

**DEADWOOD PLANNING AND ZONING COMMISSION**

**Wednesday, July 19, 2017 – 5:00 p.m.**

City Hall, 102 Sherman Street, Deadwood, SD

**AGENDA**

1. Call Meeting to Order
2. Approval of July 5, 2017 Minutes
3. Sign Review Commission
  - 596 Main Street(Ayers Hardware Bldg) – Carol Tellinghusien - Install New Window Sign**
    - a. Install new window signAction Required:
    - b. Approval/ Denial by Sign Review Commission
  - 692 Main Street (Elks Bldg) – Carol Tellinghusien – Install New Window Sign**
    - a. Install new window signAction Required:
    - b. Approval/ Denial by Sign Review Commission
  - 692 Main Street (Elks Bldg) – Nir Giist (5 Minute Pizza)/Kora Kassmeier (Naked Winery) – One Projecting Sign**
    - a. Install projecting signAction Required:
    - b. Approval/ Denial by Sign Review Commission
4. Planning and Zoning Commission and Board of Adjustments
  - Revision/Amendments Planning and Zoning Tax Increment District Number Ten**
    - a. Tax Increment District #10 Project Plan Revision #1  
Action required: Recommend Approval or Denial by Planning and Zoning  
Action required: Approve or Deny by Board of Adjustments
    - b. Resolution Approving Amendment #1 for Project Plan for Tax Increment District #10  
Action required: Recommend Approval or Denial by Planning and Zoning  
Action required: Approve or Deny by Board of Adjustments
    - c. Contract for Private Development Amendment #1  
Action required: Recommend Approval or Denial by Planning and Zoning  
Action required: Approve or Deny by Board of Adjustments

All Board of Adjustments to be ratified at the Deadwood City Commission meeting on August 7, 2017, 5:00 p.m. City Hall.
5. Items from Staff
  - a. Whitewood Creek
  - b. Cadillac Jacks
  - c. Event Center
6. Adjourn

CITY OF DEADWOOD  
PLANNING AND ZONING COMMISSION  
Wednesday, July 5, 2017

The meeting of the Deadwood Planning and Zoning was called to order by Chairperson Tony Biesiot on Wednesday, July 7, 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:** Charles Turbiville, Dave Ruth, and Charlie Struble

**Staff Present:**

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

**Approval of June 21, 2017 Minutes:**

*It was moved by Mr. Shedd and seconded by Mr. Martinisko to approve the June 21, 2017 meeting minutes. Aye - All. Motion carried.*

**Sign Review Commission:**

**24 Cliff Street – Black Hills Title, Inc. – Install New Wall Sign**

Mr. Mohr stated the applicant is requesting permission to install a new wall sign. Mr. Mohr stated the applicant is leasing this space from the building owner and will be operating an office in the building. This sign is to advertise the business. The proposed sign and its location are compliant with the sign ordinance. *It was moved by Ms. Runge and seconded by Mr. Shedd to approve the installation of the new wall sign at 24 Cliff Street. Aye-All. Motion carried.*

**596 Main Street – Carol Tellinghusien (Pink Blossom, LLC) – Install New Projecting Sign**

Mr. Mohr stated the applicant is requesting permission to install a new projecting sign. The proposed sign and its location are compliant with the sign ordinance and requires no variance. *It was moved by Mr. Shedd and seconded by Ms. Runge to approve the new projecting sign at 629 Main Street. Aye-All. Motion carried.*

**158 Williams Street – Neighborhood Housing Services of the Black Hills – Replace Existing Free Standing Sign**

Mr. Mohr stated the applicant is requesting permission to replace the existing freestanding sign with a new freestanding sign behind and further up the slope from the existing location. The applicant is making a series of improvements to the grounds of the apartment building. The current sign is showing its age so a new sign is being proposed with it being located higher on the slope of the hill to make it more visible. The current sign is partially obscured by cars in the parking area in front of the sign. The proposed sign and its location are compliant with the sign ordinance. *It was moved by Mr. Shedd and seconded by Ms. Runge to approve the replacement of the existing freestanding sign for 795 Main Street. Aye-All. Motion carried.*

**Planning and Zoning Commission and Board of Adjustments:**

**Plat – Tract A7 Majestic Meadows – David Winter**

Tract A7 of Majestic Meadows, Being a Portion of Tract A of Majestic Estates Inside City Limits, Consisting of Tracts 1,2,3 and 4 of Carlisle-Miller Subdivision, Being Portions of the Splittail and Mathilda Placers of M.S. 920, Portions of the Deadwood and Delaware Placers of M.S. 685 and A Portion of the Dotson Placer of M.S. 1208; The remainder of the Thor and Sawdust Placer of M.S. 1208; The Pilot Knob Fraction, Cotton and Unruh Lodes of M.S. 1447; Lot 2 of the Remainder of the Columbia Placer of M.S. 1208 and Mineral Survey No. 788 Consisting of the Dale Placer; All located in the SW1/4 of Section 13, the SE1/4 and NE1/4 of Section 23, the NE1/4, NW1/4, SW1/4 and SE1/4 of Section 24 and the NE1/4 and NW1/4 of Section 25, T5N, R3E, B.H.M., City of Deadwood, Lawrence County, South Dakota. *It was moved by Mr. Martinisko and seconded by Ms. Runge to recommend to the Board of Adjustments to approve the plat - Tract A7 of Majestic Meadows, Being a Portion of Tract A of Majestic Estates Inside City Limits, Consisting of Tracts 1,2,3 and 4 of Carlisle-Miller Subdivision, Being Portions of the Splittail and Mathilda Placers of M.S. 920, Portions of the Deadwood and Delaware Placers of M.S. 685 and A Portion of the Dotson Placer of M.S. 1208; The remainder of the Thor and Sawdust Placer of M.S. 1208; The Pilot Knob Fraction, Cotton and Unruh Lodes of M.S. 1447; Lot 2 of the Remainder of the Columbia Placer of M.S. 1208 and Mineral Survey No. 788 Consisting of the Dale Placer; All located in the SW1/4 of Section 13, the SE1/4 and NE1/4 of Section 23, the NE1/4, NW1/4, SW1/4 and SE1/4 of Section 24 and the NE1/4 and NW1/4 of Section 25, T5N, R3E, B.H.M., City of Deadwood, Lawrence County, South Dakota. Aye - All. Motion carried.*

Chair Biesiot closed the Planning and Zoning meeting.



Mayor Turbiville opened the Board of Adjustments meeting.

Plat – Tract A7 Majestic Meadows – David Winter

Tract A7 of Majestic Meadows, Being a Portion of Tract A of Majestic Estates Inside City Limits, Consisting of Tracts 1,2,3 and 4 of Carlisle-Miller Subdivision, Being Portions of the Splittail and Mathilda Placers of M.S. 920, Portions of the Deadwood and Delaware Placers of M.S. 685 and A Portion of the Dotson Placer of M.S. 1208; The remainder of the Thor and Sawdust Placer of M.S. 1208; The Pilot Knob Fraction, Cotton and Unruh Lodes of M.S. 1447; Lot 2 of the Remainder of the Columbia Placer of M.S. 1208 and Mineral Survey No. 788 Consisting of the Dale Placer; All located in the SW1/4 of Section 13, the SE1/4 and NE1/4 of Section 23, the NE1/4, NW1/4, SW1/4 and SE1/4 of Section 24 and the NE1/4 and NW1/4 of Section 25, T5N, R3E, B.H.M., City of Deadwood, Lawrence County, South Dakota. *It was moved by Mr. Ruth and seconded by Ms. Struble to approve the plat - Tract A7 of Majestic Meadows, Being a Portion of Tract A of Majestic Estates Inside City Limits, Consisting of Tracts 1,2,3 and 4 of Carlisle-Miller Subdivision, Being Portions of the Splittail and Mathilda Placers of M.S. 920, Portions of the Deadwood and Delaware Placers of M.S. 685 and A Portion of the Dotson Placer of M.S. 1208; The remainder of the Thor and Sawdust Placer of M.S. 1208; The Pilot Knob Fraction, Cotton and Unruh Lodes of M.S. 1447; Lot 2 of the Remainder of the Columbia Placer of M.S. 1208 and Mineral Survey No. 788 Consisting of the Dale Placer; All located in the SW1/4 of Section 13, the SE1/4 and NE1/4 of Section 23, the NE1/4, NW1/4, SW1/4 and SE1/4 of Section 24 and the NE1/4 and NW1/4 of Section 25, T5N, R3E, B.H.M., City of Deadwood, Lawrence County, South Dakota. Aye - All. Motion carried.*

*It was moved by Mr. Ruth and Seconded by Ms. Struble to close the Board of Adjustments meeting.*

Chair Biesiot opened the Planning and Zoning meeting.

Items From Staff (no action taken)

- Mr. Nelson stated Whitewood Creek has not begun cleanup yet, but the bulkheads are installed and they will be starting soon. Mr. Nelson stated weed sprayers would be treating for noxious weeds this week.
- Mr. Mohr stated Cadillac Jacks has been pouring concrete. Mr. Mohr stated during excavation, an old mine shaft was discovered. Mr. Mohr stated the precast is 99% complete and they are hoping to be able to utilize the parking lot in the coming weeks.
- Mr. Nelson stated the second half of the box seating will be completed before the Days of 76 Rodeo starts and the Crow's Nest is being re-stained and re-chinked.

Adjournment:

*It was moved by Ms. Runge and seconded by Mr. Rich 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 5:16 p.m.

ATTEST:

\_\_\_\_\_  
Chairman, Planning & Zoning Commission

\_\_\_\_\_  
Secretary, Planning & Zoning Commission

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

## SIGN PERMIT STAFF REPORT

Sign Review Commission  
July 19, 2017

**Applicant:** Carol Tellinghusien – Pink Blossom, LLC

**Address:** 629 Main Street, Spearfish, SD 57783

**Site Address of Proposed Signage:** 596 Main Street (Ayers Hardware Building)

### Computation of Sign Area

**Building Frontage:** 23.5 Feet

**Total Available Signage:** 47 Square Feet

**Existing Signage:** One Projecting Sign (7 Square Feet)

**Remaining Available Signage Area:** 40 Square Feet

**Proposed Sign Project:** Install new window sign (5.5 Square Feet) (counted at 25% against total allowed square footage = 1.3 Square Feet).

**Proposed Building Materials:** Vinyl applique.

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

**Location of Proposed Sign:** Attached is a photograph showing the placement of the sign.

### Discussion

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

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

The applicant wishes to add a window sign to advertise her business at 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 596 Main Street

OR

Motion to deny proposed sign permit application as submitted.





New window sign.



## SIGN PERMIT STAFF REPORT

Sign Review Commission  
July 19, 2017

**Applicant:** Carol Tellinghusien – Pink blossom, LLC  
**Address:** 629 Main Street, Spearfish, SD 57783  
**Site Address of Proposed Signage:** 692 Main Street (Elks Building)

### Computation of Sign Area

**Building Frontage:** 45 Feet (1/3 allotted to this tenant space = 15 Feet)  
**Total Available Signage:** Allotted to this tenant 30 Square Feet  
**Existing Signage:** One Projecting sign (Elks sign – landmark sign)  
**Remaining Available Signage Area:** 30 Square Feet  
**Proposed Sign Project:** Install new window sign (5.5 Square Feet) (counted at 25% against total allowed square footage = 1.3 Square Feet).  
**Proposed Building Materials:** Vinyl applique.  
**Proposed Lighting of the Signs:** None.  
**Location of Proposed Sign:** Attached is a photograph showing the placement of the sign.

### Discussion

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

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

The applicant wishes to add a window sign to advertise her business at 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 692 Main Street

OR

Motion to deny proposed sign permit application as submitted.



New window sign.

The Pink Door  
Boutique

Yes We're  
OPEN

CAUTION  
STEP DOWN





## SIGN PERMIT STAFF REPORT

Sign Review Commission

July 19, 2017

**Applicant:** Nir Giist (5 Minute Pizza) / Kora Kassmeier (Naked Winery)

**Address:** 692 Main Street, Deadwood, SD 57732

**Site Address of Proposed Signage:** 692 Main Street (Elks building)

### Computation of Sign Area

**Building Frontage:** 45 Feet (2/3 allotted to these tenants = 30 Feet)

**Total Available Signage:** Allotted to these tenants = 60 Square Feet

**Existing Signage:** One Projecting sign (Elks sign – landmark sign)

**Remaining Available Signage Area:** 60 Square Feet

**Proposed Sign Project:** note that all window signs are listed at 25% of actual size.

Eight window signs designated by letter:

- Sign "A" (2.15 Square Feet)
- Sign "B" (1 Square Foot)
- Sign "C" (.3 Square Feet)
- Sign "D" (.4 Square Feet)
- Sign "E" (.3 Square Feet)
- Sign "F" (1 Square Foot)
- Sign "G" (2 Square Feet)
- Sign "H" (1.7 Square Feet)

One Projecting sign (12.5 Square Feet)

**Proposed Building Materials:** Window signs are vinyl applique and projecting sign is Vinyl wrapped wood.

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

**Location of Proposed Sign:** Please see attached renderings and photograph.

### Discussion

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

- A. *Before any sign can be erected or altered in any way, a valid permit must be issued. Any further alteration of the sign shall require an amendment of the existing permit or the*



*issuance of a new permit. Such changes, as well as original permits, shall be issued pursuant to review by the sign review commission. It is unlawful to display, construct, erect, locate or alter any sign without first obtaining a sign permit for such sign.*

The applicants have opened businesses at this location and proposed signage it to advertise these new businesses.

The proposed signs and their locations are compliant with the sign ordinance.

### **Variances**

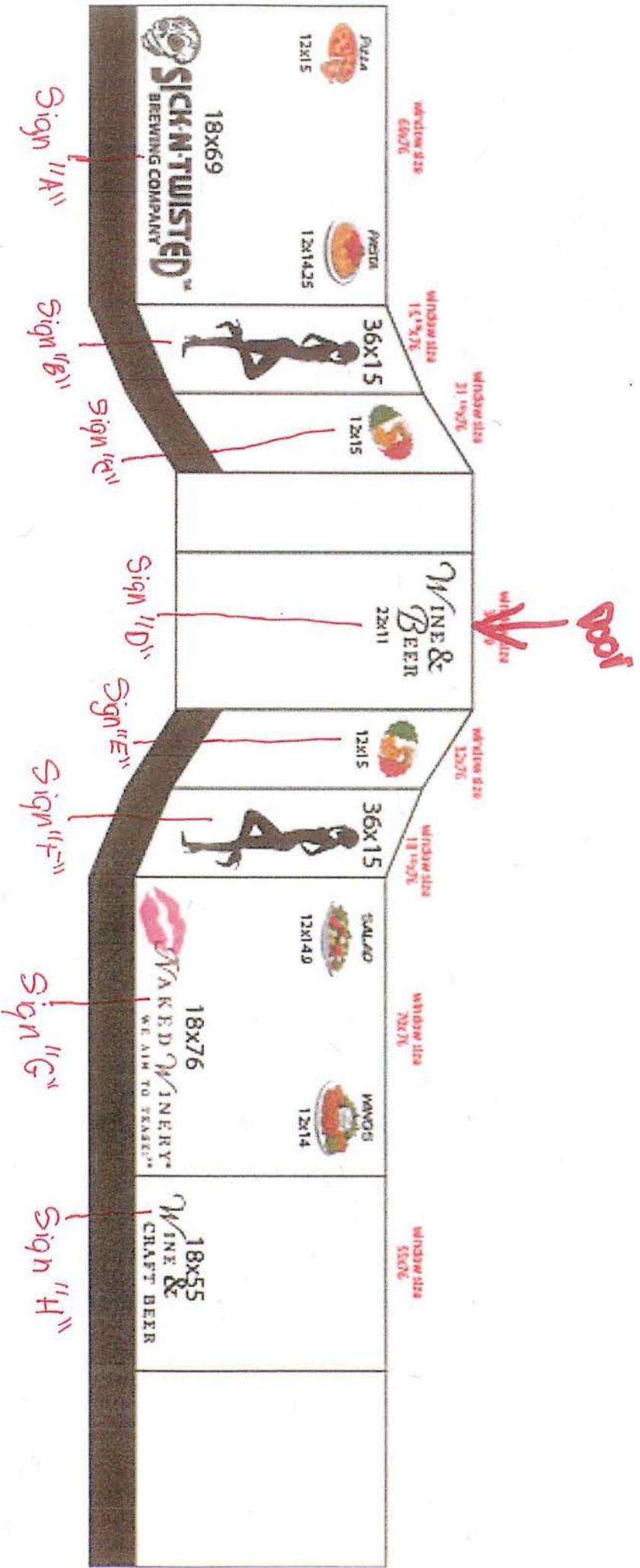
The sign permit application in review as proposed requires no variances from the sign ordinance. Signage variances may be obtained if the sign review commission is able to find *"special circumstances or conditions such as the existence of buildings, topography, vegetation, sign structures, distance 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 eight new window signs and one new projecting sign located at 692 Main Street

OR

Motion to deny proposed sign permit application as submitted.



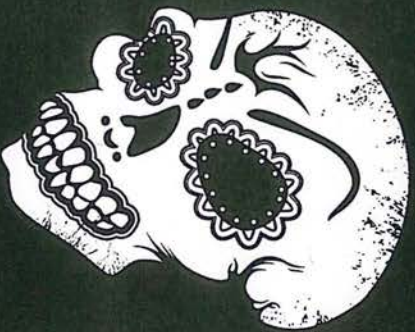
Windows on street level - FIVE BUILDING



# N/AKED N/INERY



WE AIM TO TEASE<sup>SM</sup>



# **SICK-N-TWISTED™**

**BREWING COMPANY**

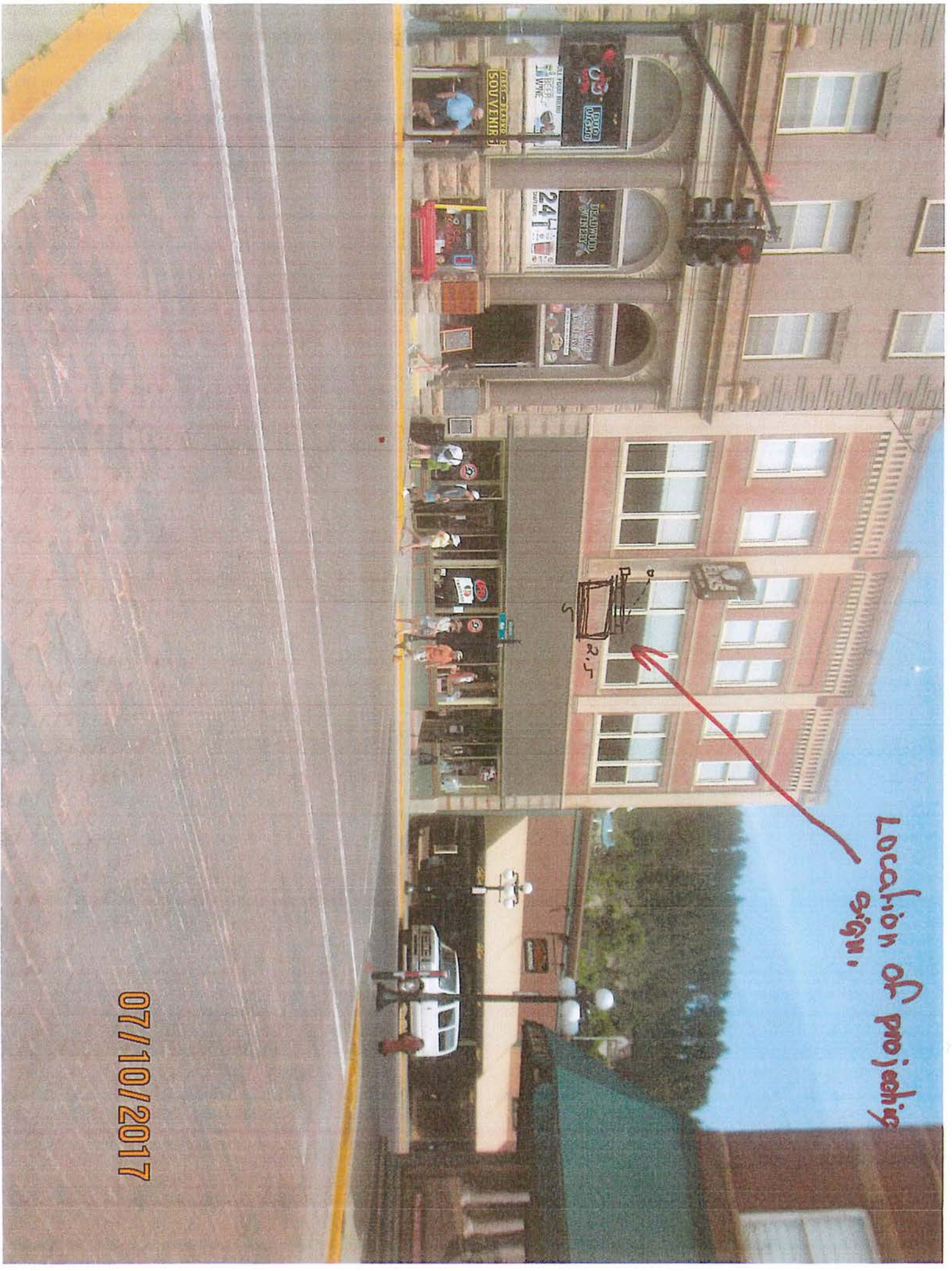
**TAP HOUSE**



Location of projecting  
sign.

2.5  
5

07/10/2017





# **CITY OF DEADWOOD**

## **TAX INCREMENT DISTRICT #10 PROJECT PLAN**

**Revision #1  
(Pages 19 -**

**Cadillac Jack's Expansion  
Tru Hotel By Hilton**

Prepared by the  
Black Hills Council of Local Governments  
For the City of Deadwood  
September 2016  
Revision #1 July 2017



## INTRODUCTION

Tax Increment Financing is a method of financing improvements and development in an area, which has been determined to be blighted or will stimulate and develop the general economic welfare and prosperity of the State. South Dakota Codified Law (SDCL) Chapter 11-9 give municipalities the ability to create and use Tax increment financing as a tool to encourage either the redevelopment of property and/or economic development opportunities in the community. Deadwood Tax Increment District #10 was created to stimulate the economic welfare of the state, region, and community by promoting commercial development.

The assessed value of a district is determined by the South Dakota Department of Revenue at the time the district is created by the City Council. This valuation is termed the Tax Increment Base for the district, or simply the "base valuation." As the property taxes for the property are paid, that portion of the taxes paid on the Base Valuation continue to go to those entities, (City, County, School, etc.), which levy property taxes.

When in succeeding years the assessed valuation of the district increases, the total property taxes paid by the owners of property in the district will increase accordingly. That increase in taxable valuation is the "increment." When the tax bills are paid, only that portion of the tax bill, which results from the Base Valuation, is paid to the taxing entities. The remainder of the tax bill, known as the tax increment, is deposited in a special fund. It is this plan, which determines how these accumulated funds will be used. It is anticipated that one or more of the properties in this proposed Tax Increment District will be used for commercial purposes. The creation of this Tax Increment District for economic development purposes will not require an additional levy to make up for the School District's share of the property taxes included in the Tax Increment.

For the purpose of this document, the following terms are defined as the following:

### *Base Valuation 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. (SDCL § 11-9-20)

### *Blighted Areas*

- A. Areas conducive to disease or crime defined as blighted. Any area, including slum area, in which the structures, buildings, or improvements, by reason of:
  - (1) Dilapidation, age, or obsolescence;
  - (2) Inadequate provisions for ventilation, light, air, sanitation, or open spaces;
  - (3) High density of population and overcrowding;
  - (4) The existence of conditions which endanger life or property by fire and other causes; or
  - (5) Any combination of such factors;  
are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and which is detrimental to the public health, safety, morals, or welfare, is a blighted area. (SDCL § 11-9-9)
- B. Developed areas impairing growth defined as blighted. Any area which by reason of:

- (1) The presence of a substantial number of substandard, slum, deteriorated, or deteriorating structures;
- (2) Predominance of defective or inadequate street layouts;
- (3) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (4) Insanitary or unsafe conditions;
- (5) Deterioration of site or other improvements;
- (6) Diversity of ownership, tax, or special assessment delinquency exceeding the fair value of the land;
- (7) Defective or unusual conditions of title;
- (8) The existence of conditions which endanger life or property by fire and other causes; or
- (9) Any combination of such factors;  
substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use, is a blighted area. (SDCL § 11-9-10)

C. Open areas impairing growth defined as blighted. Any area which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of a municipality, is a blighted area. (SDCL § 11-9-10)

*City*

City of Deadwood, South Dakota

*Developer*

OPTIMA LLC

*Developer's Agreement*

The agreement between Developer and City concerning this Tax Incremental District.

*District*

Deadwood Tax Incremental District #10.

*Economic Development*

That 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

The improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district. (SDCL § 11-9-8)

*Fiscal Year*

The fiscal year of City of Deadwood.

*Grant*



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*

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.

*Municipality*

Any incorporated city or county in the state. (SDCL § 11-9-1(4))

*Planning Commission*

The City of Deadwood Planning and Zoning Commission.

*Project Costs*

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. (SDCL § 11-9-14)

*Project Plan*

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. (SDCL § 11-9-1(6))

*Taxable Property*

All real taxable property, in accordance with SDCL 10-4, located in a Tax Incremental District.

*Tax Incremental District (TID)*

A contiguous geographic area within a City and/or County defined and created by resolution of the governing body and named City of Deadwood Tax Incremental District #10.

*Tax Increment Valuation or Increment*

The total value of the Tax Incremental District minus the tax incremental base pursuant to SDCL § 11-9-19.

## OVERVIEW

Through this document, the City of Deadwood Planning and Zoning Commission addresses legal requirements of specifying a Project Plan for the development of Tax Incremental District #10. The plan proposes that tax increment funds generated by commercial development of the Cadillac Jacks Gaming and Lodging facilities expansion will be used to pay for the costs associated with public works improvements involving utilities and street improvements that are necessary for commercial development to take place.

Principal elements addressed in this plan include the following:

1. Existing uses and proposed development activities within the designated Tax Incremental District (TID) boundary;
2. Developer's planned economic development proposal within the legally established TID project area;
3. Listing of estimated Project Costs that are proposed for the TID and that will be funded by incremental tax revenues generated within the District;
4. Description of proposed method of financing estimated Project Costs specified in Item 3 above;
5. Specific delineation of the Tax Incremental Base, as specified under South Dakota Law (SDCL 11-9), and the fiscal impact of the proposed TID project upon those entities levying taxes on property in the District; and
6. Economic feasibility of the overall development project and its associated ability to generate incremental tax revenue sufficient to retire the debt incurred in the process of funding Project Costs referenced in Item 3 above.

## TAX INCREMENT DISTRICT

In an associated action, Tax Increment District #10 is being created. TID #10 is located southwest of the existing Cadillac Jacks Gaming and Lodging complex (see Exhibit 1). All projects that are funded through tax increment financing must be located within the District and must be under construction within five years of creation of the District.

## BASE VALUE ANALYSIS OF THE CITY OF DEADWOOD

State law requires that tax increment districts cannot exceed ten percent of the taxable value of City of Deadwood (SDCL § 11-9-7). This value for City of Deadwood is approximately \$202,954,936. The total amount of value allowed in Tax Increment districts in the City of Deadwood is \$20,295,494. The Department of Revenue has not established the base value of the TID #10 (SDCL § 11-9-20) as of this time. It is



projected that the base value of this parcel will be approximately \$3,624,510. In Table #1, it documents the current active Tax Increment Districts in the City of Deadwood and their base values when they were created. The creation of this District does not exceed the maximum value allowed in Tax Increment Districts.

Table #1 Base Value Analysis	
2015 Deadwood Valuation	\$202,954,936
SDCL 11-9-7 - 10% Based Valuation	\$20,295,494
TIF #6	\$149,580
TIF #7	\$2,407,050
TIF #8	\$934,520
TIF #9	\$10,161,020
TIF #10(est.)	\$3,624,510
Total Base Value in TIDs	\$17,276,680
Base Valuation Remaining	\$3,018,814

## PROJECT DEVELOPMENT

The Developer is proposing the second major addition to the Cadillac Jacks Gaming and Lodging complex. In 2001, the original Cadillac Jack's hotel and gaming facility was constructed. In 2012, the complex was expanded with the construction of the 78 room Springhill Suites by Marriott and the accompanying underground parking garage. This next phase of the development will add a new hotel, underground parking garage, restaurants, new gaming areas and other amenities.

The Developer has been preparing for this expansion for a number of years by acquiring adjacent land parcels. The new addition will be located to the southwest of the existing facilities. The Developer is proposing to vacate and relocate a portion of the existing Williams Street. Williams Street will be relocated further to the southwest closer to the Big "D" convenience store (see Exhibit #4). Also, two residences located on the west side of existing Williams Street (i.e. currently known as 52 & 54 Williams Street) will be removed.

The new addition will be 4-story building that will be similar in height to the existing adjacent buildings and that will contain surface parking as well as an approximately 134-stall underground parking structure. The expansion will include 105 room hotel under the Tru by Hilton. The existing Ascend Collection Hotel (the original Cadillac Jacks hotel) will be rebranded to a DoubleTree by Hilton. A new lobby and guest drop off area will be created to provide better circulation through the site/facility. The Tru hotel will be located on the new 2<sup>nd</sup> to 4<sup>th</sup> floors. The main floor will have an expanded gaming area for table games, along with a franchised coffee shop, sandwich, and pizza shop. There will also be a new sit-down dining restaurant.



Behind the new Tru hotel building, a 19 stall parking lot will be constructed that will be accessed from the relocated Williams Street. This parking lot will be supported in part by a newly constructed soil nail retaining wall. Above this retaining wall and up the hillside exists a historically significant wagon trail, Pleasant Street Wagon Road Trail that may in the future be accessed from Gott/Pleasant Street. This wagon trail extends behind the existing Cadillac Jack's complex and is located on property owned by Developer.

To help promote growth in this area, key improvements need to be constructed, including the relocation of a portion of the existing Williams Street and the accompanying utility infrastructure. Other improvements include the burying of existing overhead power lines/utilities and replacement of the existing 6 inch cast iron water main with a new 10 inch water main, both located along US Highway 85/SD Highway 14A. The existing cast iron water main is susceptible to corrosion and leaks, which limits flows/water pressure. Other aspects that need to be facilitated include streetscaping/landscaping improvements along both the relocated Williams Street and also along US Highway 85/SD Highway 14A running in front of this project. The new Williams Street intersection with US Highway 85 is being coordinated with the SDDOT plans on reconstruction of US Highway 85. Another improvement includes the construction of a pedestrian crossing at the old Williams Street intersection location. The pedestrian crossing will connect to a new pedestrian bridge that is also being constructed as part of this TIF plan that will connect across Whitewood Creek and into the Days of 76 Rodeo Grounds. The final project associated with the TIF is a soil nail retaining wall located on the backside of the project. The retaining wall will provide a larger developed site, support additional parking, and allow for the collection of water runoff and drainage that will be routed down the new William Street improvements. It will also help to preserve the historically significant wagon trail located up the hillside behind this project. It is noteworthy that the City previously identified some of these improvements as projects the City would undertake in coordination with the SDDOT plans to reconstruct US Highway 85 in 2018. Some of these planned improvements will now be completed by Developer in this Project Plan, i.e. burying of overhead power lines, water line replacement, and pedestrian bridge across Whitewood Creek, etc.

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.

## **EXISTING LAND USES**

The existing land uses consist of commercial properties located on the west side of US Highway 85 that include parking lot for Cadillacs Jacks Gaming and Lodging facilities and First Gold Hotel Gaming Complex. Three residential properties are located on the west side of the existing Williams Street, two of which will be removed by Developer as set forth above. TIF District #10 also includes the Days of 76 Rodeo Grounds which are classified as public (see Exhibit 2).



## PROPOSED LAND USES/ZONING

The multiple existing land parcels that make of the proposed Tru hotel site will be replatted as one lot. All of the parcels are zoned Commercial Highway with the exception of the existing houses located at 52 & 54 Williams Street, which will be removed, replatted, and rezoned Commercial Highway. (See Exhibit 3)

## CHANGES TO THE MASTER PLAN, MAP, BUILDING CODES, AND MUNICIPAL ORDINANCES

This plan does not address issues of or changes to the Deadwood Comprehensive Plan or map, master plan, building codes or municipal ordinances other than the rezoning of the properties described in the previous section, since none of these actions are required to implement the provisions of this Project Plan.

## PROPOSED METHOD FOR THE RELOCATION OF DISPLACED PERSONS

No statement of a proposed method for the relocation of displaced persons is included, since such displacement is not applicable with respect to this TIF project.

## ELEMENTS OF THE PROJECT PLAN

This Project Plan, as required by SDCL 11-9-13, will address the following elements:

- 1) Public Works and Other Improvements;
- 2) Economic Feasibility Study;
- 3) Project Costs;
- 4) Fiscal Impact Statement; and,
- 5) Financing Method Description.

Additionally, the following exhibits are offered:

- Tax Increment District Boundary Map
- Existing Land Use
- Existing Zoning
- Proposed Improvements

### 1. PUBLIC WORKS AND OTHER IMPROVEMENTS (SDCL § 11-9-13 (1))

The project plan includes the following costs associated with the proposed development. (Exhibit #4):

Removals, Demolition & Mobilization	\$160,500
Excavation & retaining walls for utilities	\$536,800
Street Improvements	\$250,300
Storm Sewer and Detention	\$203,300
Water and Sewer	\$77,200
Soil Nail Wall	\$1,096,700

Burying Overhead Utilities	\$179,500
Pedestrian Crossing/Improvements/Bridge	\$171,200
Streetscaping and Lighting	\$143,000

---

<b>Total cost of all improvements</b>	<b>\$2,818,500</b>
---------------------------------------	--------------------

## 2. ECONOMIC FEASIBILITY STUDY (SDCL § 11-9-13 (2))

Tax Increment District #10 is proposed for creation in accordance with SDCL 11-9-2 to 11-9-11. As of this date, the assessed valuation for the proposed district is projected as \$3,624,510. In accordance with SDCL 11-9-20, certification of the base value will be requested from the South Dakota Department of Revenue following creation and approval of the district by the City Council.

ANTICIPATED CERTIFIED BASE VALUATION OF PROPERTY IN TID #10  
\$3,624,510

### EXPECTED INCREASE IN VALUATION

The applicant is proposing to expand the Cadillac Jacks Gaming and Lodging facility by adding 101 new rooms, expanded gaming area, several new restaurants/coffee shop, service parking both in front of new hotel and in rear, and an underground parking garage. It is estimated that value of the proposed expansion will be approximately \$15,000,000 in new assessed value.

### ESTIMATED FUTURE VALUATION OF PROPOSED DISTRICT

Estimated Assessed Value of District	\$ 3,624,510
Estimated Assessed Value of Project	\$ 15,000,000
Other Anticipated Increases in Assessed Value	\$ 0
Estimated Total Increment Valuation	\$ 18,624,510

### REVENUE ESTIMATES FROM TAX INCREMENTS

The Plan anticipates 25 semi-annual payments over 13 years. The potential negative short-term impact on the various taxing entities will be offset by the increase in the tax base in future years.

#### Non-Agricultural (Other) 2016 Tax Levies and Percentage of Total Levy

Taxing Entity	Tax Levy	% of Total Levy
School District 40-1	.012564	55.47%
City of Deadwood	.005002	22.08%
Lawrence County	.004298	18.97%
Sanitary District	.000787	3.47%
Total Mill Levy	.022651	

2016 Non-Agricultural Tax Rate: 0.022651



### Owner Occupied (OO) 2016 Tax Levies and Percentage of Total Levy

Taxing Entity	Tax Levy	% of Total Levy
School District 40-1	.012564	43.77%
City of Deadwood	.005002	27.88%
Lawrence County	.004298	23.96%
Sanitary District	.000787	4.39%
Total Mill Levy	.01794	

2016 Owner Occupied Tax Rate: **0.01794**

The estimated tax increment available to pay for project costs in the Plan can be calculated by multiplying the anticipated tax rate by the increment in valuation. This calculation results in the following tax increments, which become available as taxes are paid for the applicable periods. This plan does not anticipate any additional increment other than those identified in the plan.

#### OVERALL PROJECTED TAX INCREMENT INCOME

Built Date	Assessment Date	Taxes Paid	Commercial Increment	Tax Increment
2017	2018	2019	\$15,000,000	\$305,789
2018	2019	2020		\$305,789
2019	2020	2021		\$305,789
2020	2021	2022		\$305,789
2021	2022	2023		\$305,789
2022	2023	2024		\$305,789
2023	2024	2025		\$305,789
2024	2025	2026		\$305,789
2025	2026	2027		\$305,789
2026	2027	2028		\$305,789
2027	2028	2029		\$66,113

TOTAL TAX INCREMENT EXPECTED TO ACCRUE BY 12/31/28: \$2,818,210

NOTE: Tax increment payments are calculated using 90% of estimated future property valuation and 100% of expected 2016 mill levy.

### 3. PROJECT COSTS (SDCL § 11-9-13 (3))

The following description is the costs associated with the development of the expansion of Cadillac Jacks. These include land acquisition; building; furniture/fixture & equipment; site work; street and utilities; pedestrian improvements; fees; and other costs.

## TIF #10 Development Costs

	Development Costs <sup>1</sup>	TIF Costs <sup>2</sup>	Total Costs
<b>Capital Costs</b>			
Land acquisition & Clearing	\$2,700,000		\$2,700,000
Building Construction including parking ramp	\$15,000,000		\$15,000,000
Furniture/Fixtures/Equipment	\$5,000,000		
Removals, Demolition & mobilization		\$160,500	\$160,500
Soil Nail Wall		\$1,096,700	\$1,096,700
Excavation & retaining walls for utilities		\$536,800	
Street Improvements		\$250,300	\$250,300
Water and Sewer		\$77,200	\$77,200
Burying Overhead Utilities		\$179,500	\$179,500
Pedestrian Crossing/Improvements/Bridge		\$171,200	\$171,200
Storm Sewer and Detention		\$203,300	\$203,300
Streetscaping and Lighting		\$143,000	\$143,000
	\$22,700,000	\$2,818,500	\$25,518,500
<b>Professional Fees</b>			
			\$0
Architectural	\$335,000		\$335,000
Engineering		\$315,000	\$315,000
Legal			\$0
Sub-Total	\$335,000	\$315,000	\$650,000
<b>Financing Costs (only TIF related)</b>			
Interest (6%)		\$1,078,536	\$1,078,536
<b>Contingency Costs</b>			
10% contingency	\$1,500,000	\$141,000	\$1,641,000
<b>Administrative Costs</b>			
			\$0
<b>Organization Costs</b>			
Environmental/Archeological	\$23,225		\$23,225
TIF Plan Preparation		\$15,000	\$15,000
Sub-Total	\$23,225	\$15,000	\$38,225
<b>Total Costs</b>	<b>\$24,558,225</b>	<b>\$4,368,036</b>	<b>\$28,926,261</b>

<sup>1</sup> SDCL § 11-9-16(5) - A list of estimated nonproject costs.



**Total Project Costs**<sup>2</sup> (SDCL § 11-9-14)

The following costs have been identified as eligible costs to be included in the Project Plan.

**Capital Costs** – The capital costs of \$2,818,500 for the Project Plan includes the funding to assist with the construction of streets improvements, utilities, replacement of water mains, burying power lines, streetscapes/landscaping improvements, retaining walls, pedestrian access improvements and other utility improvements.

**Financing Costs** – \$1,078,536 of financing cost are being associated with Tax Increment District #10 Project Plan. This cost is based on a \$2,000,000 of expenditures at a 6% interest rate. The financing of the project will be by the developer.

**Professional Service Costs** – \$315,000 of professional service costs are anticipated in the Project Plan. These fees are for the development of the TIF District and Project Plan.

**Relocation Costs** – No relocation costs are anticipated in Tax Increment District #10 Project Plan.

**Organizational Costs** – \$15,000 of organizational cost are being proposed with Tax Increment District #10 Project. These costs are for the preparation of the TIF Documents.

**Contingency Costs** – \$141,000 contingency costs are being proposed with Tax Increment District #10 Project.

**Discretionary Costs and Grants** – No payments/grant anticipated in Tax Increment District #10 Project Plan.

<b>ESTIMATED TOTAL ELIGIBLE CONSTRUCTION COSTS AND FEES .....</b>	<b>\$3,289,500</b>
<b>ESTIMATED TOTAL ELIGIBLE FINANCING COSTS .....</b>	<b>\$1,078,536</b>
<b>ESTIMATED TOTAL ELIGIBLE PROJECT COSTS .....</b>	<b>\$4,368,036</b>

Based on discussion with the City, it was determined that the maximum allowed expenditures would not exceed \$2,000,000 not including financing costs. This was due the current city debt capacity and potential other City projects. This Project Plan authorizes a \$2,000,000 of Tax Increment Financing to use for the \$3,289,500 of eligible costs plus financing costs. The remaining balance will be the responsibility of developer.

<b>AUTHORIZE TOTAL CONSTRUCTION COSTS AND FEES .....</b>	<b>\$2,000,000</b>
<b>ESTIMATED TOTAL ELIGIBLE FINANCING COSTS .....</b>	<b>\$1,078,536</b>
<b>ESTIMATED TOTAL ELIGIBLE PROJECT COSTS .....</b>	<b>\$3,078,536</b>

- (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.

#### **4. FISCAL IMPACT STATEMENT (SDCL § 11-9-13 (4))**

The impact on taxing entities can be derived from determining the tax increment anticipated during the life of the district. The true impact on taxing entities of the Plan is the increase in valuation of the property within the Tax Increment District. The taxing entities are only foregoing that income during the life of the district and will realize that income as soon as the debt from the project costs in the Plan is retired. The purpose of this Plan is to encourage that increase in valuation.

At first glance it may appear that the negative impact on the various taxing entities is notable. But when it is considered that without the use of the Tax Increment Finance proposed in this plan it is very likely that there would be no increase in the taxable value of the property within this District or, at least, any increase would be significantly delayed, the impact can be considered truly positive.

The impact on the various taxing entities after the TID is influenced by the entity's relative share of the total tax levy burden within the District. A specific entity would receive its relative proportion of the estimated annual taxes that would become available to all taxing entities after the TID debt is retired or the District is dissolved, whichever occurs first.



## NET IMPACT ON TAXING ENTITIES

Year Pd	NA Increment*	School	City	County	Sanitary	Total
2019	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2020	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2021	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2022	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2023	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2024	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2025	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2026	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2027	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2028	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2029	\$13,500,000	\$36,671	\$14,600	\$12,545	\$2,297	\$66,113

\*The increment value increase is based on 90% of full and true value.

There is impact on the Deadwood School Districts but because this TID meets the requirements of SDCL 13-13-10.2 for economic development, the impact is only for the Capital Outlay and Special Education portion of the School District mill levy. The TID retains that portion of the increment that would go to the Deadwood School Districts; however, the State makes up the difference to the School District to their General Fund.

### 5. FINANCING METHOD (SDCL § 11-9-13 (5))

The financing method to be used in the funding of this Plan is to be obtained by the Developer. Since the Developer will be responsible for any principle and interest payments due, it is imperative that adequate growth and improvements are occurring to offset the cost of those improvements. If the tax increment revenues exceed the anticipated loan payments, the debt will be retired early. Deposits made in the Tax Increment District as taxes are paid on the property in succeeding years will retire the debt on the Tax Increment District Project Costs covered in the Plan. The City of Deadwood Finance Officer will make the disbursements from that fund in accordance with this Plan. According to SDCL 11-9-25, positive tax increments will be allocated to that fund until the debt from the project costs is retired or twenty years.

	YEAR	BALANCE	PROJECT		NEW	TIF	CAPITALIZED	YEAR END
	2015	FORWARD	COST	INTEREST	BALANCE	PAYMENT	INTEREST	BALANCE
1	2016.1	\$0	\$500,000	\$15,000	\$515,000	\$0	\$15,000	\$515,000
	2016.2	\$515,000	\$500,000	\$30,450	\$1,045,450	\$0	\$30,450	\$1,045,450
2	2017.1	\$1,045,450	\$500,000	\$46,364	\$1,591,814	\$0	\$46,364	\$1,591,814
	2017.2	\$1,591,814	\$500,000	\$62,754	\$2,154,568	\$0	\$62,754	\$2,154,568
3	2018.1	\$2,154,568	\$0	\$64,637	\$2,219,205	\$0	\$64,637	\$2,219,205
	2018.2	\$2,219,205	\$0	\$66,576	\$2,285,781	\$0	\$66,576	\$2,285,781
4	2019.1	\$2,285,781	\$0	\$68,573	\$2,354,355	\$152,894	\$0	\$2,201,460

	2019.2	\$2,201,460	\$0	\$66,044	\$2,267,504	\$152,894	\$0	\$2,114,610
5	2020.1	\$2,114,610	\$0	\$63,438	\$2,178,048	\$152,894	\$0	\$2,025,154
	2020.2	\$2,025,154	\$0	\$60,755	\$2,085,908	\$152,894	\$0	\$1,933,014
6	2021.1	\$1,933,014	\$0	\$57,990	\$1,991,005	\$152,894	\$0	\$1,838,110
	2021.2	\$1,838,110	\$0	\$55,143	\$1,893,254	\$152,894	\$0	\$1,740,359
7	2022.1	\$1,740,359	\$0	\$52,211	\$1,792,570	\$152,894	\$0	\$1,639,676
	2022.2	\$1,639,676	\$0	\$49,190	\$1,688,866	\$152,894	\$0	\$1,535,972
8	2023.1	\$1,535,972	\$0	\$46,079	\$1,582,051	\$152,894	\$0	\$1,429,157
	2023.2	\$1,429,157	\$0	\$42,875	\$1,472,032	\$152,894	\$0	\$1,319,137
9	2024.1	\$1,319,137	\$0	\$39,574	\$1,358,712	\$152,894	\$0	\$1,205,817
	2024.2	\$1,205,817	\$0	\$36,175	\$1,241,992	\$152,894	\$0	\$1,089,098
10	2025.1	\$1,089,098	\$0	\$32,673	\$1,121,770	\$152,894	\$0	\$968,876
	2025.2	\$968,876	\$0	\$29,066	\$997,943	\$152,894	\$0	\$845,048
11	2026.1	\$845,048	\$0	\$25,351	\$870,400	\$152,894	\$0	\$717,505
	2026.2	\$717,505	\$0	\$21,525	\$739,031	\$152,894	\$0	\$586,136
12	2027.1	\$586,136	\$0	\$17,584	\$603,720	\$152,894	\$0	\$450,826
	2027.2	\$450,826	\$0	\$13,525	\$464,351	\$152,894	\$0	\$311,457
13	2028.1	\$311,457	\$0	\$9,344	\$320,800	\$152,894	\$0	\$167,906
	2028.2	\$167,906	\$0	\$5,037	\$172,943	\$152,894	\$0	\$20,049
14	2029.1	\$20,049	\$0	\$601	\$20,651	\$20,651	\$0	\$0
	2029.2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Totals		\$2,000,000	\$1,078,536		\$3,078,536	\$285,781	

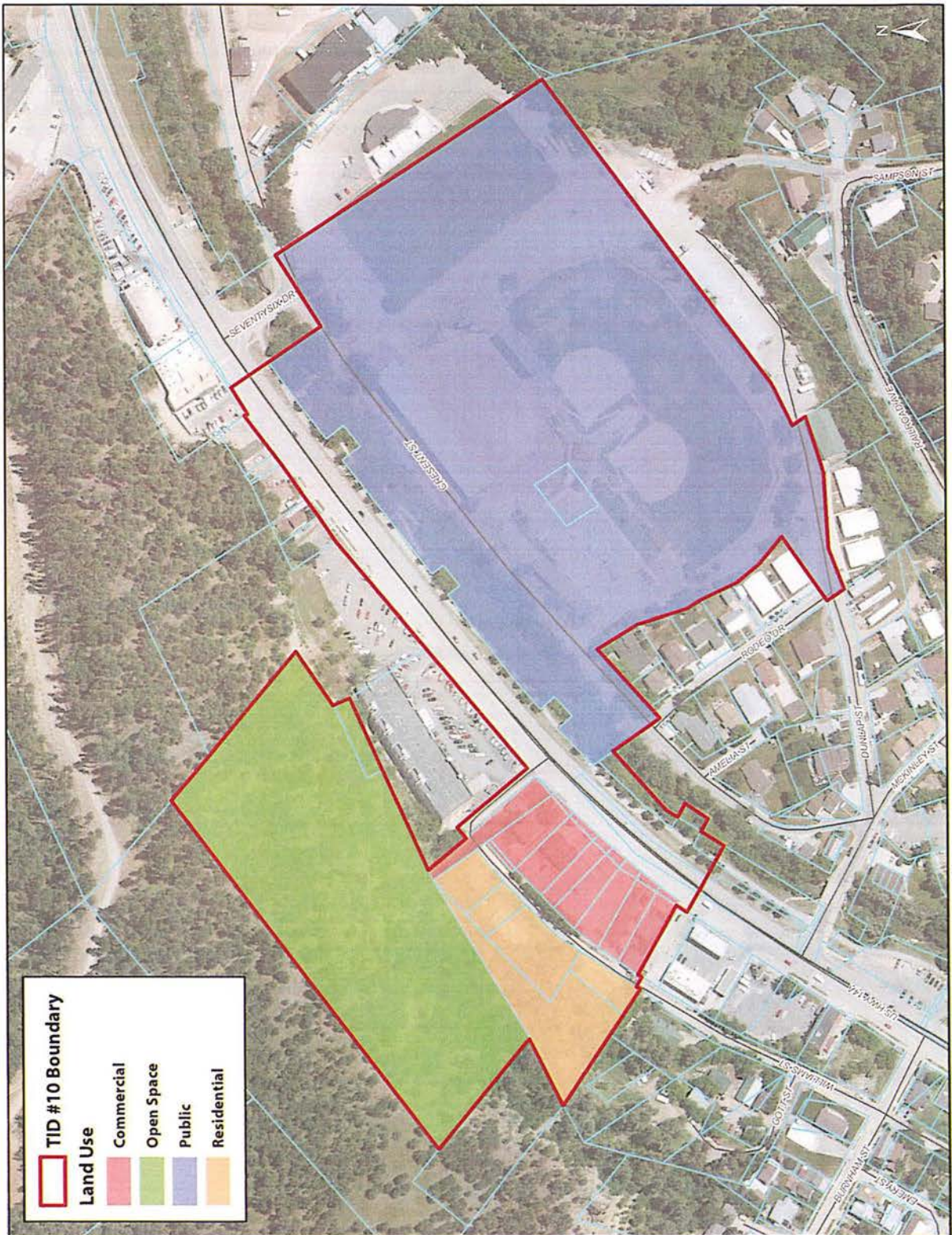


Exhibit #1

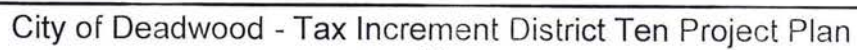




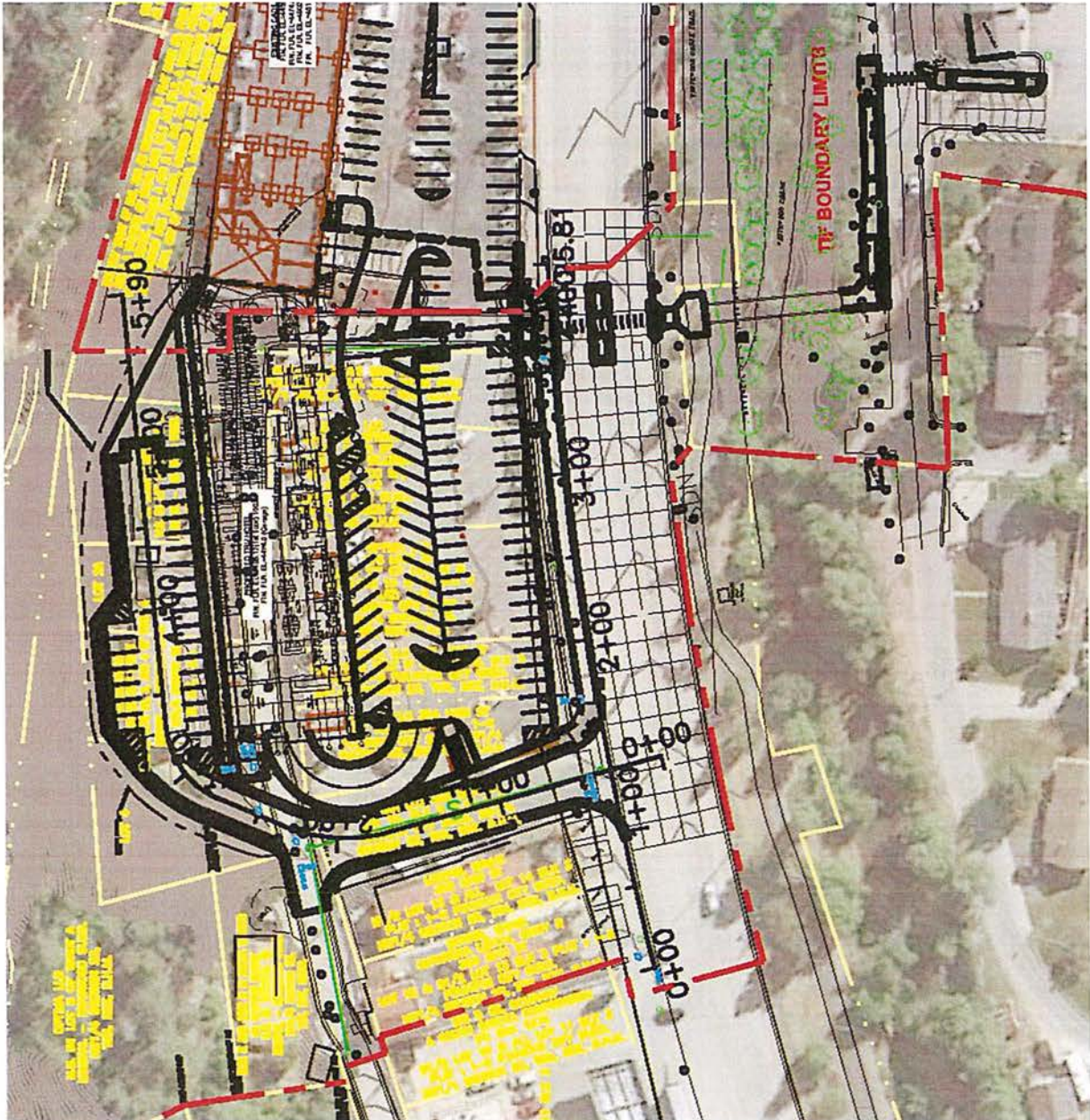
Exhibit #2













## TAX INCREMENT DISTRICT NUMBER 10 AMENDMENT #1

Amendment #1 adds additional projects costs due to field conditions found during the construction of public improvements which added additional project costs, relocation of private utilities, additional design services and includes additional project to help with the development of the Crescent St. Sidewalk/Path City project. A total of an additional \$600,000 of cost are being added in this revision to the Tax Increment District #10 Project Plan.

The original project plan identified \$3,289,500 of eligible project costs not included financing costs, however, the City only authorized a total of \$2,000,000 of project costs not including financing costs due to concerns with the overall debt capacity of the City. The City did not want to go below \$2,500,000 of reserves in their debt limit calculation. Based on the 2016 Deadwood valuation of \$207,597,874 and the current debt service, the City has approximately \$3,118,000 in debt capacity. With an addition of \$600,000 in TIF #10 project costs, the City would have approximately \$2,518,000 left for future projects.

The City is planning an upgrade to Crescent Street which will include a new sidewalk/path that will connect the new pedestrian bridge that is part of the original project to the Rodeo Ground/Sporting Fields Complex. This revision has added \$100,000 to help offset the cost of this project.

### Revisions to Project Costs

#### Additional Capital Costs

Manhole Change	\$ (104.76)
Sewer and Storm Pipe Changes	\$ 4,169.13
Sanitary Manhole Change	\$ 3,210.78
Soil Nail Wall Change in Conditions	\$ 197,870.00
Rock Catch Fence Increase 4' to 6' high	\$ 32,930.00
Temporary Shoring Wall	\$ 95,692.11
Electrical Revising's for Morris and Conrad	\$ 3,693.00
Remove concrete panel for electrical trench change	\$ (1,083.00)
Estimated Soil Nail Wall - Extra Work	\$ 85,000.00
Relocation of Private Utilities	\$ 51,075.43
<i>Crescent Street Sidewalk/Path Project</i>	<i>\$ 100,000.00</i>
<b>Total Additional Capital Costs</b>	<b>\$ 572,452.69</b>

#### Additional Professional Service Costs

<u>Additional Consultant Costs</u>	<u>\$ 27,547.31</u>
<b>Total Project Cost Increase</b>	<b>\$ 600,000.00</b>
<b>Additional Financing Cost</b>	<b>\$ 782,293.00</b>
<b>Total Increase</b>	<b>\$ 1,382,293.00</b>

## REVISED NET IMPACT ON TAXING ENTITIES

Year Pd	NA Increment*	School	City	County	Sanitary	Total
2019	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2020	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2021	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2022	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2023	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2024	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2025	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2026	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2027	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2028	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2029	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2030	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2031	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2032	\$13,500,000	\$169,614	\$67,527	\$58,023	\$10,625	\$305,789
2033	\$13,500,000	\$114,209	\$45,469	\$39,070	\$7,154	\$205,902

\*The increment value increase is based on 90% of full and true value.

## REVISED AMORIZATION SCHEDULE

With the additional costs, an additional 4½ years of payments will be needed to pay off the debt service. The interest rate stays at 6%.

	YEAR	BALANCE	PROJECT		NEW	TIF	CAPITALIZED	YEAR END
	2016	FORWARD	COST	INTEREST	BALANCE	PAYMENT	INTEREST	BALANCE
1	2016.1	\$0	\$500,000	\$15,000	\$515,000	\$0	\$15,000	\$515,000
	2016.2	\$515,000	\$500,000	\$30,450	\$1,045,450	\$0	\$30,450	\$1,045,450
2	2017.1	\$1,045,450	\$750,000	\$53,864	\$1,849,314	\$0	\$53,864	\$1,849,314
	2017.2	\$1,849,314	\$750,000	\$77,979	\$2,677,293	\$0	\$77,979	\$2,677,293
3	2018.1	\$2,677,293	\$50,000	\$81,819	\$2,809,112	\$0	\$81,819	\$2,809,112
	2018.2	\$2,809,112	\$50,000	\$85,773	\$2,944,885	\$0	\$85,773	\$2,944,885
4	2019.1	\$2,944,885	\$0	\$88,347	\$3,033,232	\$152,894	\$0	\$2,880,337
	2019.2	\$2,880,337	\$0	\$86,410	\$2,966,747	\$152,894	\$0	\$2,813,853
5	2020.1	\$2,813,853	\$0	\$84,416	\$2,898,269	\$152,894	\$0	\$2,745,375
	2020.2	\$2,745,375	\$0	\$82,361	\$2,827,736	\$152,894	\$0	\$2,674,842
6	2021.1	\$2,674,842	\$0	\$80,245	\$2,755,087	\$152,894	\$0	\$2,602,193
	2021.2	\$2,602,193	\$0	\$78,066	\$2,680,258	\$152,894	\$0	\$2,527,364



7	2022.1	\$2,527,364	\$0	\$75,821	\$2,603,185	\$152,894	\$0	\$2,450,291
	2022.2	\$2,450,291	\$0	\$73,509	\$2,523,799	\$152,894	\$0	\$2,370,905
8	2023.1	\$2,370,905	\$0	\$71,127	\$2,442,032	\$152,894	\$0	\$2,289,138
	2023.2	\$2,289,138	\$0	\$68,674	\$2,357,812	\$152,894	\$0	\$2,204,918
9	2024.1	\$2,204,918	\$0	\$66,148	\$2,271,066	\$152,894	\$0	\$2,118,171
	2024.2	\$2,118,171	\$0	\$63,545	\$2,181,716	\$152,894	\$0	\$2,028,822
10	2025.1	\$2,028,822	\$0	\$60,865	\$2,089,687	\$152,894	\$0	\$1,936,793
	2025.2	\$1,936,793	\$0	\$58,104	\$1,994,896	\$152,894	\$0	\$1,842,002
11	2026.1	\$1,842,002	\$0	\$55,260	\$1,897,262	\$152,894	\$0	\$1,744,368
	2026.2	\$1,744,368	\$0	\$52,331	\$1,796,699	\$152,894	\$0	\$1,643,805
12	2027.1	\$1,643,805	\$0	\$49,314	\$1,693,119	\$152,894	\$0	\$1,540,225
	2027.2	\$1,540,225	\$0	\$46,207	\$1,586,431	\$152,894	\$0	\$1,433,537
13	2028.1	\$1,433,537	\$0	\$43,006	\$1,476,543	\$152,894	\$0	\$1,323,649
	2028.2	\$1,323,649	\$0	\$39,709	\$1,363,358	\$152,894	\$0	\$1,210,464
14	2029.1	\$1,210,464	\$0	\$36,314	\$1,246,778	\$152,894	\$0	\$1,093,884
	2029.2	\$1,093,884	\$0	\$32,817	\$1,126,700	\$152,894	\$0	\$973,806
15	2030.1	\$973,806	\$0	\$29,214	\$1,003,020	\$152,894	\$0	\$850,126
	2030.2	\$850,126	\$0	\$25,504	\$875,630	\$152,894	\$0	\$722,736
16	2031.1	\$722,736	\$0	\$21,682	\$744,418	\$152,894	\$0	\$591,523
	2031.2	\$591,523	\$0	\$17,746	\$609,269	\$152,894	\$0	\$456,375
17	2032.1	\$456,375	\$0	\$13,691	\$470,066	\$152,894	\$0	\$317,172
	2032.2	\$317,172	\$0	\$9,515	\$326,687	\$152,894	\$0	\$173,793
18	2033.1	\$173,793	\$0	\$5,214	\$179,007	\$152,894	\$0	\$26,112
	2033.2	\$26,112	\$0	\$783	\$26,896	\$26,896	\$0	\$0
19	2034.1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2034.2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	2035.1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2035.2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals			\$2,600,000	\$1,860,829		\$4,460,829	\$344,885	

**RESOLUTION #2017-14**

**RESOLUTION APPROVING AMENDMENT #1 FOR PROJECT PLAN  
FOR TAX INCREMENT DISTRICT NUMBER TEN  
AS SUBMITTED BY THE DEADWOOD PLANNING COMMISSION**

WHEREAS the Deadwood City Commission has determined that it is in the best interest of the City to implement plans which promote economic development and growth in the City; and

WHEREAS the Commission embraces the concept of Tax Increment Financing as a tool to encourage this desirable growth and redevelopment; and

WHEREAS SDCL 11-9-6 provides for the overlapping of one or more tax incremental districts; and

WHEREAS there has been established Tax Incremental District Number Ten, which will overlay Tax Incremental District Number Nine, along with additional areas; and

WHEREAS there has been established Tax Increment District Number Ten; and

WHEREAS the Commission deems desirable to promote economic development and create jobs in the corporate limits of the City of Deadwood; and

WHEREAS Amendment #1 to Project Plan submitted helps make this development feasible by assisting in the development of public and private improvements to serve Springhill Suites development; and

WHEREAS Amendment #1 to Project Plan submitted will assist with the costs of street improvements, site improvements, utility improvements, streetscaping/ landscaping, and transportation improvements; and

WHEREAS the use of Tax Increment Funding to promote this development is in keeping within the statutes adopted by the South Dakota State Legislature; and



WHEREAS there has been developed an Amendment #1 to Project Plan for this Tax Increment District which proposes these improvements; and

WHEREAS the Commission has considered Amendment #1 to Project Plan submitted by the Planning Commission and determined that the Project Plan for Tax Increment District Nine is economically feasible; and

WHEREAS the Council has further determined that this Amendment #1 to Project Plan is in conformity with the adopted Comprehensive Plan.

WHEREAS Amendment #1 to Project Plan will replace the original Project Plan.

NOW, THEREFORE, BE IT RESOLVED by the City of Deadwood that the Amendment #1 to Tax Increment District Project Plan for Tax Increment District Number Ten and is hereby, approved as submitted by the Deadwood Planning Commission.

Dated at Deadwood, Lawrence County, South Dakota, this \_\_ day of \_\_\_\_\_ 2017.

CITY OF DEADWOOD

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Finance Officer

## **CONTRACT FOR PRIVATE DEVELOPMENT AMENDMENT #1**

THIS AGREEMENT, made and entered into as of this 19 day of July, 2017, between OPTIMA L.L.C. (herein referred to as "Developer"), a South Dakota limited liability company, and the City of Deadwood, a municipal Corporation and political subdivision of the State of South Dakota.

SECTION 1. The City of Deadwood created Tax Incremental District Number Ten by Resolution Number 2016-18, on September 21, 2016.

SECTION 2. The City of Deadwood approved the Project Plan for Tax Incremental District (TID) Number Ten by Resolution Number 2016-19, on September 21, 2016 and Amendment #1 by Resolution Number 2017-14, on July 19th, 2017.

SECTION 3. The tax incremental base value of property located in Tax Incremental District Number Ten, as recorded by the Lawrence County Director of Equalization, has an aggregate assessed value of \$3,624,510.

SECTION 4. The Developer will secure financing to fund estimated project costs for construction of costs of street improvements, site improvements, utility improvements, streetscaping/ landscaping, and transportation improvements specified in the approved Amendment #1 to Project Plan authorizes up to **\$2,600,000** in front-end project costs for repayment utilizing project tax increment revenue receipts. Project funding to be secured by the Developer, anticipated to be in the form of a bond or note, will bear an average interest rate over the life of the loan not to exceed six percent (6.00%) per annum. Further, borrowed funds secured through third-party financing shall not be eligible for interest rate reimbursement exceeding the actual interest rate charged by the third-party lending source, notwithstanding the maximum interest rate specified above.

Documentation of third-party loan secured by Developer, including amount of principal, interest rate and repayment or amortization schedule, shall be provided to City by Developer. Additionally, both parties acknowledge and agree that loan repayment information, including year-end loan balances, are necessary for City to comply with annual outstanding debt reporting information required by the State of South Dakota, and Developer agrees to provide such required information so that City can prepare such reports in a timely manner.



SECTION 5. Total estimated project costs, as set forth in the approved Project Plan, are as follows:

**Capital Costs**

Removals, Demolition & mobilization	\$167,775.15
Soil Nail Wall	\$1,662,440.00
Excavation & retaining walls for utilities	\$758,948.22
Street Improvements	\$389,073.86
Water and Sewer	\$84,475.15
Burying Overhead Utilities	\$179,500.00
Pedestrian Crossing/Improvements/Bridge	\$171,200.00
Storm Sewer and Detention	\$203,300.00
Streetscaping and Lighting	\$143,000.00
Crescent Street Sidewalk/Path Project	\$100,000.00
	<hr/>
	\$3,859,712.38

**Professional Fees**

Architectural	
Engineering	\$342,547.31
Legal	
Sub-Total	<hr/>
	\$342,547.31

**Financing Costs (only TIF related)**

Interest (6%)	\$1,860,829
---------------	-------------

**Contingency Costs**

10% contingency	\$141,000
-----------------	-----------

**Administrative Costs**

**Organization Costs**

Environmental/Archeological	
TIF Plan Preparation	\$15,000
Sub-Total	<hr/>
	\$15,000

Total Costs	\$6,204,088.69
-------------	----------------

<b>AUTHORIZE TOTALCONSTRUTION COSTS AND FEES</b>	<b>\$2,600,000</b>
<b>ESTIMATED TOTAL ELIGIBLE FINANCING COSTS</b>	<b>\$1,860,829</b>
<b>ESTIMATED TOTAL ELIGIBLE PROJECT COSTS</b>	<b>\$4,460,000</b>

SECTION 6. The Developer shall complete construction of project improvements specified in the Project Plan no later than September 21, 2021. Property contained in Deadwood TID Number Ten is described as follows:

Lot 12 and S1/2 of Lot 13, Block 3, Fountain City Addition, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

N1/2 of Lot 13 and Lot 14, Block 3, Fountain City Addition, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Lot 15, Block 3, Fountain City Addition, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Lot 16, Block 3, Fountain City Addition, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Lot 17 & Pt of Lot 18, Block 3, Fountain City Addition, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

NELY 17' of Lot 18, Lots 19 and 20, Block 3, Fountain City Addition, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Lots 21 and 22 and PT Williams Street ROW, Block 3, Fountain City Addition, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Highway Lots A, B, C, D, E, F, G and H, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

M.S. 308, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Lot 1A of Tract A of M.S. 81, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Lots 2A, 3 & 4 of Tract A of M.S. 81, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Lot 5 of Tract A of M.S. 81, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Bortnem Tract of M.S. 81, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

Tract B-1B and B2 of Tract B of M.S. 751, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota



M.S. 335, M.S. 308 and M.S. 242, Section 23, T5N, R3E, BHM, City of Deadwood, Lawrence County, South Dakota

All Located in the City of Deadwood, Black Hills Meridian, Lawrence County, South Dakota including within and adjacent rights-of-ways.

Project improvements to be constructed with TID funds shall conform to plans and specifications prepared and submitted to the City of Deadwood by the Developer in conjunction with Tru Hotel development project. Official documents of record in this matter shall be those plans and specifications approved by the City in conjunction with issuing any and all project building permits, and these documents shall be maintained in the Planning and Zoning Office. Further, all included site improvements shall be in full conformity with all applicable state and city codes and ordinances.

All construction activity authorized with the approved Project Plan shall comply with the "State Bid Law" requirements in the same manner in which the City of Deadwood is required to bid and award construction projects. Specifically, it is a condition of this agreement that all provisions of South Dakota law regarding the expenditure of public funds are incorporated herein, and the requirements of Chapter 5-18 of the South Dakota Codified Laws are an integral part of this agreement. The Developer shall provide documentation of compliance with Chapter 5-18 upon the request of the City. In addition, the developer shall coordinate the following:

1. Publication of the Bid Notice and shall provide the City Finance Officer a copy of Affidavit of Publication of this notice;
2. The Bid Opening shall occur in City Hall with the City Finance Officer or designated official compiling the Bid Tab.
3. The Developer shall provide a copy of Notice of Award and Notice to Proceed to the City Finance Officer;
4. The Developer shall provide a copy all contract(s) and change order(s) of all construction activity authorized with the approved Project Plan.

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

SECTION 7. All positive tax increments received from TID Number Ten shall,



upon receipt by the City, be deposited in a special fund to be known as the "Tax Incremental District Number Ten Fund." The City shall, within thirty (30) days after receipt of each tax increment payment from the Lawrence County Treasurer, disburse all amounts in the fund to the Developer, or its designee, subject to the following limitation: At no time shall the cumulative total payments from the fund exceed the smaller of: (a) the total amount of Project Costs of \$2,600,000, as specified in Section 4 of this Agreement; plus all associated financing costs, in an amount not to exceed the interest rate limitation specified in Section 4; or (b) disbursements in the amount certified pursuant to Section 6 of this Agreement; plus all associated financing costs, in an amount not to exceed the interest rate limitation specified in Section 4.

SECTION 8. It is contemplated by the parties to this Agreement that the Developer may assign its interest under this Agreement as security for the note or loan agreement, or other financing as described in Section 4 hereof. It is understood and agreed, by and between the parties that any such assignment shall be in writing and, if the City shall make disbursement pursuant to such assignment that it shall, to the extent of such disbursement, relieve the City of the obligation to make such disbursement to the Developer.

SECTION 9. The parties agree that time is of the essence of this Agreement.

SECTION 10. It is specifically a condition of this Agreement and a condition of the City's obligation to pay, that all sums payable shall be limited to the proceeds of the positive tax increment from Tax Incremental District Number Ten received into the special fund specified in Section 7 hereof. The obligation of the City to pay pursuant to this 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 herein by reference. It is also specifically agreed that the City has made no representation that the proceeds from such fund shall be sufficient to retire the indebtedness incurred by the Developer under Section 4 hereof. In addition, the Developer specifically agrees to hold the City harmless and indemnify the City regarding any indebtedness incurred herein.

The parties further agree that in addition to provisions of SDCL 11-9-25 defining maximum limits of the duration of positive tax increment payments to the fund created by Section 7 hereof, this Agreement further restricts the life of TID Number Ten to the earlier of the following:

1. The retirement of all outstanding authorized TID Number Ten debt, as specified in Section 7 of this Agreement; or
2. Payment of the final positive tax increment payment authorized in the Project Plan specified in Section 2 of this Agreement, with such payment defined as a portion of the total amount being assessed in the year 2031, and payable in the second one-half of the year 2032. (17 years)



Further, the parties to this Agreement recognize and acknowledge that projected tax increment revenue payments derived in the Project Plan specified in Section 2 of this Agreement utilized estimated property valuations--based upon project components and cost estimates provided by the Developer for estimating future tax payments based upon the real property tax structure and taxation rates currently existing in Lawrence County and the City of Deadwood. However, both parties acknowledge that there can be no certainty that future tax rates will be at or above the rates utilized in the Project Plan.

SECTION 11. If one or more provisions of this Agreement shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.

SECTION 12. This document, along with the Project Plan for Tax Incremental District Number Ten, constitutes the entire agreement between the parties. No other promises or considerations form a part of this Agreement. All prior discussions and negotiations are merged into these documents or intentionally omitted. In the event of a conflict between the Project Plan and this Agreement, this Agreement shall be controlling.

SECTION 13. This Agreement shall be construed and the parties' actions governed by the laws of the State of South Dakota. Any dispute arising out of or related to this Agreement shall be litigated in the Seventh Judicial Circuit Court for the State of South Dakota, located in Deadwood, Lawrence County, South Dakota.

Dated at Deadwood, Lawrence County, South Dakota, this \_\_\_ day of \_\_\_\_\_ 2017.

City of Deadwood

OPTIMA L.L.C.

\_\_\_\_\_  
Charles Tuberville  
Mayor

\_\_\_\_\_  
Paul Bradsky,

ATTEST:

\_\_\_\_\_  
Mary Jo Nelson  
Finance Officer