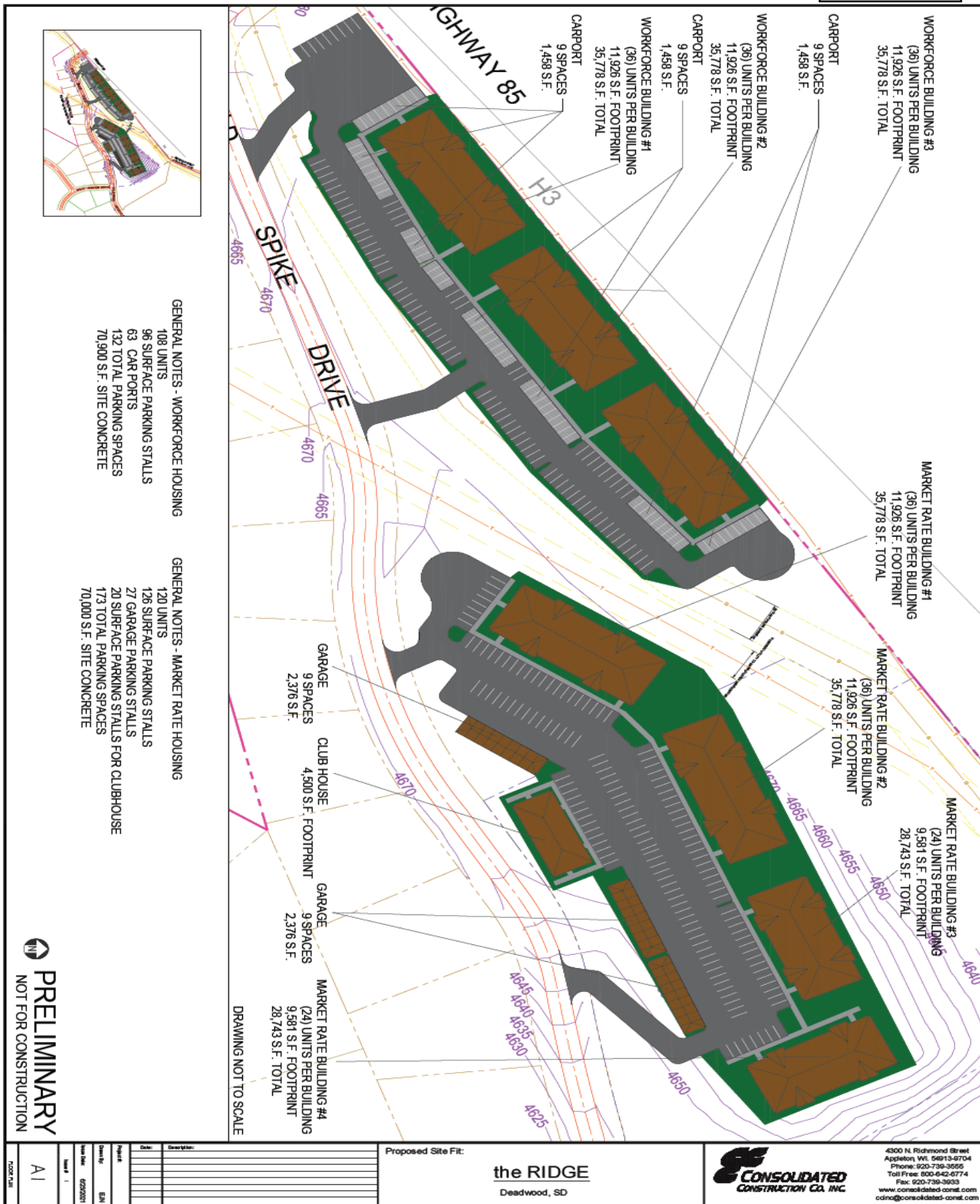
2021 Property Tax Rate

2020 Payable in 2021	\$ per \$1,000 assessed
Lawrence County	\$ 3.966
City of Deadwood	\$ 5.033
Sanitary District	\$ 0.816
<u>School District "OO"</u>	<u>\$ 10.899</u>
Total Tax Levy	\$ 20.714

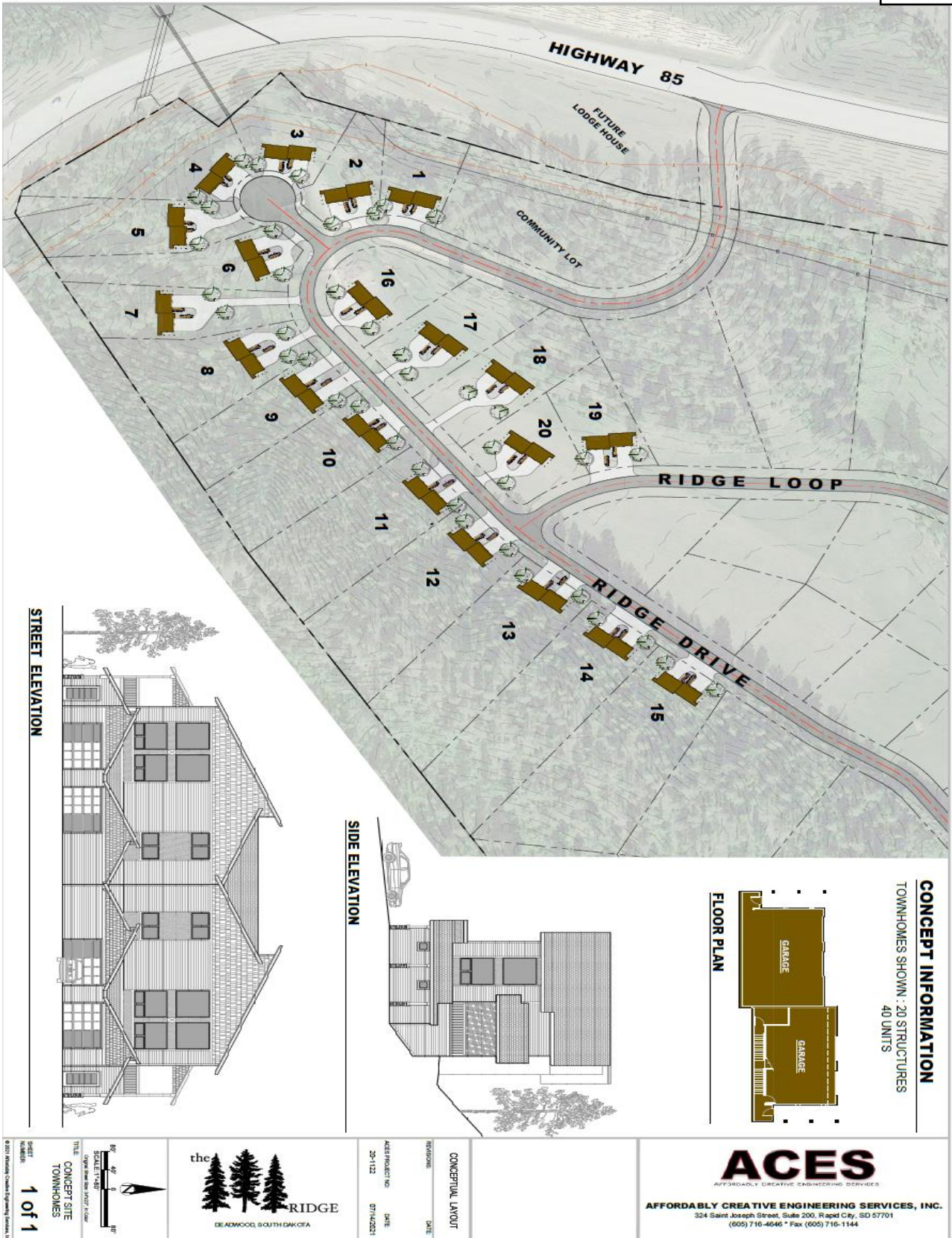
Utilizing the information regarding expected increment valuation and tax generation, it is possible to generate an expected revenue stream that can be utilized to retire debt that will be created as a result of implementing the Project Plan.

Note Date:	08/01/21	Current Valuation	\$125,050
Note Rate:	0.00%	Developed Valuation	\$61,300,000
Par Amount	\$10,500,000	Increment Value	\$61,174,950
Accrued Interest	\$0	Percent of Value	90.00%
Financing Fees	0.00%	Adjusted Valuation	\$55,057,455
Net Proceeds	\$10,500,000	Mill Levy	0.020714

NOTE AMORTIZATION						
Date	Principal	Interest	P & I	Semi-Annual Net Revenue	Accrued Interest	Loan Balance Outstanding
						10,500,000.00
12/01/21	0.00	0.00	0.00	0.00	0.00	10,500,000.00
06/01/22	0.00	0.00	0.00	0.00	0.00	10,500,000.00
12/01/22	0.00	0.00	0.00	0.00	0.00	10,500,000.00
06/01/23	0.00	0.00	0.00	0.00	0.00	10,500,000.00
12/01/23	0.00	0.00	0.00	0.00	0.00	10,500,000.00
06/01/24	153,801.45	0.00	153,801.45	153,801.45	0.00	10,346,198.55
12/01/24	153,801.45	0.00	153,801.45	153,801.45	0.00	10,192,397.10
06/01/25	316,924.20	0.00	316,924.20	316,924.20	0.00	9,875,472.90
12/01/25	316,924.20	0.00	316,924.20	316,924.20	0.00	9,558,548.70
06/01/26	410,137.20	0.00	410,137.20	410,137.20	0.00	9,148,411.50
12/01/26	410,137.20	0.00	410,137.20	410,137.20	0.00	8,738,274.30
06/01/27	478,182.69	0.00	478,182.69	478,182.69	0.00	8,260,091.61
12/01/27	571,395.69	0.00	571,395.69	571,395.69	0.00	7,688,695.92
06/01/28	571,395.69	0.00	571,395.69	571,395.69	0.00	7,117,300.23
12/01/28	571,395.69	0.00	571,395.69	571,395.69	0.00	6,545,904.54
06/01/29	571,395.69	0.00	571,395.69	571,395.69	0.00	5,974,508.85
12/01/29	571,395.69	0.00	571,395.69	571,395.69	0.00	5,403,113.16
06/01/30	571,395.69	0.00	571,395.69	571,395.69	0.00	4,831,717.47
12/01/30	571,395.69	0.00	571,395.69	571,395.69	0.00	4,260,321.78
06/01/31	571,395.69	0.00	571,395.69	571,395.69	0.00	3,688,926.09
12/01/31	571,395.69	0.00	571,395.69	571,395.69	0.00	3,117,530.40
06/01/32	571,395.69	0.00	571,395.69	571,395.69	0.00	2,546,134.71
12/01/32	571,395.69	0.00	571,395.69	571,395.69	0.00	1,974,739.02
06/01/33	571,395.69	0.00	571,395.69	571,395.69	0.00	1,403,343.33
12/01/33	571,395.69	0.00	571,395.69	571,395.69	0.00	831,947.64
06/01/34	571,395.69	0.00	571,395.69	571,395.69	0.00	260,551.95
12/01/34	260,551.95	0.00	260,551.95	260,551.95	0.00	0.00
	10,500,000.00	0.00	10,500,000.00	10,500,000.00	0.00	



Proposed layout of multi-family units.



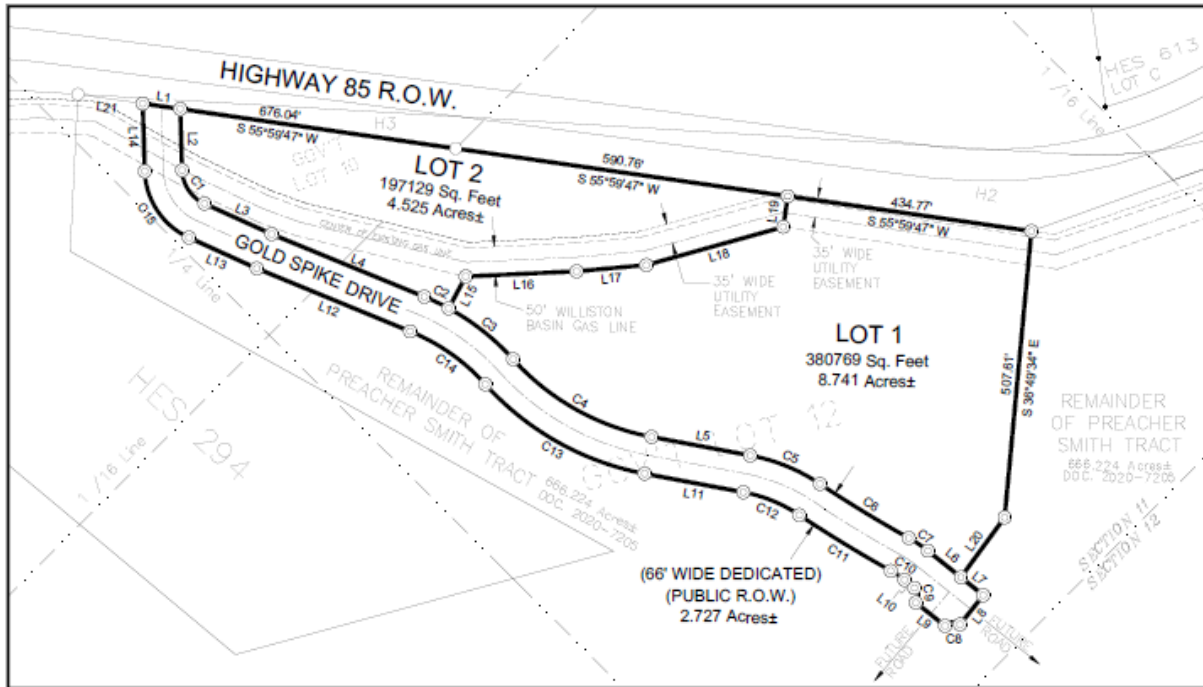
Proposed town home layout and design.

ATTACHMENT 1

DESCRIPTIONS OF REAL PROPERTY:

Preacher Smith Tract, in the City of Deadwood, Lawrence County, SD

Lot 1 & 2, Block 1B of The Ridge Development as depicted below



ATTACHMENT 2

Conditions picture for City of Deadwood Tax Incremental District #14, SDCL § 11-9-16(1)

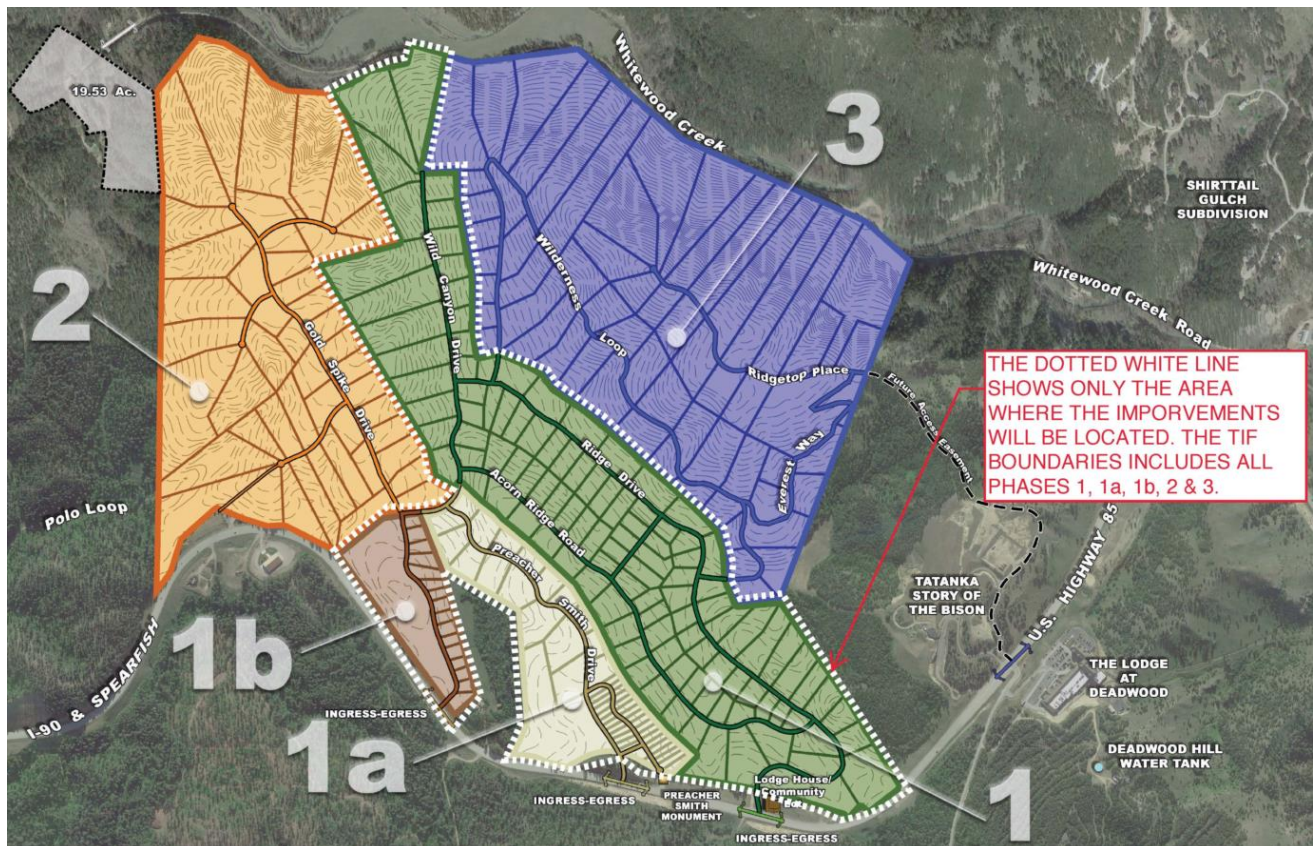
The following is a picture showing the current conditions of the proposed location of TIF #14



ATTACHMENT 3

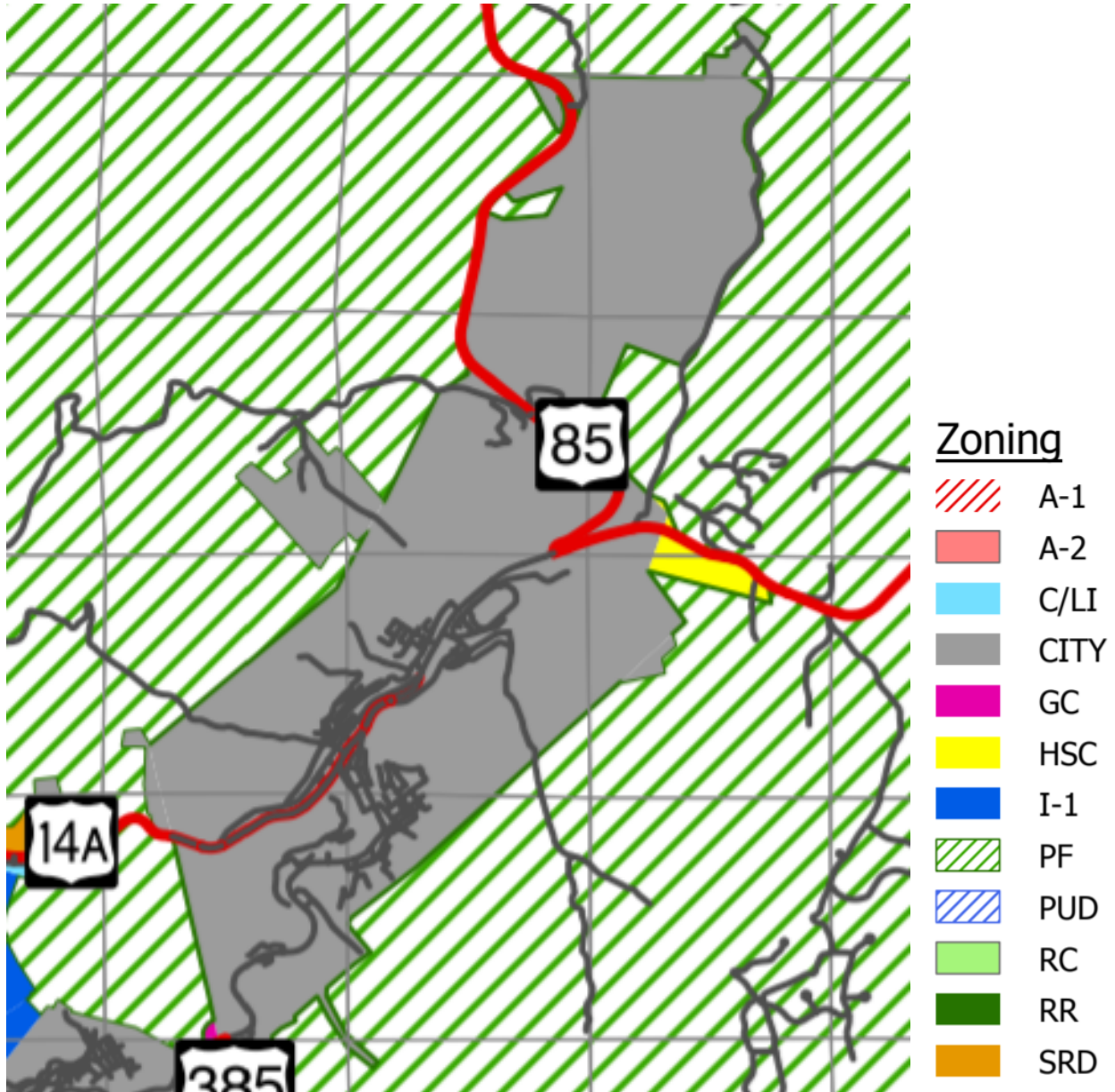
Improvements map for City of Deadwood Tax Incremental District #14, SDCL § 11-9-16(2).

The following is a plat map of the Tax Increment District, specifically areas 1, 1a, and 1b of where the improvements will be located. The dotted white line is to represent where the improvements will be constructed. The entire parcel of Preacher Smith is depicted below show the various phases that will be developed over time.



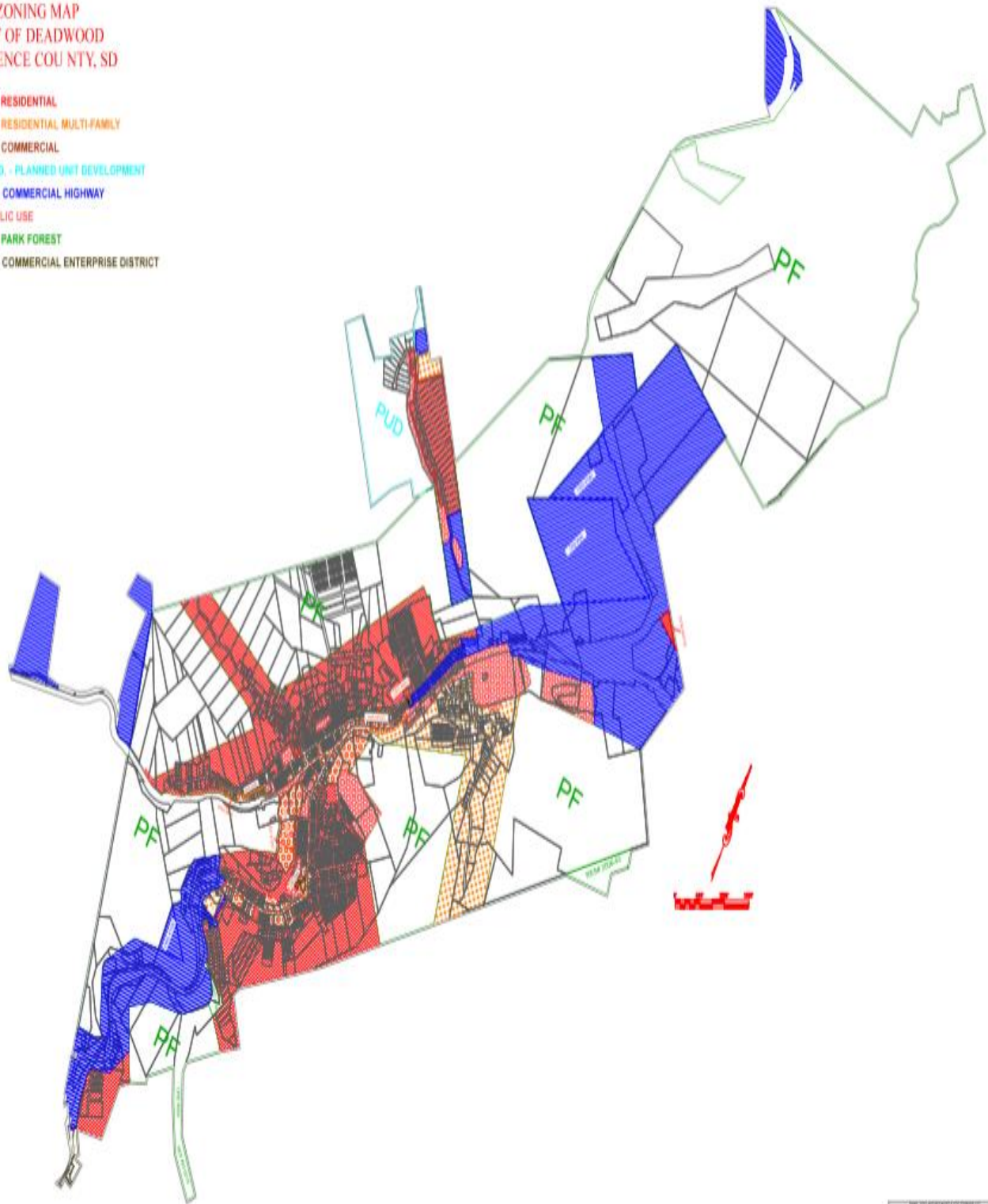
ATTACHMENT 4

Lawrence County Zoning Map for City of Deadwood Tax Incremental District #14, SDCL § 11-9-16(2).



ZONING MAP
CITY OF DEADWOOD
LAWRENCE COUNTY, SD

- R1 - RESIDENTIAL
- R2 - RESIDENTIAL MULTI-FAMILY
- C1 - COMMERCIAL
- PUD - PLANNED UNIT DEVELOPMENT
- CH - COMMERCIAL HIGHWAY
- PUBLIC USE
- PF - PARK FOREST
- CE - COMMERCIAL ENTERPRISE DISTRICT



ALL ASPECTS INC. 2015



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

August 23, 2021

City Finance Officer
108 Sherman St
Deadwood SD 57732

RE: Preliminary Classification of City of Deadwood # 14

Dear Jessica McKeown:

The Department of Revenue hereby acknowledges receipt of your request for Preliminary Classification of Tax Increment Financing District submitted on 08/23/2021.

Upon review of the provided information the Department has determined the preliminary classification for the TIF District "City of Deadwood # 14" to be Economic Development 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 'W. Semmler', is written over a light blue horizontal line.

Wendy Semmler, Director
Property Tax Division

RESOLUTION 2021 - 22

RESOLUTION PROVIDING FOR THE ADOPTION OF TAX INCREMENT PLAN FOR TAX INCREMENTAL DISTRICT NUMBER FOURTEEN AND DEVELOPER'S AGREEMENT, CITY OF DEADWOOD, SOUTH DAKOTA

WHEREAS, the Planning Commission for the City of Deadwood, South Dakota has recommended and adopted the creation of the District Boundaries for Tax Incremental District Number Fourteen, City of Deadwood, South Dakota, on October 6th , 2021; and

WHEREAS, the City of Deadwood Planning Commission has recommended the adoption of the Tax Increment Plan for Tax Incremental District Number Fourteen its adoption on October 6th, 2021 ; and

WHEREAS, the City of Deadwood, South Dakota (the "City), has the powers, pursuant to SDCL 11-9-2, to create Tax Incremental District Number Fourteen, City of Deadwood, South Dakota, and passed a resolution on October 18th, 2021 to create the boundaries and establish the base value.

NOW THEREFORE, IT IS HEREBY RESOLVED:

1. **Authority and Declaration of Necessity.** The City of Deadwood, South Dakota, declares the necessity for the adoption of Tax Increment Plan for Tax Incremental District Number Fourteen and Developer's Agreement in the City of Deadwood (hereinafter sometimes referred to as the "District"), pursuant to SDCL Chapter 11-9. Further, the City finds that the improvement of the area within the District is likely to enhance significantly the value of substantially all of the other real property in the District and is necessary for multi-family housing and commercial development within the City of Deadwood.
2. **Findings.** The City makes the following findings with regard to economic development:
 - a. More than 50% of the property in the District by area will stimulate and develop the general economic welfare and prosperity of the City;
 - b. Improvements to the District will significantly and substantially enhance the value of all property within the District;
 - c. The creation of the District will lead to multi-family housing designated at workforce housing
 - d. The State of South Dakota, Department of Revenue, has designated the proposed Tax Increment District #14, as Economic Development
3. **Findings of Maximum Percentage of Tax Incremental Districts.** The aggregate assessed value of the taxable property in the District, plus all other tax incremental districts does not exceed ten (10%) percent of the total assessed valuation of the City.

4. **Findings of Annual Appropriation TID.** Tax Increment District #14 will be designated as an Annual Appropriations TIF to ensure that it does NOT count against constitutional debt.
5. **Creation of District.** There is hereby created, pursuant to SDCL Chapter 11-9, Tax Incremental District Number Fourteen, City of Deadwood, South Dakota was created on the 6th, day of October, 2021 to establish the base value.
6. **Designation of District Boundaries.** The District shall be located with the northern, southern, western, and eastern boundaries of the following described real property.

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

Preacher Smith Tract to the City of Deadwood, Lawrence County, South Dakota.

6. **Creation of Tax Incremental Fund.** There is hereby created, pursuant to SDCL 11-9-31, a Tax Incremental District Number Fourteen Fund, which shall be a segregated asset account. All tax increments collected pursuant to Tax Incremental District Number Fourteen shall be deposited into the Tax Incremental District Number Fourteen Fund. All funds in the Tax Incremental District Number Fourteen Fund shall be used solely for those purposes expressly stated and reasonably inferred in SDCL Chapter 11-9.
7. **Adoption of Project Plan.** The City does hereby adopt the Tax Increment Plan for Tax Increment District Number Fourteen
8. **Developer's Agreement.** The City does hereby authorize the Mayor and Finance Officer to sign the Developer's Agreement for Tax Increment District Number Fourteen.

Adopted this ____ day of _____, 2021

Mayor

ATTEST:

Finance Officer