

CITY OF DEADWOOD

PLANNING AND ZONING COMMISSION

December 21, 2005

REGULAR MEETING

The Regular Meeting of the Deadwood Planning and Zoning Commission was called to order by Chairman Larry Ryan on Wednesday, December 21, 2005, at 5:00 p.m. in the Deadwood City Hall Meeting Room located at 102 Sherman Street, Deadwood, SD 57732.

PRESENT PLANNING & ZONING: Larry Ryan, Marie Farrier and Robert Thorp.

ABSENT: Mel Allen and Sheree Green

APPROVAL OF NOVEMBER 2, 2005 MINUTES

Mr. Thorp moved to approve the minutes of the November 2, 2005 meeting. Ms. Farrier seconded and the motion carried.

All in Favor - 3  
Opposed - 0

TAX INCREMENT FINANCING DISTRICT #7

Ms. Williams presented the following staff report to the Planning and Zoning Commission:

A TIFD is an economic development tool. TIFDs are intended as a targeted solution for providing infrastructure to an unimproved area. While TIFDs may be a good tool for some areas, they are not a cure-all for development problems.

- **Direct Benefits:** Ensure that everyone benefits from TIF-funded projects, not only big developers. TIF dollars should be used to create good-paying jobs for low- and moderate-income residents, as well as for effective job training programs. Wherever possible, TIF dollars should be used to make public improvements – such as basic infrastructure, and construction, and park improvements – or to encourage projects that meet the needs outlined in plans developed by the communities themselves.

Tax Increment Financing (TIF) is a special tool that the City of Deadwood and towns can use to generate property tax dollars for economic development in specifically designated geographic areas. TIF allows the City to re-invest all new property tax dollars generated from the designated TIF district for a specified period of time.

In the past, TIFD dollars were mostly used for infrastructure costs and usually were for seven (7) years.

**TIF Dollars Are Property Tax Dollars**

Money for TIF-funded projects comes from the property tax paid by owners of residential, commercial and industrial property. When a TIF district is created, any additional revenues over the base go into the TIF fund to pay the debt.

Mr. Ryan turned the meeting over to Mr. Chuck Vanderziel, of Black Hills Council of Local Governments to explain the TIFD #7.

Mr. Chuck Vanderziel, Black Hills Council of Local Governments, stated he had been working with Mike Gustafson, owner of First Gold Hotel and Lodging regarding a Tax Increment Financing District.

He noted Mr. Gustafson was in the process of constructing additional rooms in the subject area, described by a metes and bounds description. He noted a residential development was proposed to the east of First Gold and TIFD #7 would assist the residential TIFD in the near future by paying off the TIFD quicker.

Mr. Vanderziel explained that the Notice of Public Hearing was placed in the City's designated newspaper, and the law did not require the notice to have the exact legal description just the language to the effect of that people who read the notice would know what property was in question. Mr. Vanderziel stated that he had been working on the legal, and had received help from Ms. Sheree Green at Lawrence County Register of Deeds.

Mr. Vanderziel referred to a map that defined the TIFD #7 area and contained approximately 6.9 acres. Mr. Vanderziel stated Mr. Gustafson also owned Lot or Tract Q that he acquired from the county bringing the total area to approximately 7.37 acres. Mr. Vanderziel stated he would combine the legal descriptions for the TIFD.

Mr. Vanderziel stated that First Gold was proposing additional hotel rooms. He stated the set boundaries would be set by the Director of Equalization and would lock in the base valuation. He noted the increment on the expansion of the hotel would pay off the TIFD for the utility improvements. Mr. Vanderziel reiterated that developers were interested in a residential subdivision adjacent to Mr. Gustafson's land. Mr. Vanderziel stated by moving the utility lines, the lines would become City lines and would also reach the area to be developed for residential purposes. These improvements would be paid for by the TIFD. He noted the residential development was not in this TIFD boundary.

Mr. Vanderziel stated that setting the boundaries was the first part of the process. Ms. Farrier questioned if there were existing buildings within the boundary and questioned if they were included in the TIFD. Mr. Vanderziel stated yes, they were; however, the base value continued to be paid to the City, county and schools which was approximately 3 million dollars. Ms. Farrier questioned what was being built. Mr. Vanderziel stated two new buildings were being built and the taxes from them would pay off the TIFD. Mr. Thorpe questioned how many units would be built. Mr. Gustafson stated two buildings and 104 units.

**Ms. Farrier moved to approve the boundary of TIFD #7. Mr. Thorp seconded and the motion carried.**

<b><u>All in Favor</u></b>	<b><u>-</u></b>	<b><u>3</u></b>
<b><u>Opposed</u></b>	<b><u>-</u></b>	<b><u>0</u></b>

**ADJOURNMENT**

**Mr. Thorp moved to adjourn the Regular Meeting of the Planning and Zoning Commission. Mr. Allen seconded and the motion carried.**

<b><u>All in favor</u></b>	<b><u>-</u></b>	<b><u>3</u></b>
<b><u>Opposed</u></b>	<b><u>-</u></b>	<b><u>0</u></b>

There being no further business, Planning & Zoning Commission adjourned at 5:20 p.m.

ATTEST:

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Larry Ryan  
Chairman (Acting)  
Planning and Zoning

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Marie Farrier  
Secretary (Acting)  
Planning and Zoning