

**DEADWOOD PLANNING AND ZONING COMMISSION**

**Wednesday, August 16, 2017 – 5:00 p.m.**

**City Hall, 102 Sherman Street, Deadwood, SD**

**AGENDA**

1. Call Meeting to Order
2. Approval of July 19, 2017 Minutes
3. Sign Review Commission  
**304 Cliff Street – Deadwood Gulch Resort – Install New Window Sign**
  - a. Install new window sign  
Action Required:
  - b. Approval/ Denial by Sign Review Commission
4. Planning and Zoning Commission and Board of Adjustments  
**Light Pole Banners**  
No Action Required  
  
**Tax Increment Financing in South Dakota – Copy of Presentation**  
No Action Required
5. Items from Staff
  - a. Whitewood Creek
  - b. Cadillac Jacks
6. Adjourn

CITY OF DEADWOOD  
PLANNING AND ZONING COMMISSION  
Wednesday, July 19, 2017

The meeting of the Deadwood Planning and Zoning was called to order by Chairperson Tony Biesiot on Wednesday, July 19, 2017, 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: Tony Biesiot, Jim Shedd, John Martinisko, Bill Rich and Brett Runge

Absent:

Board of Adjustments Present: Dave Ruth

Staff Present:

Bob Nelson, Jr., Trent Mohr, and Jerity Krambeck

Approval of July 5, 2017 Minutes:

*It was moved by Mr. Shedd and seconded by Ms. Runge to approve the July 5, 2017 meeting minutes. Aye – All. Motion carried.*

Sign Review Commission:

596 Main Street(Ayers Hardware Bldg) – Carol Tellinghusien - Install New Window Sign

Mr. Mohr stated the applicant is requesting permission to add a window sign to advertiser her business at this location. The proposed sign and its location are compliant with the sign ordinance. *It was moved by Ms. Runge and seconded by Mr. Martinisko to approve the installation of the new window sign at 596 Main Street. Aye-All. Motion carried.*

692 Main Street (Elks Bldg) – Carol Tellinghusien – Install New Window Sign

Mr. Mohr stated the applicant is requesting permission to add a window sign to advertiser her business at this location. The proposed sign and its location are compliant with the sign ordinance. *It was moved by Ms. Runge and seconded by Mr. Martinisko to approve the new projecting sign at 692 Main Street. Aye-All. Motion carried.*

692 Main Street (Elks Bldg) – Nir Giist (5 Minute Pizza)/Kora Kassmeier (Naked Winery) – Eight Window Signs & One Projecting Sign

Mr. Mohr stated the applicant is requesting permission to install eight widow signs and one projecting sign to advertise two businesses. The proposed signs and their locations are compliant with the sign ordinance. *It was moved by Mr. Martinisko and seconded by Mr. Shedd to approve the installation of eight window signs and one projecting sign for 692 Main Street. Aye-All. Motion carried.*

Planning and Zoning Commission and Board of Adjustments:

Revision/ Amendments Planning and Zoning Tax Increment District Number Ten

Blaise Emerson presented the Tax Increment District #10 Project Plan Revision #1, Resolution Approving Amendment #1 for Project Plan for Tax Increment District #10, and Contract for Private Development Amendment #1. Mr. Emerson stated the developer is looking at an additional project costs of \$600,000 due to field conditions. Mr. Emerson stated the walking bridge by the rodeo grounds and with the City will be redoing Crescent Street in 2018 and the walking bridge will help with pedestrian traffic, help cover some of the costs associated, and be an enhancement.

*Tax Increment District #10 Project Plan Revision #1. It was moved by Mr. Shedd and seconded by Ms. Runge to recommend approval to the Board of Adjustments the Tax Increment District #10 Project Plan Revision #1. Aye – All. Motion carried.*

*Resolution Approving Amendment #1 for Project Plan for Tax Increment District #10. It was moved by Mr. Shedd and seconded by Mr. Martinisko to recommend approval to the Board of Adjustments the Resolution Approving Amendment #1 for Project Plan for Tax Increment District #10. Aye – All. Motion carried.*

*Contract for Private Development Amendment #1. It was moved by Mr. Martinisko and seconded by Mr. Rich to recommend approval to the Board of Adjustments the Contract for Private Development Amendment #1. Aye – All. Motion carried.*

Items From Staff (no action taken)

- Mr. Nelson stated Whitewood Creek has not begun cleanup yet and it was sprayed for noxious weeds earlier in the month.
- Ted Scholts, AE2S and Project Manager for Cadillac Jacks, provided an update on the Cadillac Jacks project

- Mr. Nelson stated the box seating is being completed and will be finished before the Days of 76 Rodeo starts.

**Adjournment:**

*It was moved by Mr. Shedd and seconded by Ms. Runge 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 5:21 p.m.

ATTEST:

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Chairman, Planning & Zoning Commission

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Secretary, Planning & Zoning Commission

*Jerity Krambeck, Planning & Zoning Office/Recording Secretary*



## SIGN PERMIT STAFF REPORT

Sign Review Commission  
August 16, 2017

**Applicant:** Deadwood Gulch Gaming Resort

**Address:** 304 Cliff Street, Deadwood, SD 57732

**Site Address of Proposed Signage:** 304 Cliff Street (Deadwood Gulch Resort)

### Computation of Sign Area

**Building Frontage:** 260 Feet

**Total Available Signage:** 520 Square Feet

**Existing Signage:** One Freestanding (64 Square Feet)  
One Wall Sign (60 Square Feet)

**Remaining Available Signage Area:** 396 Square Feet

**Proposed Sign Project:** Install new window sign (7 SF counted at 25% = 1.75 SF).

**Proposed Building Materials:** Vinyl adhered to inside of glass.

**Proposed Lighting of the Signs:** None.

**Location of Proposed Sign:** Attached is a rendering showing the proposed location above the main doors.

### Discussion

The sign permit application in review is proposed at a location outside the locally-designated historic district and outside the national historic landmark district which is regulated by chapter 15.32.315 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 wishes to install a window sign above the main entrance to hotel and gaming hall to direct customers to the entrance. They have had problems with customers not being able to easily find the entrance. Currently there is neon sign hung inside the window in this location.

The proposed sign and its location are compliant with the sign ordinance.

## 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 sign permit for new window sign at 304 Cliff Street

OR

Motion to deny proposed sign permit application as submitted.





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



DEADWOOD CITY HALL  
102 Sherman Street  
Deadwood, SD 57732  
Telephone (605) 578-2600

## MEMORANDUM

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**Date:** August 11, 2017  
**To:** Planning and Zoning Commission  
**From:** Bob Nelson, Jr., Zoning Administrator  
**Re:** Light Pole Banners

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The City of Deadwood's Economic Restructuring Design Committee has been working on placing nine pole banners on the light poles along the D.O.T. highway lights at Pluma. The banners will display historic figures of Deadwood such as Calamity Jane, Dora Dufron, Poker Alice, Potato Creek Johnny, Seth Bullock, Wild Bill and Fee Lee Wong. A conceptual design of the banners is attached for your review. This matter is for informational purposes only and does not require approval.

## POLE BANNER CONCEPTUAL DESIGN

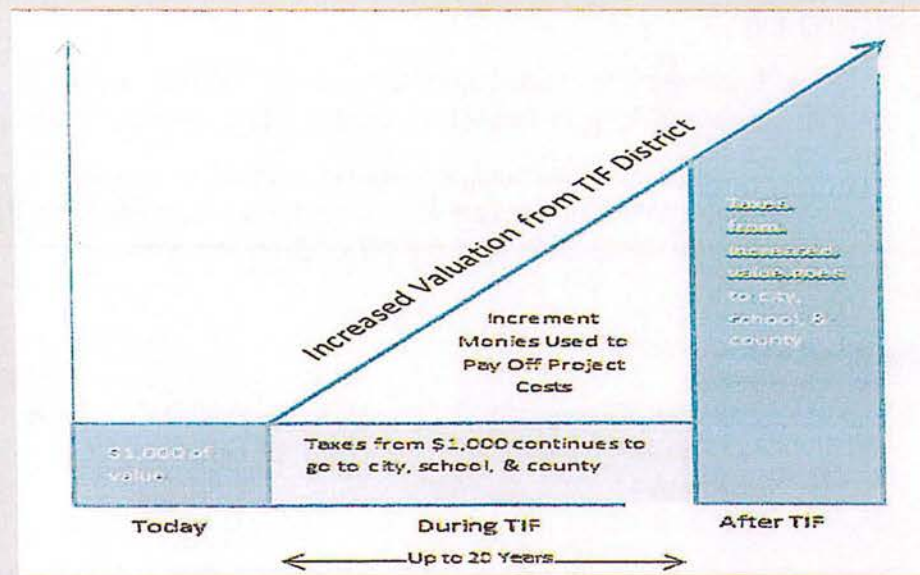




## TAX INCREMENT FINANCING IN SOUTH DAKOTA

PRESENTED BY MICHAEL HOUDYSHELL  
DIRECTOR, PROPERTY AND SPECIAL TAXES DIVISION

### WHAT IS TAX INCREMENT FINANCING?



# TIF HISTORY IN SD

- 1978 --- SB 17
  - Created the statutory authority for TIF
  - Only available to municipalities
  - Required a finding that not less than 25% of the real property in the TIF district was blighted
  - Defined project costs as "costs of public works or improvements..."
- 1991 --- HB 1174
  - Authorized counties to utilize TIF



# TIF HISTORY IN SD

- 1996 --- HB 1362
  - Exempted TIFs created after December 31, 1994 for "industrial purposes" from the local effort calculation for state-aid to education
  - Required the county auditor to spread an additional levy to compensate for lost school general fund and special education fund revenue due to tax abatement, TIF, or discretionary formula
- 2004 --- SB 104
  - Exempted TIFs created after December 31, 2003 for "economic development purposes" from the local effort calculation for state-aid to education





# TIF HISTORY IN SD

- 2011 --- SB 90
  - Expanded when TIF could be used to no longer require a finding of blight ("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...")
- 2016 --- SB 112
  - Provided that DOR does not re-determine the tax increment base if the project costs increase by 35% or less over the original project plan

# TIF...BY THE NUMBERS

- Since 1978.....
  - 172 active TIFs (as of 07/31/17)
  - 137 dissolved TIFs
  - 6 certification pending
- Active TIFs by type.....
  - 102 "economic development"
  - 20 "industrial"
  - 50 "other"



# WHY DOES THE TYPE OF TIF MATTER?

## SDCL 13-13-10.2.

The assessed value as determined in § 13-13-10.1 of any property in a tax incremental district formed on or before December 31, 1994, and created pursuant to chapter 11-9 is the tax incremental base, as defined in § 11-9-19 until the tax incremental district ceases to exist as provided in § 11-9-46. **OBSOLETE**

The assessed values, as determined in § 13-13-10.1 of any property in a tax incremental district formed after December 31, 1994, and created pursuant to chapter 11-9, is the total assessed value of the property determined by the Department of Revenue pursuant to § 11-9-24, until the tax incremental district ceases to exist as provided in § 11-9-46. **LOCAL EFFORT**

The provisions of this chapter do not apply to any tax incremental district created after December 31, 1994, for industrial purposes. For the purposes of this chapter, industrial includes only those activities generally recognized as industrial by zoning authorities within the state, including 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. **EXCLUDED FROM LOCAL EFFORT**

The provisions of this chapter do not apply to any tax incremental district created after December 31, 2003, for economic development purposes. For the purposes of this chapter, economic development includes 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. **EXCLUDED FROM LOCAL EFFORT**



## SDCL 10-12-44

### SDCL 10-12-44.

The county auditor in each school district shall raise additional revenue, for the general fund and special education funds, from property taxes to compensate for tax abatement, tax increment financing district, or discretionary formula as follows:

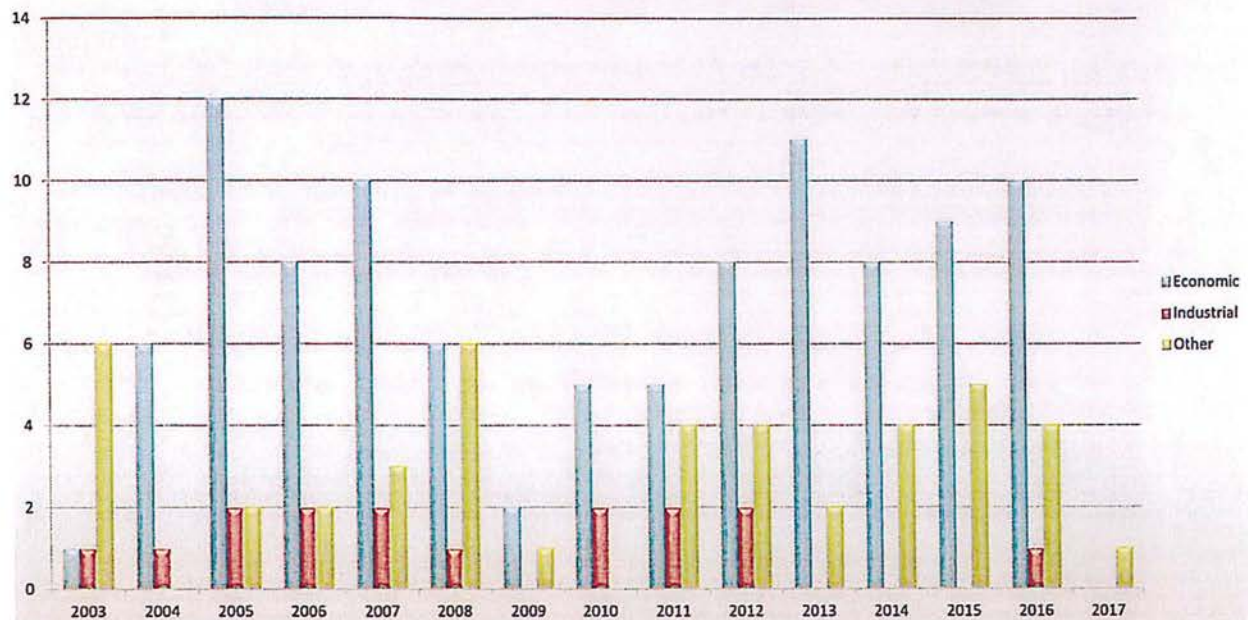
- (1) For tax incremental districts created pursuant to chapter 11-9 and formed after December 31, 1994, the county auditor shall levy an additional tax levy for an amount not to exceed an amount equal to the sum of the levies in §§ 10-12-42 and 13-37-16 times the tax increment valuation as defined in § 11-9-1;
- (2) For property subject to § 10-6-35.2, 10-6-35.24, 10-6-35.25, 10-6-54, 10-6-55, or 10-6-67 the county auditor shall levy an additional tax levy for an amount not to exceed the amount of taxes that were not collected due to the reduction in valuation based on the maximum levies pursuant to §§ 10-12-42 and 13-37-16;
- (3) For abated taxes the county auditor shall levy an additional tax levy for an amount not to exceed the amount of the school district's portion of the taxes that were abated pursuant to chapter 10-18 during the previous tax year.

The levies in this section are not subject to the referendum provision of § 10-12-43 and these levies shall maintain the same proportion to each other as represented in the mathematical relationship at the maximum levies pursuant to § 10-12-42.



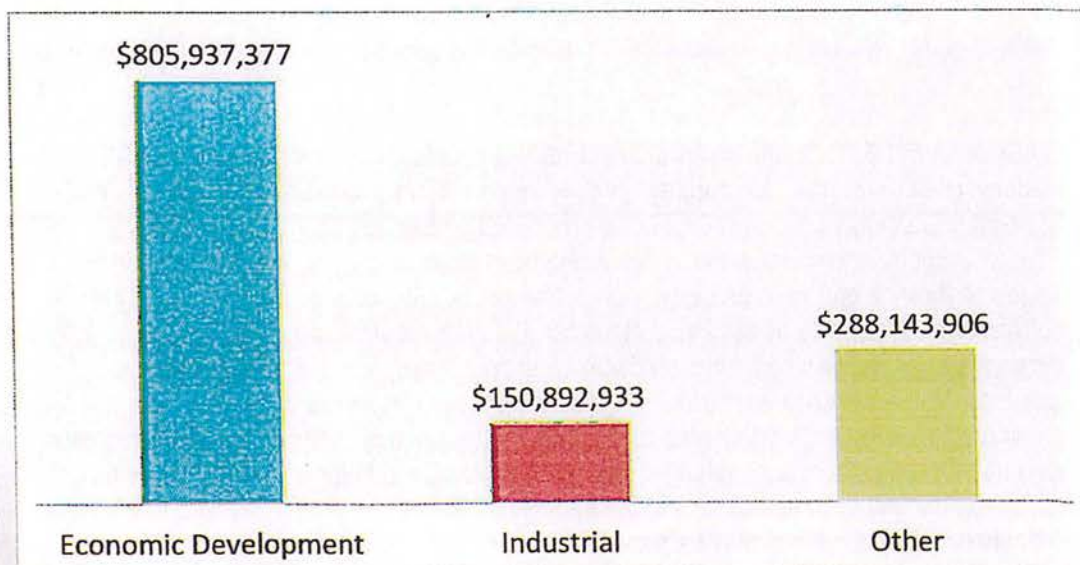


## TYPES OF TIF CREATED SINCE 2003



9

## 2016 TIF Increment Value



10



# WHAT CAN A TIF BE USED FOR?

SDCL 11-9-15. Project costs include:

- (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the project plan, are sufficient to pay the principal of and interest on the tax incremental bonds when due;
- (2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for project costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;
- (3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a project plan;
- (4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;
- (5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a project plan;
- (6) Relocation costs;
- (7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and
- (8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state.

# WHAT CAN A TIF NOT BE USED FOR?

SDCL 11-9-42. No tax increments shall be used for the construction of residential structures.

*SD Const. Art. 11 § 2.* To the end that the burden of taxation may be equitable upon all property, and in order that no property which is made subject to taxation shall escape, the Legislature is empowered to divide all property including moneys and credits as well as physical property into classes and to determine what class or classes of property shall be subject to taxation and what property, if any, shall not be subject to taxation. **Taxes shall be uniform on all property of the same class, and shall be levied and collected for public purposes only.** Taxes may be imposed upon any and all property including privileges, franchises and licenses to do business in the state. Gross earnings and net incomes may be considered in taxing any and all property, and the valuation of property for taxation purposes shall never exceed the actual value thereof. The Legislature is empowered to impose taxes upon incomes and occupations, and taxes upon incomes may be graduated and progressive and reasonable exemptions may be provided.



# GOVERNOR DAUGAARD'S WORKGROUP ON TAX INCREMENT FINANCING

On March 6, 2017, Governor Dugaard issued an "Executive Directive Pertaining to Tax Incremental Finance Districts" to Revenue Secretary Andy Gerlach. The directive required the Department of Revenue to do the following:

- Develop guidelines for local authorities to eliminate inconsistencies in the TIF project process and classification;
- Review the relevant statutory provisions and provide recommendations for any necessary legislative changes;
- Compile an annual report of all TIFs in the state, including project descriptions, project timelines, financial overviews, and the fiscal impact of TIF classification on the state aid to education formula; and
- Consult with representatives of the municipalities, counties, schools, GOED, legislators, and other stakeholders regarding the development of the guidelines.



## Questions?

Michael Houdyshell

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