

DEADWOOD PLANNING AND ZONING COMMISSION

Wednesday, September 4, 2019 – 5:00 p.m.

City Hall, 102 Sherman Street, Deadwood, SD

AGENDA

1. Call Meeting to Order
2. Approval of August 21, 2019 Minutes
3. Planning and Zoning Commission
Findings of Fact - Conditional Use Permit – Jessica Knee and Christopher Fedor, “Lone Wolf Tattoo” – 470 Main Street

Action Required:

- a. Recommend Approval/Approval with Conditions/Denial by Planning and Zoning Commission
- b. Approval/Denial by Board of Adjustments

Final Plat – Railroad Avenue

Lots 10, 11 and 12 of the Meverden Addition; Formerly a part of Railroad Avenue and being a part of M.S. 81 and 283, City of Deadwood, Lawrence County, South Dakota.

Action Required:

- a. Approval/Denial by Planning and Zoning Commission
- b. Approval/Denial by Board of Adjustment

Tax Incremental District Number Eleven Project Plan - Presented By Tobin J. Morris, Senior VP
Dougherty & Company LLC

Action Required:

- a. Recommend Approval/Approval with Conditions/Denial by Planning and Zoning Commission

4. Items from Staff
 - a. Outlaw Square
 - b. Hwy 14A/85
 - c. Whitewood Creek
5. Adjourn

CITY OF DEADWOOD
PLANNING AND ZONING COMMISSION
Wednesday, August 21, 2019

The meeting of the Deadwood Planning and Zoning Commission was called to order by Chairperson John Martinisko on Wednesday, August 21, 2019 at 5:00 p.m. in the Deadwood City Hall Meeting Room, located at 102 Sherman Street, Deadwood, SD 57732.

Planning and Zoning Commission Present: John Martinisko, Josh Keehn, Jeff Lawler and Bill Rich

Absent: Brett Runge

Board of Adjustments Present: Charlie Struble

Staff Present:

Bob Nelson Jr., Trent Mohr and Cindy Schneringer

Approval of August 7, 2019 Minutes:

It was moved by Mr. Rich and seconded by Mr. Keehn to approve the August 7, 2019 meeting minutes. Aye - All. Motion carried.

Sign Review Commission

Ronald Rhebb (Chip Shot Golf) - 306 Cliff Street - Install Two New Marquee Signs

Mr. Mohr stated the applicant is wanting to install two new marquee signs to advertise his business at that location. The signs and their location are compliant with the ordinance and require no variance. *It was moved by Mr. Rich and seconded by Mr. Lawler to approve the sign permit for two signs at 306 Main Street. Aye - All. Motion carried.*

Todd & Jill Weber - 251 US Hwy 14A - Install New Freestanding Sign

Mr. Mohr stated the applicant is wanting to install a new freestanding sign. This is for the Shiloh Horse Rescue Ranch. They are still working through establishing facilities for the animals. The horses will be above the petting zoo area. This sign is to advertise the portion open to the public. The sign and the location are compliant with the ordinance and require no variances. *It was moved by Mr. Rich and seconded by Mr. Keehn to approve the sign permit for a new wall sign at 251 US Hwy 14A. Mr. Lawler abstained. Aye - all. Motion carried.*

Planning and Zoning Commission:

Change of Zoning - Steven Hertel - 20783 Whitewood Creek Road

Mr. Nelson Jr. the address is 20783 Whitewood Creek Road. Currently zoned Commercial Highway. Proposing to change to R1 Residential. Mr. Hertel is requesting this, however, if he chooses to build the residence in that triangle he can because he owns all of the Aspen Storage property. He can have a manager or employee for hire live on the property. Given the location against City boundary, it is difficult to classify as spot zoning. Probably see interest in an adjoining lot because as part of the process you have to post it, put it in the newspaper and do mailers to adjacent landowners. Did get a call from a county resident just wanting to know what he is up to. Access would be through Mr. Hertel's property. *It was moved by Mr. Rich and seconded by Mr. Keehn to recommend approval of the Change of Zoning for 20783 Whitewood Creek Road. Aye - All. Motion Carried.*

Items From Staff (no action taken)

- Outlaw Square: Mr. Nelson Jr. reported tomorrow there will be a large concrete pour, 90 yards. Masons are working tomorrow but not on Friday. Scull Construction will be working Friday. There will be no work this weekend. The intent is to have Deadwood Street open on way going out to the highway starting tomorrow at 6:30pm. Mr. Mohr reported he inspected the rebar today and also looked at the framing. Mechanical rough in inspection is scheduled for tomorrow. Monday morning is scheduled to do final framing inspection. They will start internal insulating and sheet rocking on Tuesday.
- Highway 14A/85: Mr. Nelson reported they poured half of the Burnham Avenue section today. Muth Electric is installing historic light pole bases and conduit. Midco is pulling wire in preparation for the poles to come down. Tomorrow the pour is scheduled for the other half of Burnham. Midday tomorrow look for lane closer to be pushed back to curb with the exception of going under the arch. Monday look for work to amp up: laminate pole to be set, sidewalk in place, replace twelve street panels, large excavation to start at First Gold and another at Bunkhouse, and piers drilled for traffic signals. Long ways to go. Late November finish.
- Whitewood Creek: Mr. Nelson Jr. reported the FEMA was here for a couple of days to do next step beyond preliminary assessment. They've looked at the entirety of the damage. We've measured everything and calculated cost. It is now being compiled by FEMA to be sent to the Governor. We have enough damage to qualify. If the Governor sends to DC and is declared it will be funded. Just Deadwood alone, the damage is

three million dollars. There are some immediate repair areas behind Charles Street near the 106 to 98 region, wall failures behind Cedar Wood Inn, by Deadwood Mountain Grand, and behind the Comfort Inn area are the top three. The next would be the erosion by the Sherman Street parking lot. We have a Civil Engineer, Structural Engineer, and Geo Tech putting together a proposal to give us a means and methods and probable cost to take it to the next level. They will give us some cut sheets and samples on how to repair so we can move forward. There are some we need to stabilize before spring gets here.

- Look for TIF #11 for the Four Points project plan on September 4, 2019 Planning and Zoning Commission meeting with a contracted project plan for City Commission on September 16, 2019.
- Welcome Jeramy Russell as the new Planning and Zoning Administrator.

Adjournment:

It was moved by Mr. Keehn and seconded by Mr. Lawler to adjourn the Regular Meeting of the Planning and Zoning Commission. Aye - All. Motion carried.

There being no further business, the Planning and Zoning Commission adjourned at 5:27 p.m.

ATTEST:

Chairman, Planning & Zoning Commission

Secretary, Planning & Zoning Commission

Cindy Schneringer, Planning & Zoning Office/Recording Secretary

**FINDINGS OF FACT AND CONCLUSIONS
FOR CONDITIONAL USE PERMIT FOR
TATTOO BUSINESS**

NAME: Jessica Knee and Christopher Fedor

PURPOSE: Request for Conditional Use Permit for a Tattoo Business

ADDRESS: 470 Main Street

LEGAL DESCRIPTION: Lots 1,2,3,4,5 & 6 BLK 1, Fargo and Geis Addition, Original Town
Deadwood, Lawrence County, South Dakota

ASSESSORS NO.: 30300-00100-020-00

RE: Request for Conditional Use Permit for a Tattoo Business

WHEREAS, the above application for a Conditional Use Permit for a Tattoo Business in the CH – Commercial Highway District came on review before the Deadwood Planning and Zoning Commission on Wednesday, August 7, 2019 and Deadwood Board of Adjustment on Wednesday, August 19, 2019. The application was recommended for approval by the Deadwood Planning and Zoning Commission and approved by the Deadwood Board of Adjustment.

WHEREAS, all present members of the Deadwood Planning and Zoning Commission and the Deadwood Board of Adjustment having reviewed the Conditional Use Permit request and having considered all comments offered and all of the evidence and testimony presented for the application; and, after discussion and consideration of the application and being fully advised in the premises, the Deadwood Planning and Zoning Commission and Deadwood Board of Adjustment hereby enter their:

FINDINGS OF FACT AND CONCLUSIONS

1. Staff provided public notice identifying the applicant, describing the project and its location, and giving the scheduled date of the public hearing in accordance with Section 17.76.020. Notice was placed in the designated newspaper of the City of Deadwood, ten (10) days in advance of the hearing as required by Section 17.76.060.J
2. An official sign was posted on the property for which the Conditional Use Permit was filed as required by Section 17.76.060.J
3. Property owners within three hundred (300) feet of the boundaries of the subject land were notified by first class mail as required by Section 17.76.060.J. No inquiries or opposition were voiced in regards to this request.
4. All application requirements were met.
5. The property is located within an area close to parking lots, commercial businesses, and hotels. There is a variety of commercial use in the vicinity. The land is located in a mixed use commercial district and is classified as high density residential on the adopted Land Use Map in the Deadwood Comprehensive Plan.

6. The subject area is zoned CH – Commercial Highway District. The area is characterized by mixed commercial uses.
7. The use, as proposed would not result in a substantial or undue adverse effect on adjacent property or the character of the neighborhood and the use would not alter the character of the area. Access to the property is from Main Street.
8. The granting of the conditional use permit would not increase the proliferation of non-conforming uses. The use is expressly allowed in the CH – Commercial Highway District under certain conditions and the conditions were met.
9. Based on these findings, the Deadwood Planning and Zoning Commission and the Deadwood Board of Adjustment approved the request for a Tattoo Business at 470 Main Street, Deadwood, South Dakota.

ATTEST:

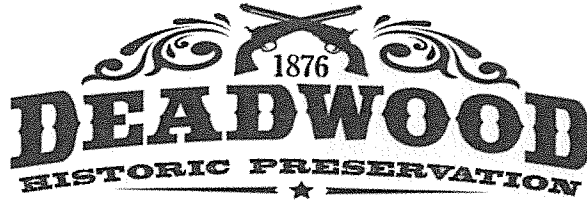
Ms. Jessica McKeown, Finance Officer
City of Deadwood
/ / /19

Mr. David Ruth Jr., Mayor
City of Deadwood
/ / /19

Mr. John Martinisko, Chairman
Planning and Zoning
/ / /19

Mr. Bill Rich, Secretary
Planning and Zoning
/ / /19

OFFICE OF
PLANNING, ZONING AND
HISTORIC PRESERVATION
108 Sherman Street
Telephone (605) 578-2082
Fax (605) 578-2084



Jeremy Russell
Planning & Zoning
Administrator
Telephone (605) 578-2082
jeramyr@cityofdeadwood.com

STAFF REPORT
PLANNING AND ZONING
SEPTEMBER 4, 2019 JOINT MEETING

APPLICANT: City of Deadwood
102 Sherman Street
Deadwood, SD 57732

PURPOSE: Transfer Property

GENERAL LOCATION: Railroad Ave.

LEGAL DESCRIPTION: Lots 10, 11 and 12 of the Meverden Addition; Formerly a part of Railroad Avenue and being a part of M.S. 81 and 283, City of Deadwood, Lawrence County, South Dakota.

FILE STATUS: All legal obligations have been completed.

ZONE: R2 – Multi-Family District

STAFF FINDINGS:

Surrounding Zoning:

North: R2 – Multi-Family
South: PF – Park Forest
East: R2 – Multi-Family
West: R2 – Multi-Family

Surrounding Land Uses:

Event Complex
Vacant Land
Dwellings
Dwellings

SUMMARY OF REQUEST

The Final Plat Lots 10, 11 and 12 of the Meverden Addition has been submitted to create Railroad Ave. right-of-way and surplus property. The property is located adjacent Railroad Ave.

FACTUAL INFORMATION

1. The property is currently zoned R2 – Multi-Family Residential District
2. Lot 10, is comprised of 0.094 Acres±
Lot 11, is comprised of 0.034 Acres±
Lot 12, is comprised of 0.166 Acres±
3. The subject property is located within a low density designation.
4. The property is not located within a flood zone or flood hazard zone.
5. Public facilities are not available to serve the property
6. The area is currently characterized by open space and residential dwellings.

STAFF DISCUSSION

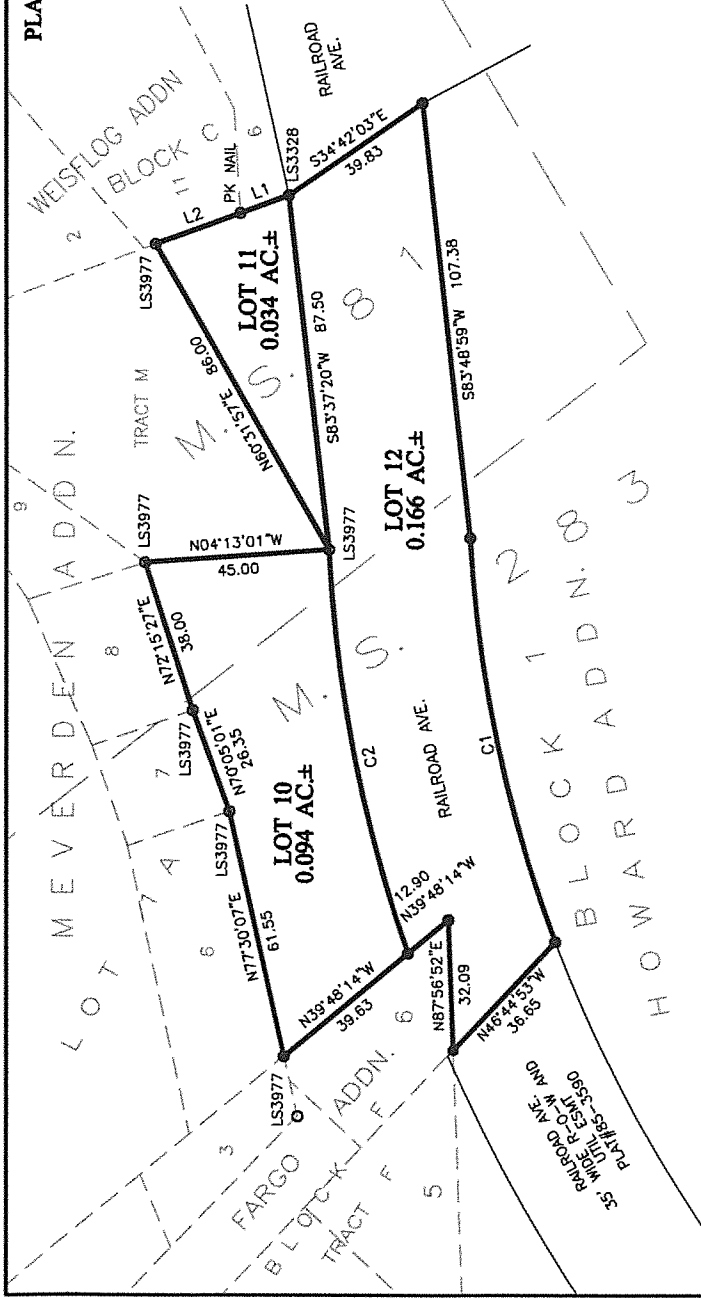
The subject property is owned by the City of Deadwood and this plat will allow for transfer of Lots 10 and 11. The lots meet the area and bulk requirements for square footage.

1. The North Arrow is shown on the plat with a direct reference to the coordinate mapping system.
2. Land is identified with a new legal description for the transfer of the land.
3. Surveyor's Certificate is shown with the name of the surveyor and his registered land surveyor number.
4. A date is shown on the plat and serves to "fix in time" the data represented on the plat.
5. The street bounding the lot is shown and named.
6. All certifications are indicated and correct on the plat.
7. Dimensions, angles and bearings are shown along the lot lines.
8. Scale of the plat is shown and accompanied with a bar scale.

ACTION REQUIRED:

1. Approval / Denial by Deadwood Planning and Zoning Commission.
2. Approval / Denial by Deadwood Board of Adjustment.

**PLAT OF LOTS 10, 11 AND 12 OF MEVERDEN ADDITION;
FORMERLY A PART OF RAILROAD AVENUE AND
BEING A PART OF M.S. 81 AND 283,
CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA**



OWNER/DEVELOPER:
CITY OF DEADWOOD
102 SHERMAN ST.
DEADWOOD, SD 57732

LEGEND:
● SET REBAR AND CAP STAMPED "LS3977" UNLESS NOTED
○ FOUND MONUMENT AS NOTED

NOTES:
1. PROPOSED LOT AREA = 0.294 ACRES±;
AVERAGE DENSITY PER LOT = .010 ACRES±
2. 5' UTILITY EASEMENT ON INTERIOR OF ALL LOT LINES.
EASEMENTS INCLUDED IN LOT AREAS.
3. ZONING IS R2 PER CITY OF DEADWOOD ZONING MAP.

CURVE	RADIUS	ARC LENGTH	CHORD BEARING	CHORD LENGTH	DELTA ANGLE
C1	334.26	101.61	S78°02'37"W	101.22	17°25'04"
C2	354.11	101.26	S78°55'13"W	100.92	16°23'04"

LINE	BEARING	DISTANCE
L1	N20°20'59"W	12.70
L2	N20°20'58"W	22.05



PLAT OF LOTS 10, 11 AND 12 OF MEYERDEN ADDITION;
FORMERLY A PART OF RAILROAD AVENUE AND
BEING A PART OF M.S. 81 AND 283,
CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA

SURVEYOR'S CERTIFICATE
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
I, JOHN M. ARLETH, 24 CLIFF STREET, DEADWOOD, SD, DO HEREBY CERTIFY THAT
I AM A LICENSED LAND SURVEYOR IN THE STATE OF SOUTH DAKOTA. THAT AT
THE REQUEST OF THE OWNER AND UNDER MY SUPERVISION, I HAVE CAUSED TO
BE SURVEYED AND PLATTED THE PROPERTY SHOWN AND DESCRIBED HEREON. TO
THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE PROPERTY WAS
SURVEYED IN GENERAL CONFORMANCE WITH THE LAWS OF THE STATE OF SOUTH DAKOTA
AND ACCEPTED METHODS AND PROCEDURES OF SURVEYING.
DATED THIS ____ DAY OF _____, 20____

JOHN M. ARLETH, R.L.S. 3977

OWNER'S CERTIFICATE
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
DO HEREBY CERTIFY THAT WE ARE
THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON, THAT WE DO APPROVE THIS
PLAT AS HEREON SHOWN AND THAT DEVELOPMENT OF THIS PROPERTY SHALL CONFORM TO ALL
EXISTING APPLICABLE ZONING, SUBDIVISION, EROSION AND SEDIMENT CONTROL REGULATIONS.

OWNER: _____
ADDRESS: _____

ACKNOWLEDGMENT OF OWNER
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
ON THIS ____ DAY OF _____, 20____, BEFORE ME THE UNDERSIGNED NOTARY
PUBLIC, PERSONALLY APPEARED _____ KNOWN TO
ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING CERTIFICATE.
MY COMMISSION EXPIRES: _____
NOTARY PUBLIC: _____

CERTIFICATE OF COUNTY TREASURER
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
I, _____, LAWRENCE COUNTY TREASURER, DO HEREBY CERTIFY
THAT _____ TAXES WHICH ARE LIENS UPON THE HEREIN PLATTED PROPERTY HAVE BEEN PAID.
DATED THIS ____ DAY OF _____, 20____.
LAWRENCE COUNTY TREASURER: _____

APPROVAL OF HIGHWAY AUTHORITY
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
THE LOCATION OF THE PROPOSED ACCESS ROADS ABUTTING THE COUNTY OR STATE HIGHWAY
AS SHOWN HEREON, IS HEREBY APPROVED. ANY CHANGE IN THE PROPOSED ACCESS SHALL
REQUIRE ADDITIONAL APPROVAL.

HIGHWAY AUTHORITY: _____

APPROVAL OF THE CITY OF DEADWOOD PLANNING COMMISSION
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
THIS PLAT APPROVED BY THE CITY OF DEADWOOD PLANNING COMMISSION THIS ____ DAY
OF _____, 20____

CITY PLANNER _____ CHAIRMAN _____

APPROVAL OF THE CITY OF DEADWOOD BOARD OF COMMISSIONERS
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
BE IT RESOLVED THAT THE CITY OF DEADWOOD BOARD OF COMMISSIONERS HAVING VIEWED THE
WITHIN PLAT, DO HEREBY APPROVE THE SAME FOR RECORDING IN THE OFFICE OF THE
REGISTER OF DEEDS, LAWRENCE COUNTY, S.D. DATED THIS ____ DAY
OF _____, 20____.


ATTEST: _____ MAYOR
FINANCE OFFICER _____

OFFICE OF THE COUNTY DIRECTOR OF EQUALIZATION
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
I, LAWRENCE COUNTY DIRECTOR OF EQUALIZATION, DO HEREBY CERTIFY THAT I HAVE RECEIVED
A COPY OF THIS PLAT. DATED THIS ____ DAY OF _____, 20____.

LAWRENCE COUNTY DIRECTOR OF EQUALIZATION

OFFICE OF THE REGISTER OF DEEDS
STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE
FILED FOR RECORD THIS ____ DAY OF _____, 20____ AT ____ O'CLOCK, ____ M., AND
RECORDED IN DOC. _____

LAWRENCE COUNTY REGISTER OF DEEDS _____ FEE: \$ _____

PREPARED BY:
 ARLETH LAND
SURVEYING, LLC
24 CLIFF ST.
DEADWOOD, SD 57732
1-605-578-1637
APPROVED: JMA
DRAWN: PD
FILE: 9669.dwg
DATE: AUGUST 23, 2019
REV:
SCALE: 1" = 30'



Tax Increment Finance District # 11

Prepared for:

City of Deadwood

**Submitted by:
Deadwood Hotels, LLC**

August 2019

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INTRODUCTION – THE PROJECT

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

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

In addition to increasing property valuation, creating a Tax Increment District for the benefit of 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 City or County Planning Commission and the City Council or County Commission.

The primary objective of TIF #11 is to fund infrastructure / site work / parking improvements and archeological costs in a commercial part of Main Street Deadwood

The City of Deadwood has been very adamant about following all historic preservation requirements to insure that any new building(s) conforms to those standards. However, these requirements often come with higher extraordinary costs that might not be incurred in other communities. To help offset those costs the City has created a Tax Increment District #11. This will help intensify the City's efforts to build and protect a long-lasting local economy, both in job creation and diversifying their sales tax base. Ensuring a strong economic presence will allow both the City and the State to benefit from the sales tax dollars that are spent in the area every year. It must be noted that only part of the TIF proceeds that will directly offset the costs of the building will be associated with historic façade improvements, infrastructure and archeological fees.

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 #11 shall be conditioned upon the creation of the District by resolution, and the establishment of the TID boundaries and approval of the TID Project plan by the City of Deadwood.

The purpose of this Plan, to be implemented by City of Deadwood, South Dakota is to satisfy the requirements for a Tax Increment District Number #11 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 City.

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 developer is proposing a major addition to the Tin Lizzie's Gaming and Lodging complex. This phase of the development will add a new 107 room hotel which will be constructed over the parking lot located southwest of the Tin Lizzie casino. The new addition will be 4 story building that will be similar in height to the existing adjacent buildings. The hotel will be constructed on a platform placed over the existing parking lot to maintain as off-street parking. The hotel will be 3 stories with the lobby located on the 2nd level.

As this site is part of old China Town, the developer is required to do an archeological investigation before construction can take place. The developer will be contracting with Quality Services, Inc. do both the archeological investigation and monitor the drilling of the piers that will support the building. The investigation will be a separate excavation of a portion of the site and will detail results that are found.

The City is in the process of preparing a Master Plan for the Main Street. The developer will be working with the City to insure all improvements meet the designs and standards that outline in the Master Plan. An issue that does need to be address is that drainage. In large rain events, storm water over tops the curb and impacts the Tin Lizzie's buildings. The curb and gutter will be replaced from the southwest point of the new Four Point by Marriot hotel to the Wild Bill statue area. New heated sidewalks will also be reconstructed as part of replacing the curb and gutter.

In the recent adopted Comprehensive Plan, Historic Preservation is a key element of the plan. One of the main Historic Preservation principals is "Place historic preservation at the center of the city's community and economic development initiatives." As part of the Historic Preservation Commission and staff review of the project, a number of items were identified to

enhance the character of the area. These façade improvements included brick façade, double hung windows, cornices and to create storefront appearance along Main Street level. These features have been identified as part of the eligible Tax Increment District projects and improvements.

All project expenditures must be completed within five years. Should the tax increment revenues exceed the anticipated loan payments, the district debt would be retired early resulting in the full value of the property being returned to the tax rolls more quickly.

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 Council" means the City Council of Deadwood, South Dakota

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

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

"Developer" means Deadwood Hotels, 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 the City Council 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; (SDCL 11-9-1(3))

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

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

"Tax Incremental District" means a contiguous geographic area within a City defined and created by resolution of the governing body and named City of Deadwood Tax Incremental District #11.

"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.

LEGAL DESCRIPTION OF TAX INCREMENT DISTRICT #11

Property Within Tax Increment #11

LOTS 1, 2, 3, 4 AND 5, BLOCK 11, CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA, ACCORDING TO P.L. ROGERS MAP AND AS SHOWN ON PLAT BOOK 3 PAGE 642 AND A TRIANGULAR STRIP ADJOINING LOT 1 FURTHER DESCRIBED AS FOLLOWS: "BEGINNING AT A POINT ON COURSE 1 OF M.S. 216 FROM WHICH POINT CORNER NO. 4 OF M.S. 216 BEARS N. 8° 24' W. A DISTANCE OF 201 FEET; THENCE S 42° 58' E. A DISTANCE OF 123 FEET TO CORNER NO. 2; THENCE N. 63° 28' W. A DISTANCE OF 110 FEET TO CORNER NO. 3; THENCE 19° 32' E. A DISTANCE OF 44 FEET TO CORNER NO. 1 THE PLACE OF BEGINNING ACCORDING TO THE OFFICIAL PLAT OF P.L. ROGERS AND AS SHOWN ON PLAT BOOK 3 PAGE 642 BEING A PORTION OF M.S. 216 IN THE CITY OF DEADWOOD, EXCEPT THAT PORTION DEEDED TO THE STATE OF SOUTH DAKOTA AS SET OUT IN BOOK 376 PAGE 600, BEING A PORTION OF M.S. 216";

Lots 1 and 2, Four Point Subdivision, Original Town of Deadwood, Lawrence County, South Dakota;

Lots 7, 9, 11, 17 and 19 in Block 13, EXCEPTING therefrom the North 70 feet of said Lot 19, Original Town, City of Deadwood, Lawrence County, South Dakota, according to the official plat of P.L. Rogers of Deadwood;

LOTS 13, 15, 21, AND 23 AND THE NORTHERLY 70 FEET OF LOT 19 IN BLOCK 13, ORIGINAL TOWN OF THE CITY OF DEADWOOD, ACCORDING TO P.L. ROGERS MAP OF THE CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA;

LOTS 25, 27, 29, 31 AND 33, ALL IN BLOCK 13 OF THE CITY OF DEADWOOD, ACCORDING TO P.L. ROGERS MAP OF THE CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA;

PROBATE LOT 186 LOCATED IN THE CITY OF DEADWOOD, ACCORDING TO THE P.L. ROGERS MAP OF SAID CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA;

Lots A and C of probate lot 227, City of Deadwood, Lawrence County, South Dakota;

SCHOOL LOT 66 LOCATED IN THE CITY OF DEADWOOD, ACCORDING TO THE P.L. ROGERS MAP OF SAID CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA;

Lots 32, 34, 36, 38, 40, 42 and 44, Block 12, O.T., City of Deadwood, Section 23, Township 5 North, Range 3 East, B.H.M., Lawrence County, South Dakota;

Lot 35, Block 13, O.T., City of Deadwood, Section 23, Township 5 North, Range 3 East, B.H.M., Lawrence County, South Dakota;

Lots 6 and 7, Block 11, O.T., City of Deadwood, located in the SW¼ of Section 23, Township 5 North, Range 3 East, B.H.M., Lawrence County, South Dakota.

All Located in the City of Deadwood, Section 23, Township 5 North, Range 3 East Black Hills Meridian, Lawrence County, South Dakota including within and adjacent rights-of-ways.

TAXABLE VALUE OF CITY OF DEADWOOD / CONSTITUTIONAL DEBT

State law requires that tax increment districts cannot exceed ten percent of the taxable value of a municipality. The 2019 Taxes Payable value for City of Deadwood is \$202,954,936. The base value of the taxable property for inclusion into this Tax Incremental District #11, as estimated but not yet verified by Lawrence County Director of Equalization, is \$3,484,490.

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

There are currently four active TIF Districts under the jurisdiction of the City of Deadwood, South Dakota. The following table lists each active TIF to demonstrate that TIF #11 is within the 10% rule.

Table #1	
Base Value Analysis	
2019 Deadwood Valuation	\$202,954,936
SDCL 11-9-7 - 10% Based Valuation	\$20,295,493
Tax Incremental District #6	\$140,156
Tax Incremental District #8	\$875,650
Tax Incremental District #9	\$9,520,875
Tax Incremental District #10	\$1,650,012
Tax Incremental District #11(est.)	\$3,484,490
Total Base Value in Tax Incremental Districts	\$15,671,183
Base Valuation Remaining	\$4,624,310

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 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 \$3,077,424 will be the maximum amount the City will ever pass on acting as a conduit for TIF #11. This amount will have an associated interest rate of 0%, and thus no accrued interest will ever take place, regardless of any shortfall in TIF Revenue. All TIF revenue will be passed onto the Developer until the full amount has been paid or 20 years from the year of creation, whichever happens first.

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 \$3,077,424.

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	\$3,077,424	11-9-15(8)
Eligible Project Costs		\$3,077,424	

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 \$3,077,424. 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.

Expenditures Exceeding Estimated Cost

Any expenditures, which in sum would exceed the total amount of the TID amount of \$3,077,424, 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.

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, ECONOMIC DEVELOPMENT STUDY, AND FISCAL IMPACT STATEMENT

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, unless otherwise stated in the Agreement.

Maximum Amount of Tax Increment Revenue

The maximum amount of tax increment revenue bonds or monetary obligations to be paid through Tax Increment District #11 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 \$3,077,424 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 2018 taxes payable in 2019. The tax increment will be available to the taxing jurisdictions at or before twenty years after the creation of the District. Schedule 5 details the tax capture implications to each of the local taxing jurisdictions. After the repayment of the bonds (if issued) and monetary obligations, per the Developer's Agreement, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

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

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

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

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

City of Deadwood TIF #11 will be classified as Economic Development; therefore, any lost local effort will be covered through the State Aid to Education Formula.

MAPS

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

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

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

SUPPLEMENTARY FINDINGS

CHANGES TO CITY 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 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
Hotel	\$8,000,000
TOTAL	\$8,000,000

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.

	Development Costs ⁽¹⁾	Tax Incremental District Costs ⁽²⁾	Total Costs
Capital Costs			
Removals, Demolition & Mobilization	\$850,000	\$850,000	\$743,992
Sitework (Replacement of curb & gutter and heated sidewalks)	\$700,000	\$700,000	\$568,381
Building Construction including parking deck	\$9,749,231	\$813,362	\$9,749,231
Furniture/Fixtures/Equipment	\$2,064,446		\$2,064,446
Wild Bill Statue Upgrades	\$100,000	\$100,000	\$100,000
Utilities including Electrical Switch and Transformer	\$100,000	\$100,000	\$100,000
Sub-Total	\$13,563,677	\$2,563,362	\$13,326,050
Contingency Costs 15%	\$2,034,552	\$214,062	\$1,998,908
Total Capital Costs	\$15,598,229	\$2,777,424	\$15,324,958
Professional Fees			
Archeological Investigation	\$300,000	\$300,000	\$300,000
Financing Costs (only District related / no admin)			
Interest at 5% for 20 Yrs.	\$0	\$0	\$0
Total TIF Costs Payable under TIF #11	\$15,898,229	\$3,077,424	\$15,624,958

**The allowable TIF expenditures are just estimates at this time and each line item can increased or decreased but the controlling value of the TIF Grant shall not exceed \$3,077,424 to prevent a recertification of the TIF Base Value.

Estimates TID Eligible of Project Costs Requested

The 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 \$3,077,424. 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 \$3,484,490. 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 \$8,000,000 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 built fully developed by calendar year 2022.

The City's role is to simply act as a conduit for the revenue and pass on all positive increment to the Developer or to reimburse the City for their expenses, of which, will never exceed **\$3,077,424** in total payments, or 20 years, whichever comes first. The amount of \$3,077,424 will have an interest rate of 0%, and thus no accrued interest will be allowed, regardless of a shortfall of projected revenue.

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

City of Deadwood TID #11 is proven feasible based upon the projections made by the Developer, projecting a total in excess of \$3,077,424 in tax revenue during the life of the

20-year TIF. The calculations of the estimated tax increment valuation and tax generated for the TID can be found in the following tables. For purposes of this Project Plan, it is anticipated no increment generated by City TID #11 will be available until the earliest of calendar year 2022 and thereafter.

TID Tax Revenue Estimates Available for City of Deadwood

This project will have properties that are classified as Non-Ag Other.

City of Deadwood Tax Increment District #11 Revenue Assumptions

Assumed Base Value \$ 3,484,490										
Construction Year	Valuation Year	Revenue Year	Valuation Increment	Total School "Other"	City of Deadwood	County Mill Rate	Sanitary District	Total Mill Rate*	Total Revenue Increment	Total Increment for Debt Service
2019	2020	2021	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ -
2020	2021	2022	8,000,000	11.545	4.989	4.038	0.799	21.371	\$ 170,968.00	\$ 170,968.00
2021	2022	2023	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2022	2023	2024	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2023	2024	2025	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2024	2025	2026	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2025	2026	2027	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2026	2027	2028	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2027	2028	2029	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2028	2029	2030	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2029	2030	2031	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2030	2031	2032	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2031	2032	2033	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2032	2033	2034	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2033	2034	2035	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2034	2035	2036	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2035	2036	2037	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2036	2037	2038	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
2037	2038	2039	-	11.545	4.989	4.038	0.799	21.371	\$ -	\$ 170,968.00
				8,000,000						
									\$	3,077,424.00

* Assumes Mill Levies remain constant for the duration of the TIF

Note: The Increment Valuations above are for projection purposes only and do not reflect what the actual number(s) may be. These projection numbers have not been certified or assessed by the Lawrence County Director of Equalization.

*\$8,000,000 is the projected assessed valuation for the Hotel that will be completed in 2022

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 #11 meets both of these criteria. The area within the boundaries of the TIF is to be developed into a new hotel / commercial area.

The project will lie within the City of Deadwood, in particular on Main Street. The Project would expand the city's presence, retain a current substantial workforce, and is projected to bring a significant annual economic impact to the region.

The project is expected to be completed by 2022.

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. The City of Deadwood TID #11 will have a tremendous economic impact on the City's tourist destination with another major hotel flag to draw more people to the region.

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. See Attachment

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 investment of about \$15,000,000+ in the Project area will stimulate and develop the general economic welfare and prosperity of the State through the promotion of employment and advancement of commerce during the construction period. The Project will enhance the community of Deadwood City by creating additional jobs and will have a substantial annual economic impact to the region and state.

SCHEDULE 4

FISCAL IMPACT STATEMENT FOR CITY OF DEADWOOD TID #11

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 #11.

"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 \$8,00,000
2. The average tax levy of all taxing districts will be approximately \$21 per thousand dollars of taxable valuation.
3. Tax increment will start to be collected in 2022 and end prior to 2039.
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, should the City or County have one**

* 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 \$3,077,424 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2022, 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:

2019 Property Tax Rate

2018 Payable in 2019	\$ per \$1,000 assessed
City of Deadwood	\$ 4.989
Lawrence County	\$ 4.038
Fire District	\$.799
<u>School District "Other"</u>	<u>\$ 11.545</u>
Total Tax Levy	\$ 21.371

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.

ATTACHMENT 1

DESCRIPTIONS OF REAL PROPERTY:

LOTS 1, 2, 3, 4 AND 5, BLOCK 11, CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA, ACCORDING TO P.L. ROGERS MAP AND AS SHOWN ON PLAT BOOK 3 PAGE 642 AND A TRIANGULAR STRIP ADJOINING LOT 1 FURTHER DESCRIBED AS FOLLOWS: "BEGINNING AT A POINT ON COURSE 1 OF M.S. 216 FROM WHICH POINT CORNER NO. 4 OF M.S. 216 BEARS N. 8° 24' W. A DISTANCE OF 201 FEET; THENCE S 42° 58' E. A DISTANCE OF 123 FEET TO CORNER NO. 2; THENCE N. 63° 28' W. A DISTANCE OF 110 FEET TO CORNER NO. 3; THENCE 19° 32' E. A DISTANCE OF 44 FEET TO CORNER NO. 1 THE PLACE OF BEGINNING ACCORDING TO THE OFFICIAL PLAT OF P.L. ROGERS AND AS SHOWN ON PLAT BOOK 3 PAGE 642 BEING A PORTION OF M.S. 216 IN THE CITY OF DEADWOOD, EXCEPT THAT PORTION DEEDED TO THE STATE OF SOUTH DAKOTA AS SET OUT IN BOOK 376 PAGE 600, BEING A PORTION OF M.S. 216";

Lots 1 and 2, Four Point Subdivision, Original Town of Deadwood, Lawrence County, South Dakota;

Lots 7, 9, 11, 17 and 19 in Block 13, EXCEPTING therefrom the North 70 feet of said Lot 19, Original Town, City of Deadwood, Lawrence County, South Dakota, according to the official plat of P.L. Rogers of Deadwood;

LOTS 13, 15, 21, AND 23 AND THE NORTHERLY 70 FEET OF LOT 19 IN BLOCK 13, ORIGINAL TOWN OF THE CITY OF DEADWOOD, ACCORDING TO P.L. ROGERS MAP OF THE CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA;

LOTS 25, 27, 29, 31 AND 33, ALL IN BLOCK 13 OF THE CITY OF DEADWOOD, ACCORDING TO P.L. ROGERS MAP OF THE CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA;

PROBATE LOT 186 LOCATED IN THE CITY OF DEADWOOD, ACCORDING TO THE P.L. ROGERS MAP OF SAID CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA;

Lots A and C of probate lot 227, City of Deadwood, Lawrence County, South Dakota;

SCHOOL LOT 66 LOCATED IN THE CITY OF DEADWOOD, ACCORDING TO THE P.L. ROGERS MAP OF SAID CITY OF DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA;

Lots 32, 34, 36, 38, 40, 42 and 44, Block 12, O.T., City of Deadwood, Section 23, Township 5 North, Range 3 East, B.H.M., Lawrence County, South Dakota;

Lot 35, Block 13, O.T., City of Deadwood, Section 23, Township 5 North, Range 3 East, B.H.M., Lawrence County, South Dakota;

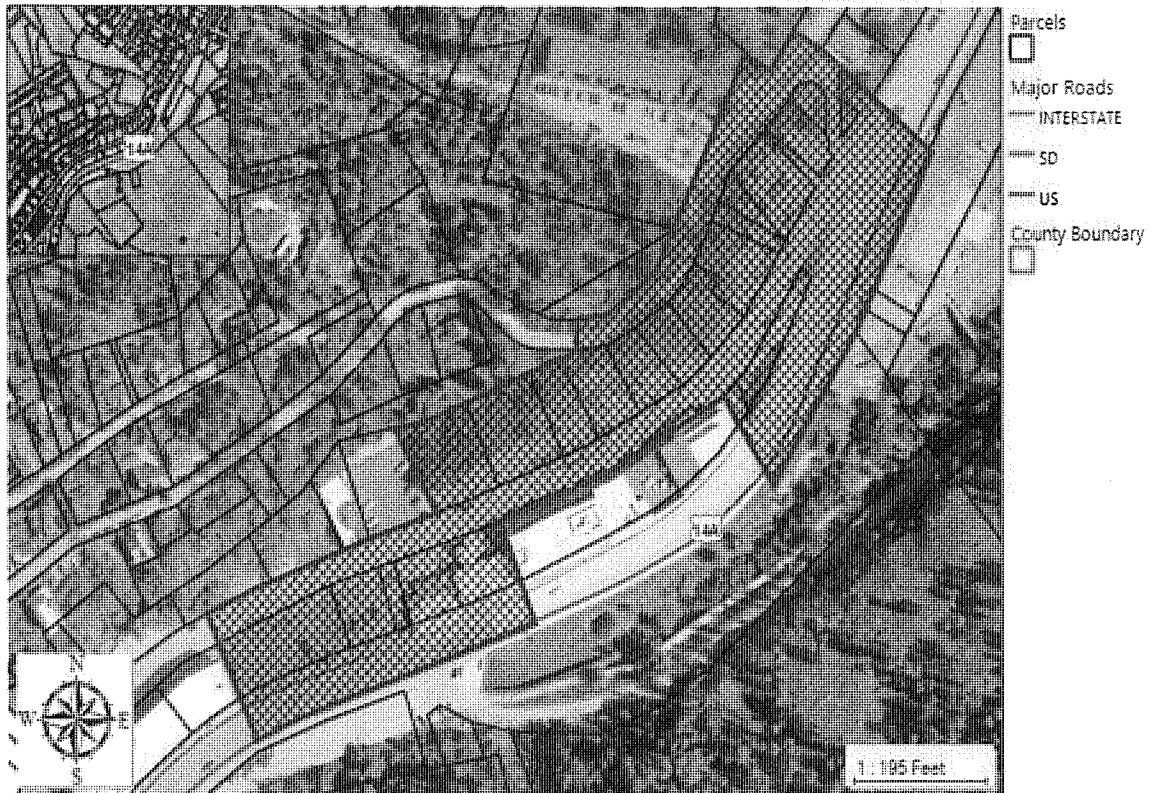
Lots 6 and 7, Block 11, O.T., City of Deadwood, located in the SW¼ of Section 23, Township 5 North, Range 3 East, B.H.M., Lawrence County, South Dakota.

All Located in the City of Deadwood, Section 23, Township 5 North, Range 3 East Black Hills Meridian, Lawrence County, South Dakota including within and adjacent rights-of-ways.

ATTACHMENT 2

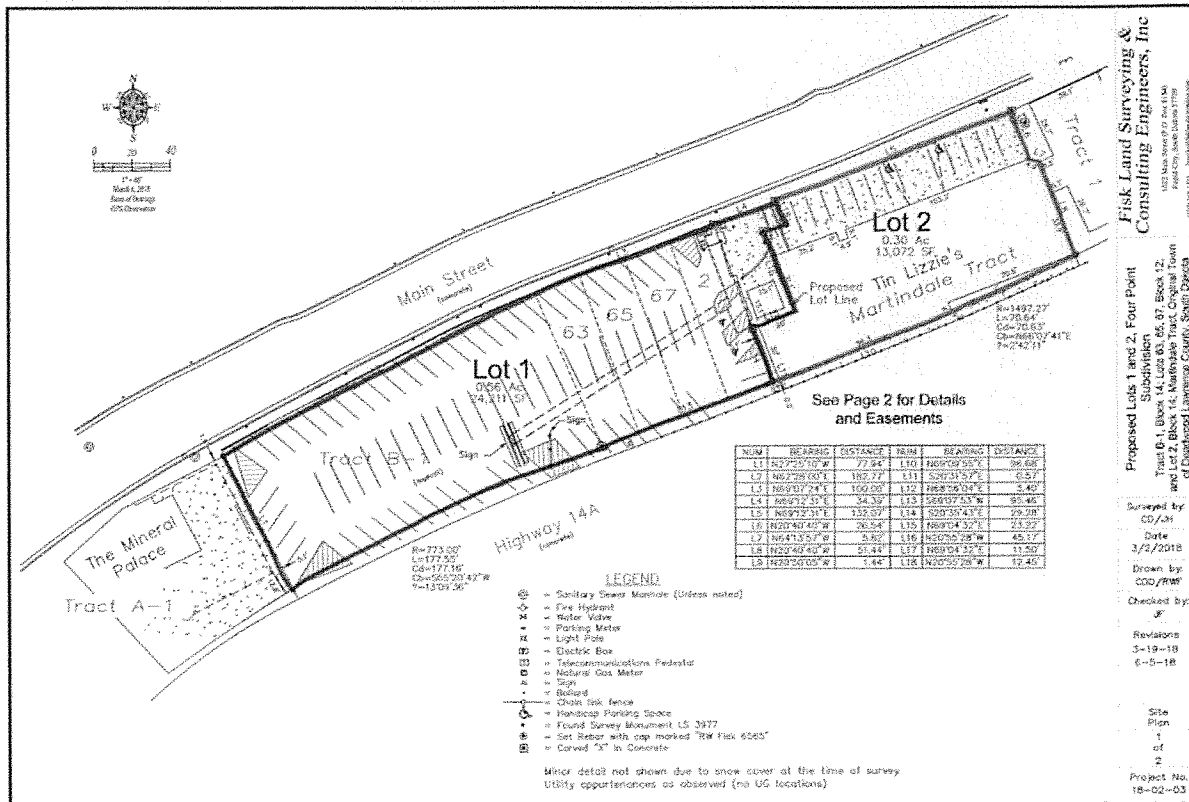
Conditions picture for City of Deadwood Tax Incremental District #11, SDCL § 11-9-16(1)

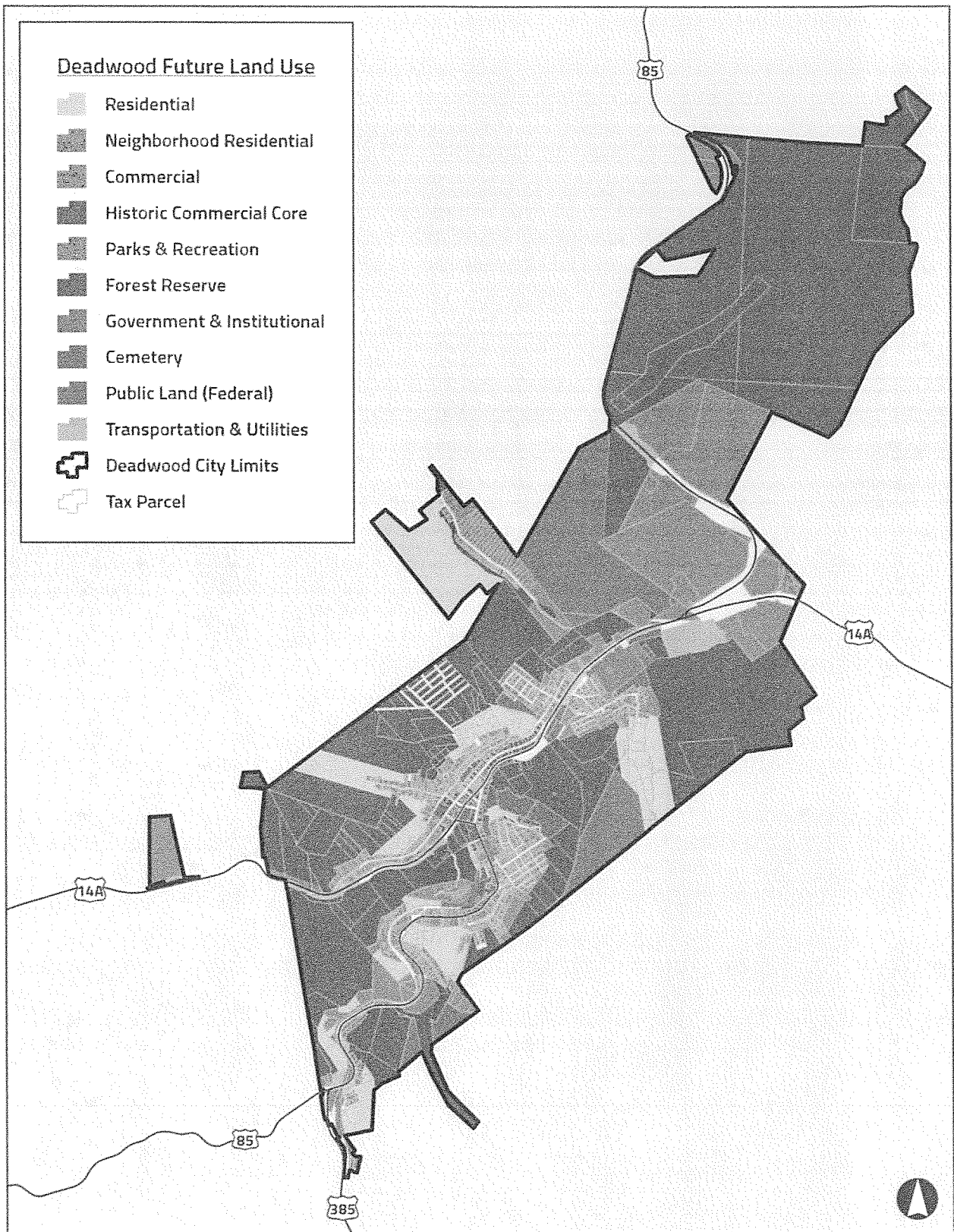
The following is a picture showing the current conditions of the proposed location of TIF #11



ATTACHMENT 3

All Improvements will be within the City of Deadwood District #11, SDCL § 11-9-16(2).





ATTACHMENT 4

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

