



City of Vermillion
Planning Commission Agenda
5:30 p.m. Regular Meeting
Monday, May 13, 2013
Large Conference Room – 2nd Floor
City Hall
25 Center Street
Vermillion, SD 57069

1. **Roll Call**

2. **Minutes**

- a. April 8, 2013 Regular Meeting.

3. **Adoption of the Agenda**

4. **Visitors To Be Heard**

5. **Public Hearings**

- a. Request for a Conditional Use Permit for a single-family dwelling for Annar Pettersen for property located at 2825 Pettersen Court, Vermillion, South Dakota, which is Lot 12, Rolling Hills Estates Second Addition, SW1/4, Section 6, T92N, R51W, 5th PM, Vermillion Township, Clay County, South Dakota.
- b. Request for a Conditional Use Permit to construct four single family attached (townhouse) dwellings located on a part of the N/W ¼ N/E ¼ 19-92-51 proposed lots 3, 4, 5 and 6 Blk 1 French Addition in the 10 Block of S Norbeck.

6. **Old Business**

7. **New Business**

- a. Project Plan for TIF #5 (Eagle Creek Project).

8. **Adjourn**

WELCOME TO YOUR PLANNING COMMISSION MEETING

If you wish to participate in the discussion, the meeting provides several opportunities. After the minutes are approved, the Chairperson will ask if any visitors wish to be heard. Any item not on the agenda may be discussed. During the discussion of agenda topics, anyone may comment. The Chairperson will recognize you if you raise your hand. Please introduce yourself with your name and address when addressing the Planning Commission. Discussion occurs before motions are made and seconded. Discussion also occurs after the motion is seconded and before the vote. You may participate each time if you wish. Your suggestions and ideas are welcome. The best decisions are made when everyone participates and provides information.

Meeting Assistance: The City of Vermillion fully subscribes to the provisions of the Americans with Disabilities Act of 1990. If you desire to attend this public meeting and are in need of special accommodations, please notify the City Manager's Office at 677-7050 at least 3 working days prior to the meeting so appropriate auxiliary aids and services can be made available.

Unapproved Minutes
Vermillion Planning Commission
Monday April 8, 2013 Regular Meeting

The regular meeting of the Vermillion Planning Commission was called to order in the Large Conference Room at City Hall on April 8, 2013 at 5:30 p.m.

1. Roll Call

Present: Fairholm, Forseth, Gruhn, Howe, Manning, Muenster, Tuve and Iverson. Absent: Reasoner.

Staff present: José Dominguez, City Engineer and Andy Colvin, Assistant City Manager.

2. Minutes

a. March 11, 2013 Regular Meeting.

Moved by Manning to approve the March 11, 2013 Regular Meeting Minutes, seconded by Howe. Motion carried 8-0.

3. Adoption of the Agenda

Moved by Tuve to adopt the agenda as printed, seconded by Forseth. Motion carried 8-0.

4. Visitors to be Heard

5. Public Hearing

a. Consideration and Recommendation of a Resolution Creating a Tax Increment District on Lots 1, 2 & 3, Block 7, Erickson Addition to the City of Vermillion.

Andy Colvin reported that the Vermillion Area Chamber and Development Company is planning to construct a building for Eagle Creek Software within the Riverbend Business Park. In order to assist with development costs, the city is creating a tax increment district for site development costs. Andy also stated that the Planning Commission is required by law to hold a public hearing on the creation of the district.

The Planning Commission opened the hearing for public comment and questions from the members. Discussion followed on the availability of utilities and the project costs. Steve Howe gave a report on the project, explaining that the TIF will allow the construction of the building and addition of a new business to the community.

Moved by Forseth to recommend approval of the plan to the City Council, seconded by Tuve. Motion carried 7-0 with Howe abstaining.

b. Zoning Map Amendment (Rezone) - Rezoning Lot 3, Block 7, Erickson Addition to the City of Vermillion, Clay County, South Dakota from GI General Industrial to GB General Business.

Andy Colvin reported that the proposed rezone is also related to the Eagle Creek project, and that the current zoning is partially in the General Industrial district. Andy stated that even though the proposed use is permitted in both districts, a rezone to General Business would ensure a consistent zoning designation, without splitting the property. Andy stated that the proposed change is consistent with the City's land use map. Discussion followed on the proposed rezone.

Moved by Fairholm to recommend approval of the zone change to the City Council, seconded by Gruhn. Motion carried 7-0 with Howe abstaining.

6. Old Business

7. New Business

a. Final plat of Lot 8 of Block 7 of Erickson Addition to the City of Vermillion, Clay County, South Dakota.

Jose Dominguez reported that Banner Associates has submitted a final plat for Lot 8, Block 7 on behalf of the owner, the Vermillion area chamber and Development Company. Jose explained that the area to be final platted is roughly 6.12-acres in area and is bordered on the north by Bower Street, on the east by Princeton Avenue and on the south by West Duke Street. The proposed plat will create one lot and is planned for a general-business use. Discussion followed on the proposed plat.

Moved by Forseth to approve the plat, seconded by Gruhn. Motion carried 7-0, with Howe abstaining.

8. Adjourn

Moved by Forseth to adjourn, seconded by Fairholm. Motion carried 8-0.

Chairman Iverson declared the meeting adjourned 5:56 p.m.

Planning Commission Agenda Memo

From: Andy Colvin, Assistant City Manager

Meeting: May 13, 2013

Subject: Conditional Use Permit Application to Construct a New Single-Family Dwelling at 2825 Pettersen Ct. (Joint Jurisdictional Zoning Area)

Presenter: Cynthia Aden, Clay County Zoning Administrator

Background: Annar Pettersen, owner of property located at 2825 Pettersen Court, submitted an application for a conditional use permit to build a new single-family home. The area is currently zoned Agricultural. Single-family dwellings are only permitted via a conditional use on lots of record.

Discussion: Chapter 16 stipulates that the following criteria must be addressed prior to granting a conditional use permit:

- A. *Impact of the proposed use on adjacent properties:* From staff's review, it does not appear that the construction of a new home would negatively impact the surrounding properties. The area where the home will be constructed is a residential subdivision and will be surrounded by other single-family homes.
- B. *Measures shall be taken to ensure that the proposed use does not alter the general character of the neighborhood:* As noted above, the home will be constructed in a residential subdivision and will not alter the character of the neighborhood.
- C. *The effects of noise, odor, traffic, air and water pollution, and other negative factors:* The proposed use is for a single-family home and will not create issues with noise, pollution or traffic.
- D. *The proposed use shall not adversely affect the public:* The proposed use will not affect the public.

Compliance with Comprehensive Plan: The Comprehensive Plan specifies that development should be encouraged in areas adjacent to the City where utilities can be provided easily. It is not currently feasible for the City to serve the Pettersen development with utilities. However, the lots have already been approved and are suitable for residential development.

Conclusion/Recommendations: The City and County Planning Commissions are asked to take public comment and grant or deny the conditional use permit application. It is the

5. Public Hearings; item a

responsibility of the applicant to demonstrate compliance with the ordinance. Based on the criteria listed in the ordinance, staff would recommend approval of the conditional use permit.

JP 2013-#1

Joint Jurisdiction Building Permit Application

Job Site Address <i>2825 PETERSEN Rd.</i>	Date <i>4-25-13</i>
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Applicant is Owner Agent

Property Owner			
Name <i>ANWAR PETERSEN</i>	Phone <i>605 670 1852</i>		
Address <i>2817 PETERSEN CT</i>	City <i>VERMILION</i>	State <i>SD</i>	Zip <i>57069</i>

Type of Structure
Please Describe the project <i>3 Bedroom House, TRIPLE GARAGE ATTACHED WOOD FRAME / BASEMENT</i>

Foundation Contractor			
Name <i>MATT MULHERON</i>	Phone <i>605 670 1425</i>		
Address <i>2600 E Highway 50</i>	City <i>VERMILION</i>	State <i>SD</i>	Zip <i>57069</i>
Contact Person <i>MATT</i>	Phone	Cell	

Framing Contractor			
Name <i>SAME MATT MULHERON</i>	Phone		
Address	City	State	Zip
Contact Person	Phone	Cell	

Plumbing Contractor			
Business Name <i>MARLIN HANSON</i>	Phone <i>624-4747</i>		
Address <i>104 WALKER ST</i>	City <i>VERMILION</i>	State <i>SD</i>	Zip <i>57069</i>
Contact Person	Phone	Cell	

Electrical Contractor			
Business Name <i>JOHNSON ELECTRIC</i>	Phone <i>624-2994</i>		
Address <i>1016 W CHERRY ST</i>	City <i>VERMILION</i>	State <i>SD</i>	Zip <i>57069</i>
Contact Person	Phone	Cell	

Project details

Cost of Construction

\$ 160,000.

Main floor sq. ft.

Permit valuations shall include total value of work, including materials and labor, for which the permit is being issued, If, the valuation is underestimated on the application, the permit shall be denied,

Foundation Type Spread Footing Slab-on-Grade Trench

Unless soil borings are provided the assumed load bearing value of soil shall be 1,500 pounds

ASBESTOS DECLARATION

By signing this form I understand that The South Dakota Department of Environment and Natural Resources must be notified of all building demolitions at least 10 working days in advance, even if asbestos is not present. Failure to comply with these requirements may result in enforcement actions, including fines and penalties. In some cases, individuals and companies can be prosecuted criminally. Both the building owner and the contractor share the responsibility of making sure these requirements are met.

Signature of applicant

Date 4-25-13

Required Documents

SUBMITTAL DOCUMENTS

107.1 General.

Submittal documents and related information required on the design review form shall be submitted prior to permit review with each permit application. When required below the submittal documents shall be prepared by a registered design professional. Where special conditions exist, the building official is authorized to require additional construction documents to be prepared by a registered design professional .

Architects or professional engineers are required for the construction, enlargement or alteration of the following

1. Any Multiple Family Dwelling with more than 16 dwelling units
2. Any Hospital, Hotel, Motel, Restaurant, Library, Medical Office, Nursing Facility, Assisted living facility, Jail, Retirement home or mortuary with a gross square footage of over 4,000 sq ft.
3. Any Auditorium, Church, School or Theater with a gross square footage of over 5,000 sq ft.
4. Any Bowling alley, Office, Shopping Center, Bank, Fire Station, Service Station, or Store with a gross square footage of over 7,000 sq ft.
5. Any Industrial Plant or Public Garage with a gross square footage of over 11,000 sq ft
6. Any Warehouse with a gross square footage of over 20,000 sq ft
7. Any building with an occupancy other than those listed with a gross square footage of over 4,000 sq ft

All documents shall include submittals for building structure, electrical, plumbing and mechanical systems.

When fire protection systems are required Shop drawings for the fire protection system(s) shall be submitted to indicate conformance to this code and the construction documents and shall be approved prior to the start of system installation. Shop drawings shall contain all information as required by the referenced installation standards in Chapter 9

Review Process

Upon receipt of a permit application and submittal documents the Building Official will review the application and distribute it to other city departments for review. Please allow several days for this process.

Before You Dig Call South Dakota One Call

811

two working days before you dig
Locate requests accepted 24 hours a day.

CLAY COUNTY CONDITIONAL USE PERMIT

CONDITIONAL USE APPLICATION NUMBER <i>99 2013 #1</i>	Application Fee - \$100
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SECTION 1: APPLICANT/OWNER/CONTACT INFORMATION			
	APPLICANT INFORMATION	OWNER INFORMATION	
NAME	<i>Annar Petersen</i>	<i>Annar</i>	
ADDRESS	<i>2817 Petersen Ct Vermillion</i>		
TELEPHONE	<i>670-1852</i>		
FAX			
EMAIL			

SECTION 2: PROPERTY INFORMATION			
STREET ADDRESS	<i>2825 Petersen Rd</i>		
LEGAL DESCRIPTION	<i>Lot 12 Rolling Hills A Est 2nd Addn</i>		
TOWNSHIP NAME & SECTION #	<i>Vermillion 92</i>	ZONING DISTRICT	<i>AG</i>

SECTION 3: SITE PLAN INFORMATION
<p>Applicant must submit a plan of the lot or property with the following information:</p> <ul style="list-style-type: none"> - Location of all existing and proposed buildings or additions; dimensions of all buildings; distance from all buildings to the property lines at the closest points; North arrow; building height; dimensions of property lines; right-of-way easements; name and location of adjacent streets, waterways or other public places. - If applicable, also show name of project or business; parking lots or spaces; screening; landscaped setback and trees.

SECTION 4: STATEMENT OF CONDITIONAL USE DESIRED
<i>Single family dwelling</i>

Signature	
Date	

NOTE: The Zoning Office may require plans to be prepared by a registered engineer or land surveyor. The applicant may be required to provide additional information and/or records.

Date Created: 4/25/2013



Overview

Legend

- Corporate Limits
- PLS Townships
- Parcels
- Roads

Parcel ID 11101-09251-063-12 **Alternate ID** 130061417 **Owner Address** PETERSEN ANNAR & MARLYN
Sec/Twp/Rng 6-92-51 **Class** FARM 2817 PETERSEN CT
Property Address 02825 PETERSEN RD **Acres** 1.39 VERMILLION SD 57069
District VERMILLION TWP - VERMILLION SCH
Brief Tax Description LOT 12 ROLLING HILLS EST 2ND ADDN-VERMILLION TWP
(Note: Not to be used on legal documents)

Last Data Upload: 4/24/2013 11:49:09 PM

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PUBLIC NOTICE

**Clay County Planning Commission and Vermillion City Planning Commission to Hold
Joint Public Hearing On Conditional Use Permit**

Notice is hereby given that a Public Hearing will be held before the Clay County Planning Commission and the Vermillion City Planning Commission in joint session at 5:30 pm on May 13, 2013 at Vermillion City Hall to consider the following:

A request for a Conditional Use Permit for a single-family dwelling for Annar Pettersen for property located at 2825 Pettersen Court, Vermillion, South Dakota, which is Lot 12, Rolling Hills Estates Second Addition, SW1/4, Section 6, T92N, R51W, 5th PM, Vermillion Township, Clay County, South Dakota.

All interested persons are encouraged to attend this public hearing. Those interested persons not able to attend are invited and encouraged to send written comments before May 13, 2013 to the Clay County Zoning Administrator, 211 W. Main Street, Suite 203, Vermillion, SD, 57069.

**Cynthia Aden
Zoning Administrator
Publish: May 3**

Planning Commission Agenda Memo

From: Farrel Christensen, Building Official

Meeting: May 13, 2013

Subject: Request for a Conditional Use Permit to construct four single family attached (townhouse) dwellings located on a part of the N/W ¼ N/E ¼ 19-92-51 proposed lots 3, 4, 5 and 6 Blk 1 French Addition in the 10 Block of S Norbeck.

Presenter: Farrel Christensen

Background: Matt Mulheron has submitted an application for a Conditional Use Permit to construct four townhomes along Norbeck Street, east of the high school.

Discussion: The property is located within the French Addition and is zoned R-1 residential. The proposed townhomes will be similar to those constructed by Mr. Mulheron to the south of the proposed location.

Compliance with Comprehensive Plan: The Comprehensive Plan specifies that the City should encourage development within the undeveloped areas inside City limits. There has also been a great deal of discussion recently about the need for housing, with the French property mentioned as a prime area. Granting a conditional use permit, in this case, will provide additional housing in the community and infill according to the goals of the Comprehensive Plan.

Conclusion/Recommendations: The Planning Commission is asked to take public comment and grant or deny the conditional use permit application. The use seems to fit well in the area and will expand the employment and economic base of the community. Staff recommends approval of the conditional use permit conditional upon approval of the final plat.

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Planning Commission of the City of Vermillion, South Dakota, will meet at 5:30 p.m. on Monday, the 13th day of May, 2013 in the 2nd floor Meeting Room at 25 Center Street in the City of Vermillion, at which time the said Planning Commission will hear, consider and act upon a petition for the following;

A Petition for a conditional use permit to build four new single family attached dwellings located on a part of the N/W ¼ N/E ¼ 19-92-51 proposed lots 3, 4, 5 and 6 Blk 1 French Addition in the 10 Block of S Norbeck.

Notice is further given that at the times and places aforesaid any person may appear and be heard upon all matters pertaining to the said conditional use permit and that at said time and place the Planning Commission will consider and decide whether or not this conditional use permit should be approved.

CITY OF VERMILLION
PETITION FOR CONDITIONAL USE PERMIT

PETITIONER

NAME: Matt Mulheron
ADDRESS: 2600 E SD Hwy 50 Vermillion, SD
PHONE: (605) 670-1495

1. PROPERTY INFORMATION (Please attach additional sheets if necessary)

Parcel identification Number (Pin): See Map

Current Zoning Designation: R-1

Address: See Map

Legal Description: See Map

2. STANDARD FOR CONDITIONAL USE PERMIT

- A. Ingress and egress to property and proposed structures thereon, with particular reference to automotive and pedestrian safety and convenience, traffic flow and control, and access in case of fire or catastrophe;

access will be from Norbeck; s/w will be provided along Norbeck; units will be slab-on-grade HC accessible

- B. Off-street parking and loading areas where required;

off-street parking will be provided in each unit

- C. Refuse and service areas, with particular reference to 1. & 2. above;

each individual unit will be responsible

- D. Utilities, with reference to locations, availability, and compatibility;

all separate - provided off Norbeck

- E. Screening and buffering with reference to type, dimensions and character;

~~similar to the units along the south side of property~~

- F. Signs, if any, and proposed exterior lighting with reference to glare, traffic safety, economic effect, and compatibility and harmony with other properties in the district;

Similar to the units along the south side of property.

G. Required yards and other open space;

H. General compatibility with adjoining properties and other property in the zoning district in which such use is to be located;

compatible with all construction south up to French Ave

5. The Zoning Administrator shall set the date, time and place for a public hearing to be held by the Board of Adjustment. The Zoning Administrator shall notify the landowner by mail, and shall post notices of the public hearing at the city office and on the property affected by the proposed conditional use permit no less than 7 days prior to the scheduled public hearing. No less than 10 days before the public hearing, the Zoning Administrator shall publish notice of the public hearing in a legal newspaper of the city.

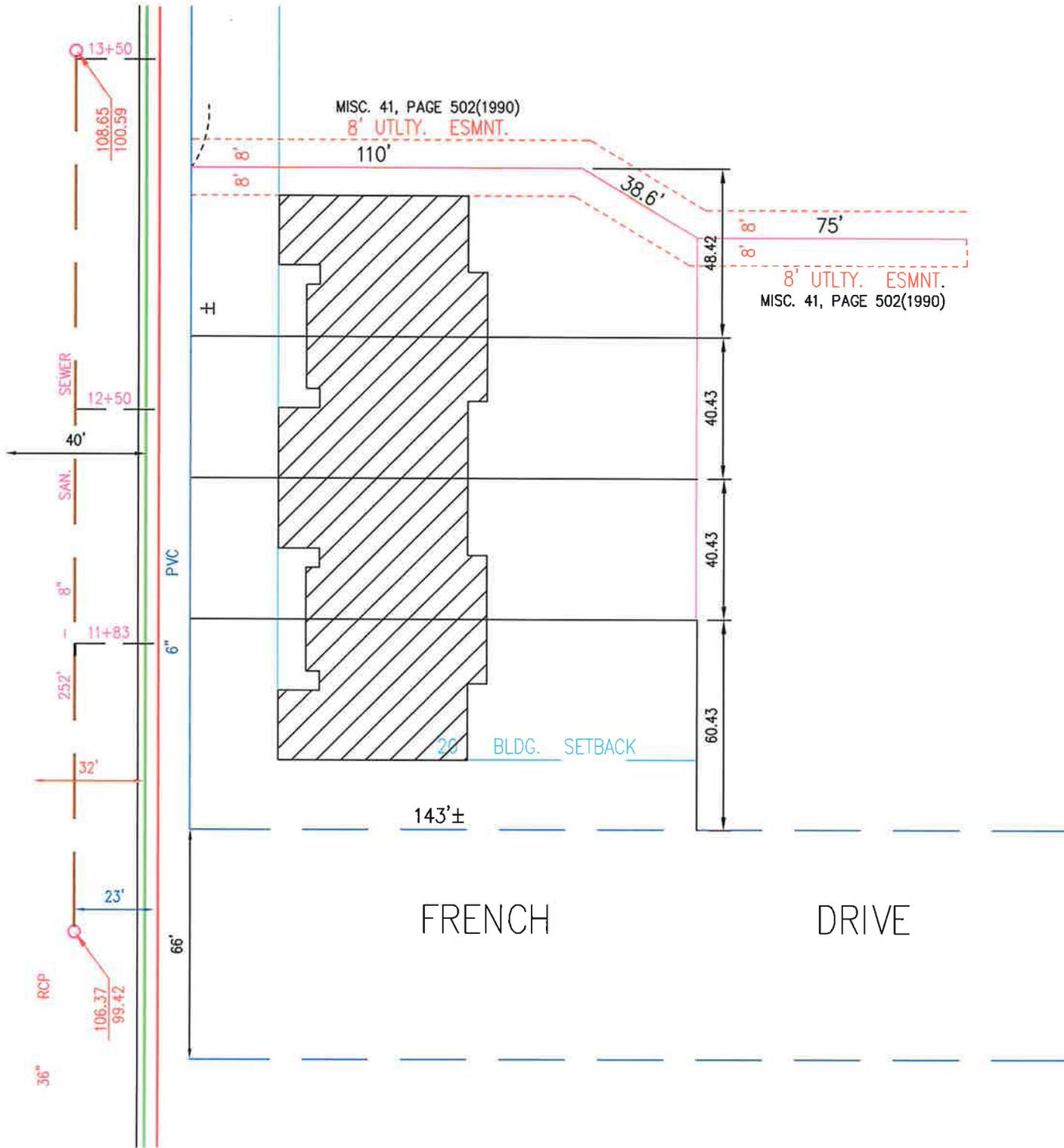
6. A conditional use permit shall automatically expire if the primary use for which it was granted has ceased for a period of 2 years or more; or, the primary use proposed under the conditional use permit has not been undertaken and completed according to the terms and conditions of the conditional use permit within 2 years of the approval of the conditional use permit.

7. Petitioner's Signature Matt Mulheron Phone 670-1495 Date April 29-13

8. Owner's Signature Matt Mulheron Phone 670-1495 Date April 29-13
(If different)

Date Fee Received: _____ Fee \$100.00 PAYABLE TO the City of Vermillion

FAILURE OF THE APPLICANT OR HIS AGENT TO APPEAR AT THE HEARING WILL CAUSE THE COMMITTEE TO DENY THIS APPLICATION.



13+50

108.65
100.59

MISC. 41, PAGE 502(1990)
8' UTLTY. ESMNT.

8' 8'

110'

38.6'

48.42

8' 8'

75'

8' UTLTY. ESMNT.
MISC. 41, PAGE 502(1990)

SEWER

12+50

40'

SAN.

8"

11+83

252'

32'

RCP

106.37
99.42

23'

6" PVC

±

25' BLDG. SETBACK

40.43

40.43

60.43

143'±

FRENCH

DRIVE

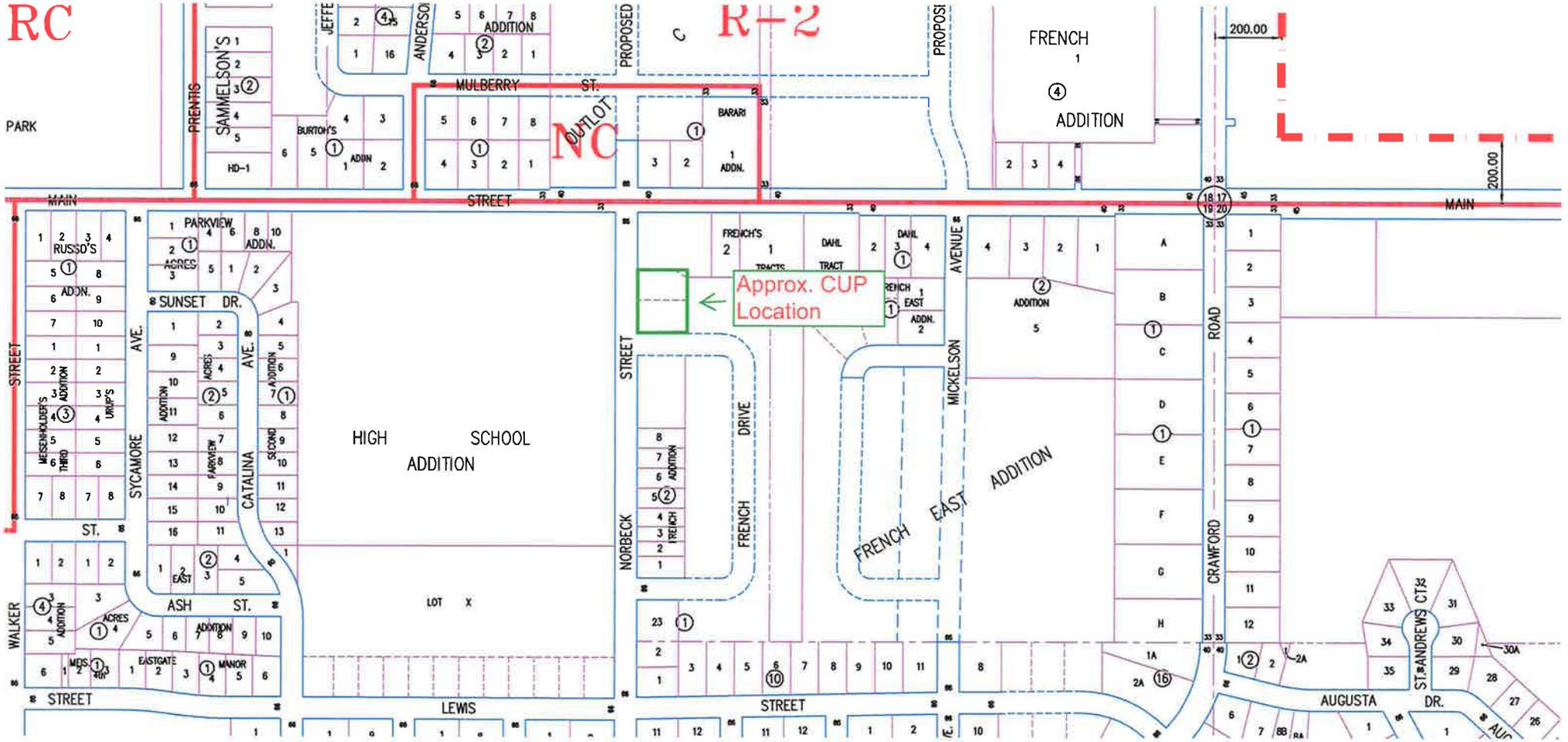
66'

RC

R-2

OUTLOT NO

Approx. CUP Location



PARK

FRENCH 1 ADDITION

HIGH SCHOOL ADDITION

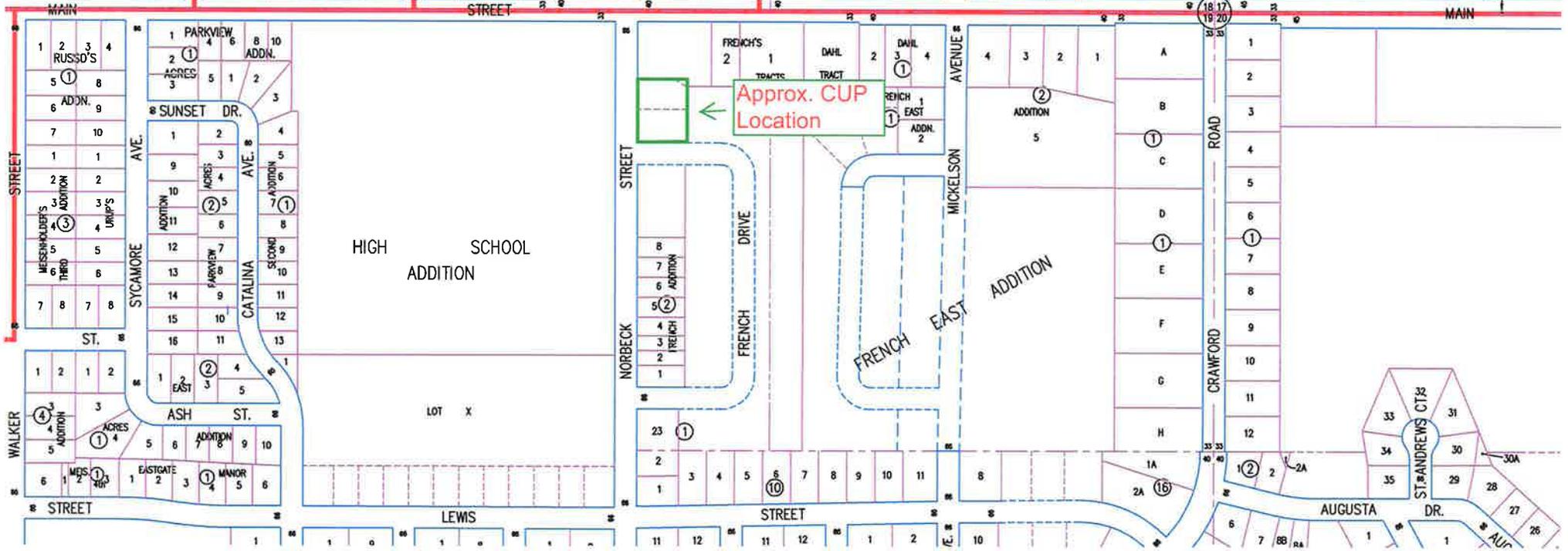
LOT X

Approx. CUP Location

FRENCH EAST ADDITION

AUGUSTA DR.

ST. ANDREWS CT'S



WALKER STREET

SYCAMORE AVE.

SUNSET DR.

ASH ST.

EAST

ACRES

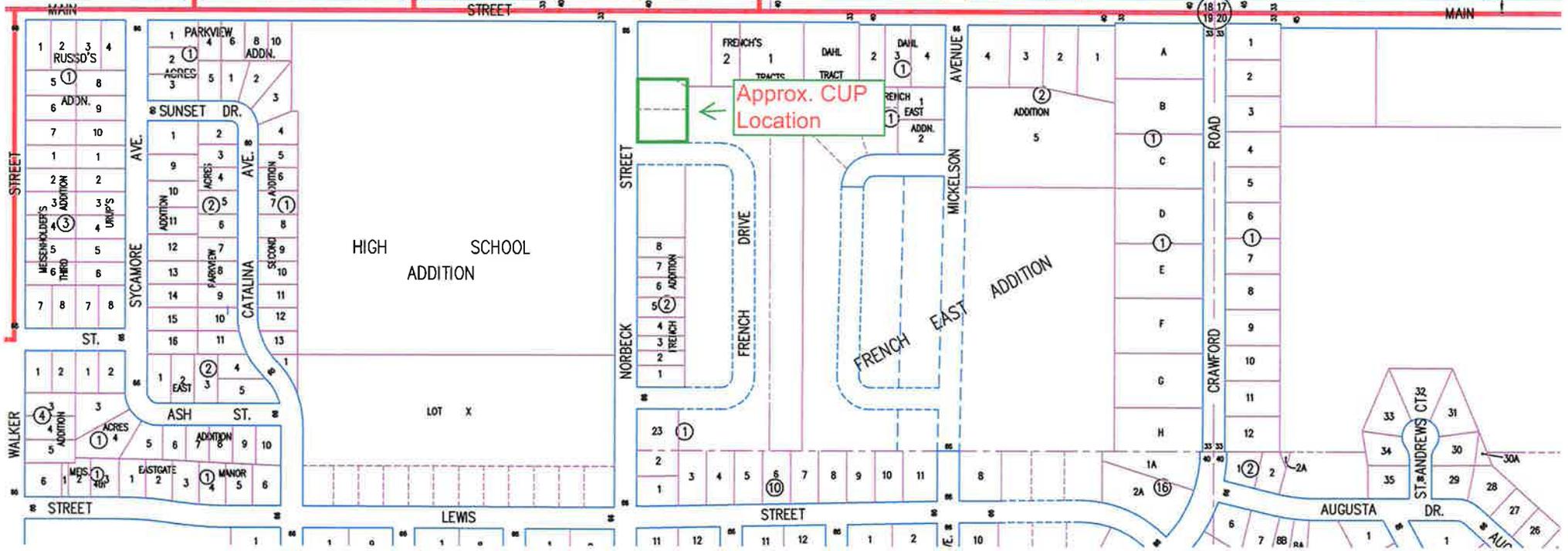
ADDITION

MANOR

STREET

LEWIS

STREET



STREET

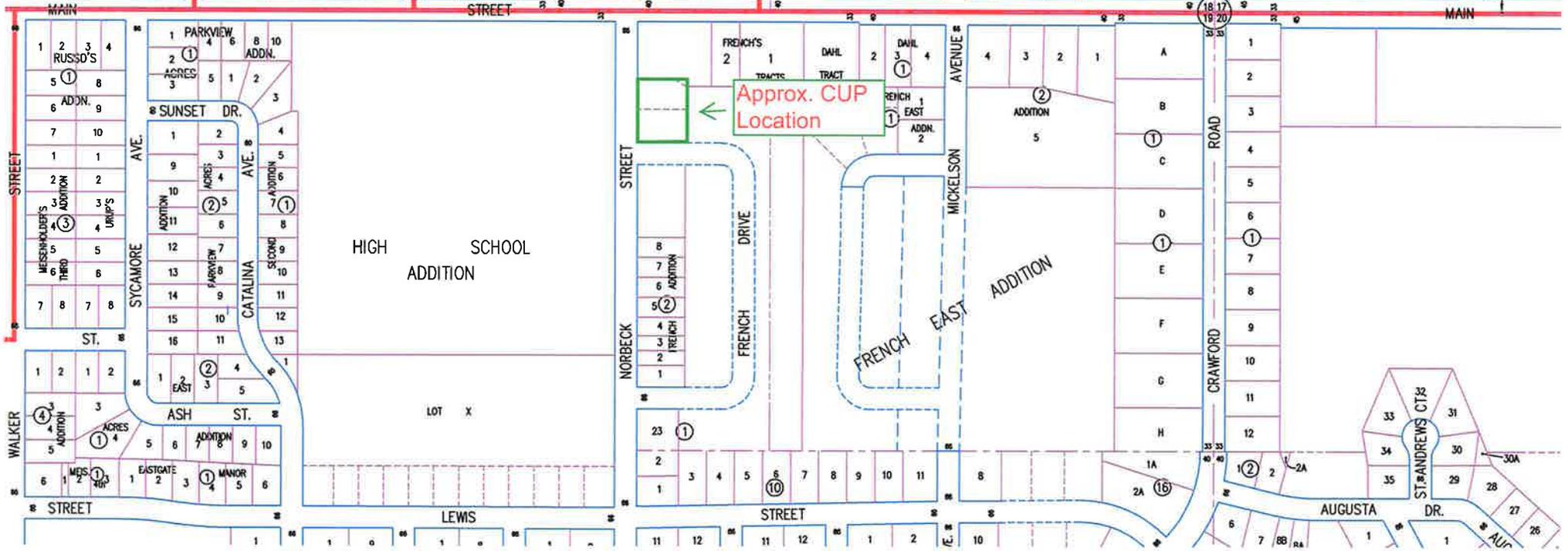
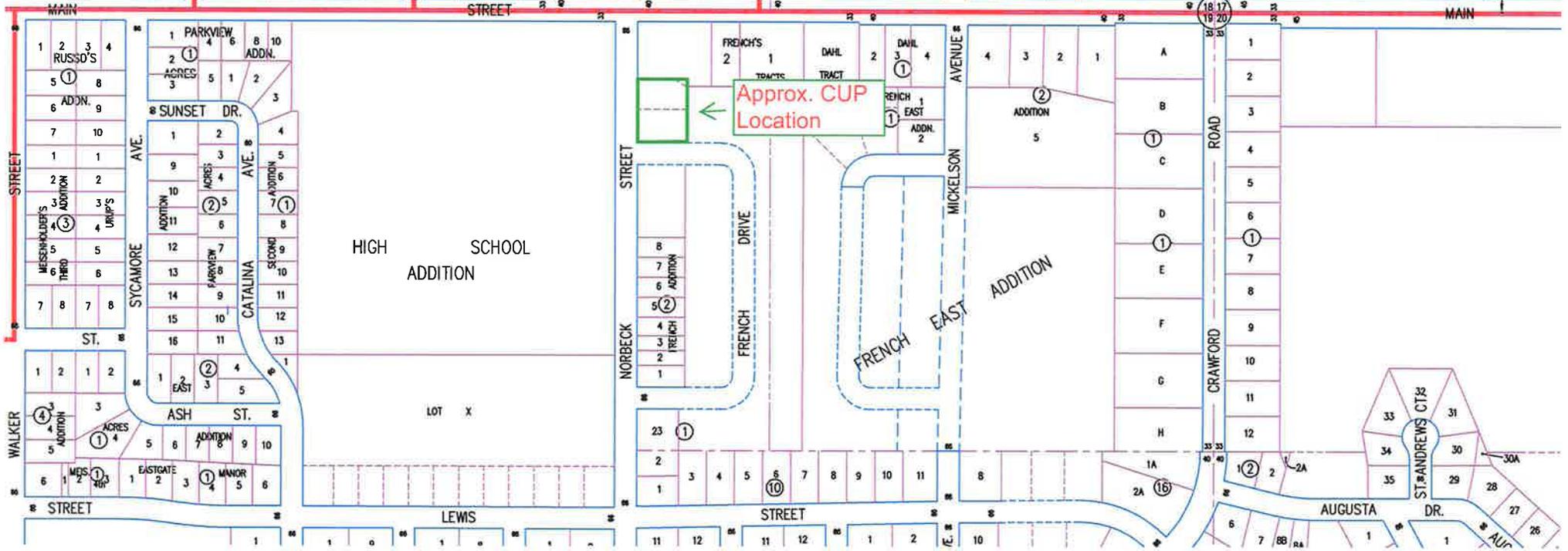
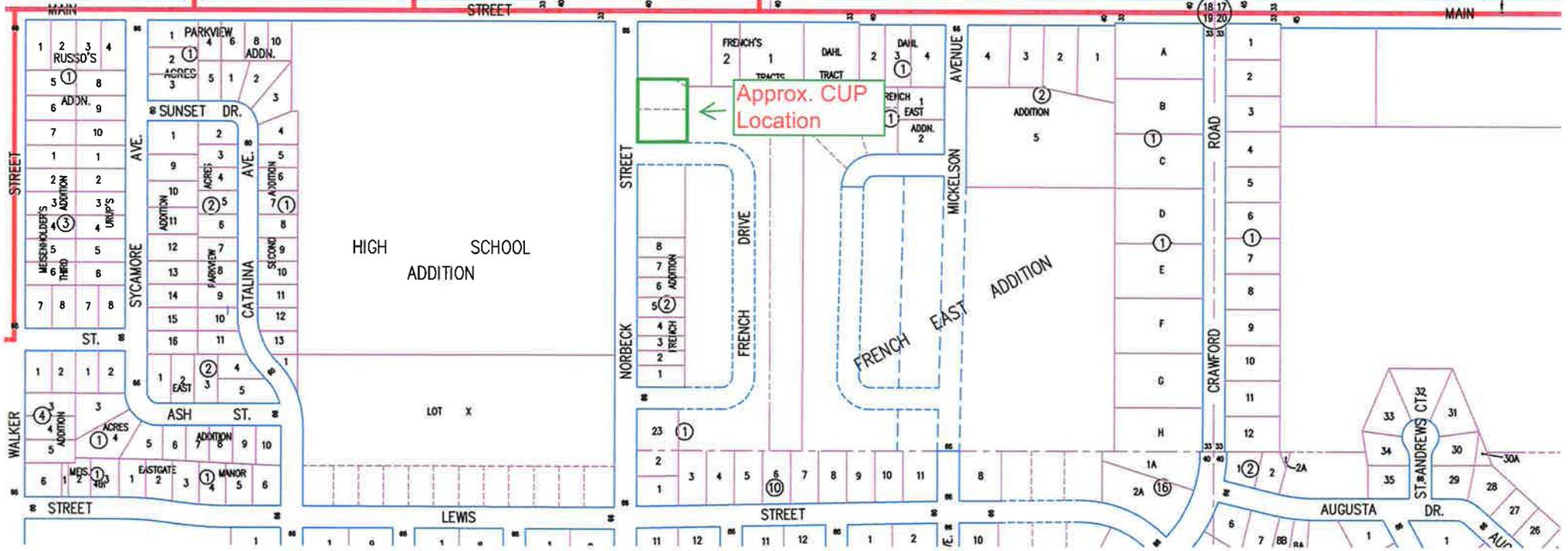
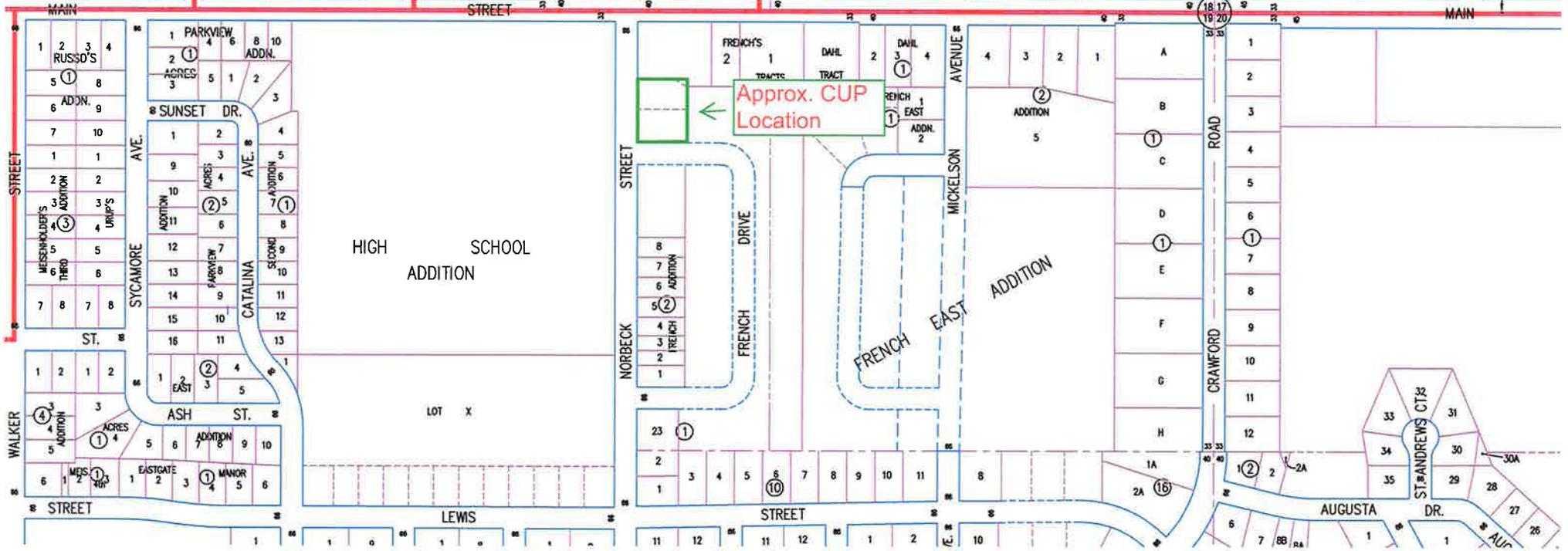
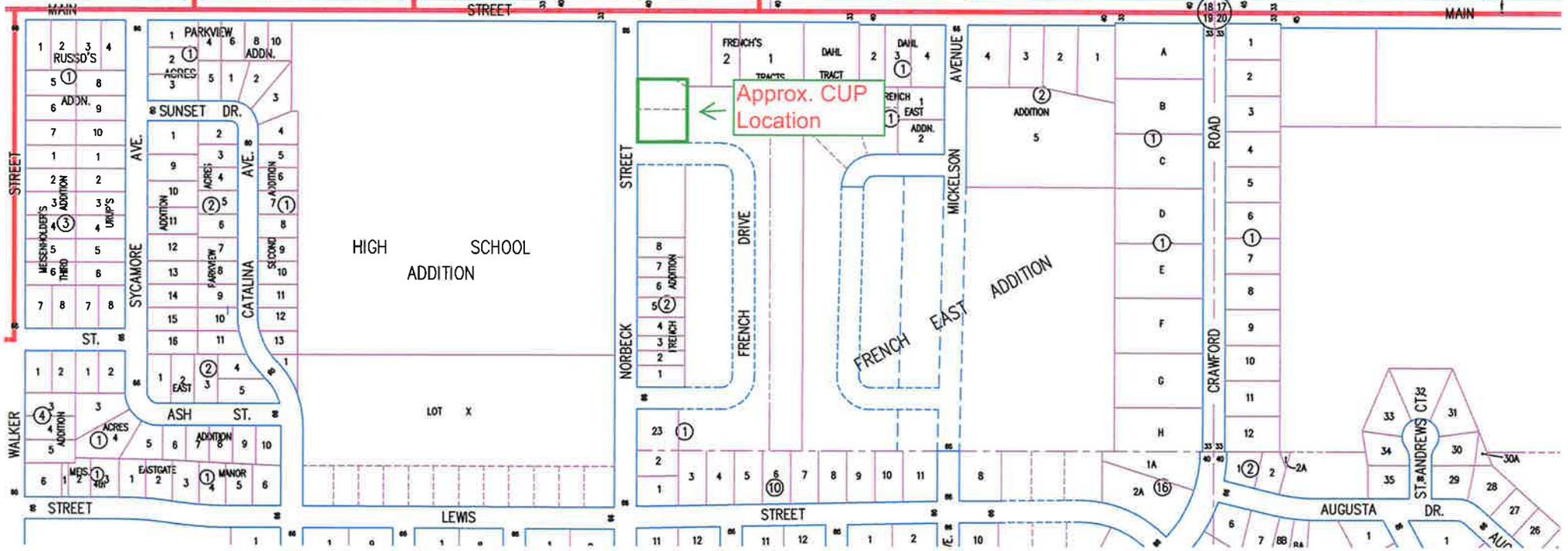
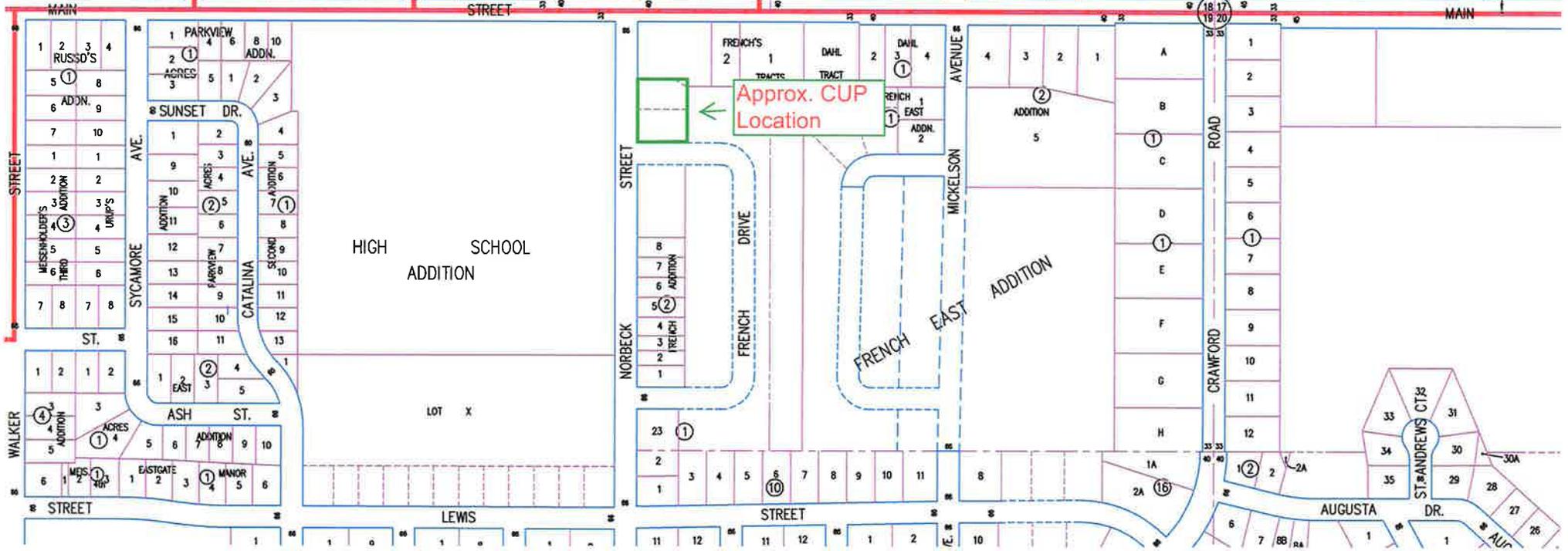
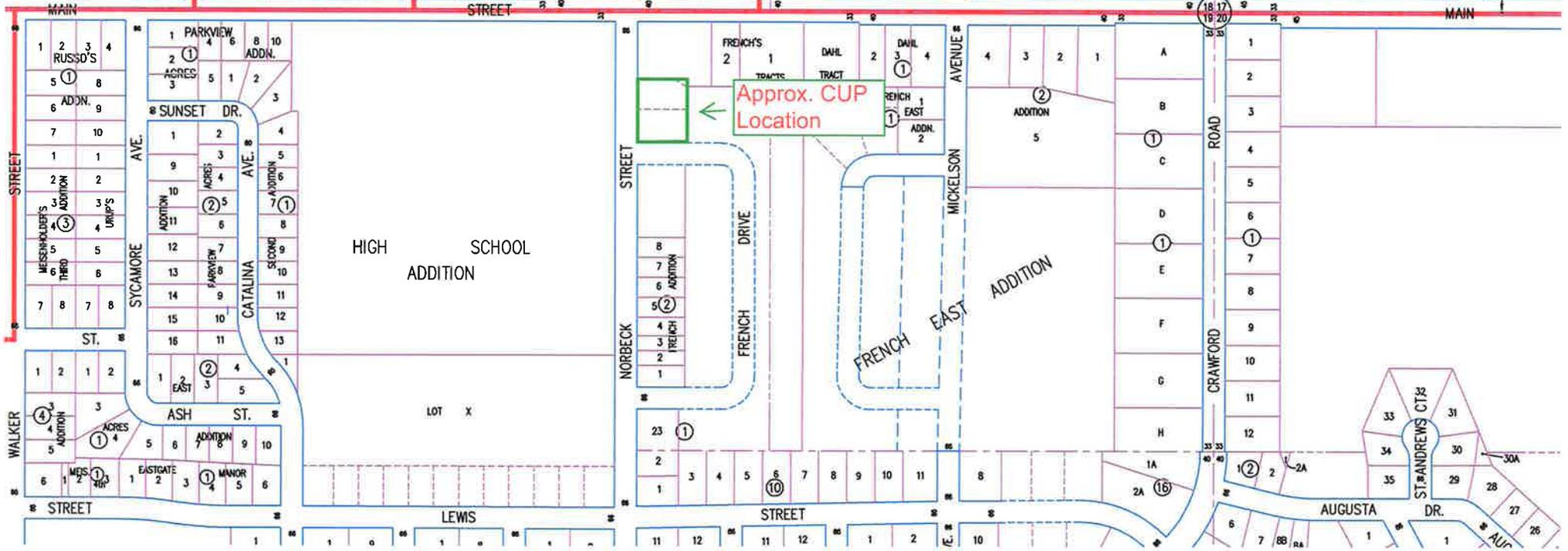
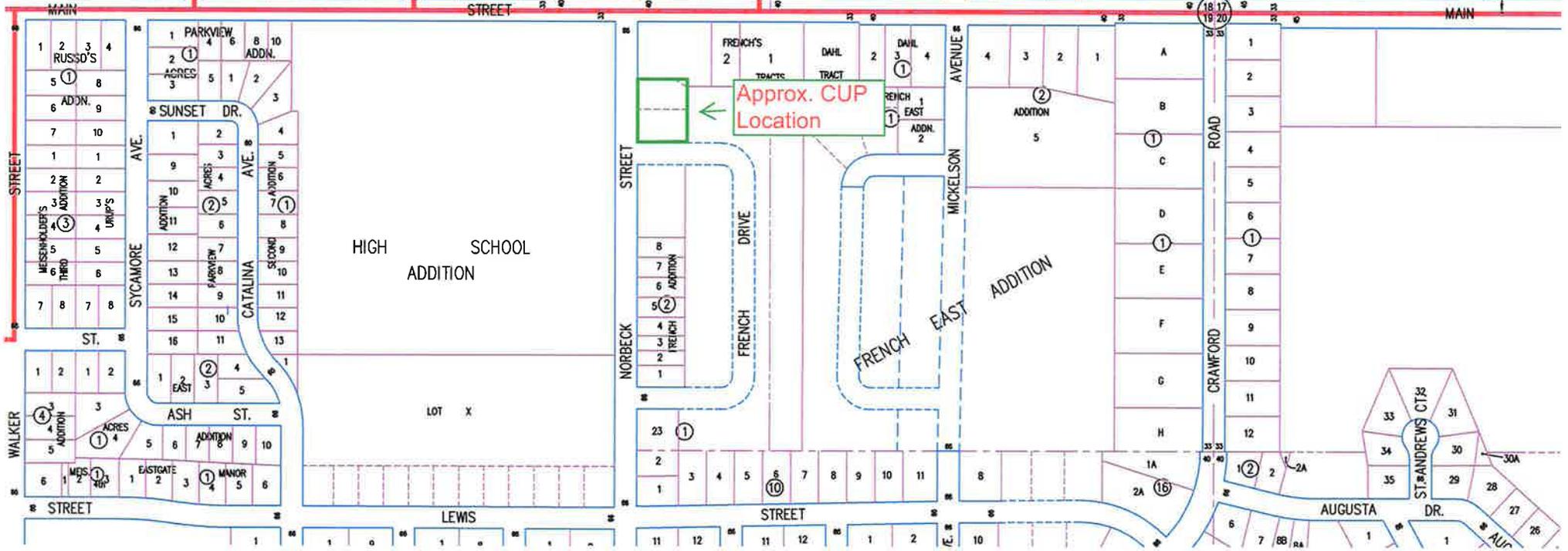
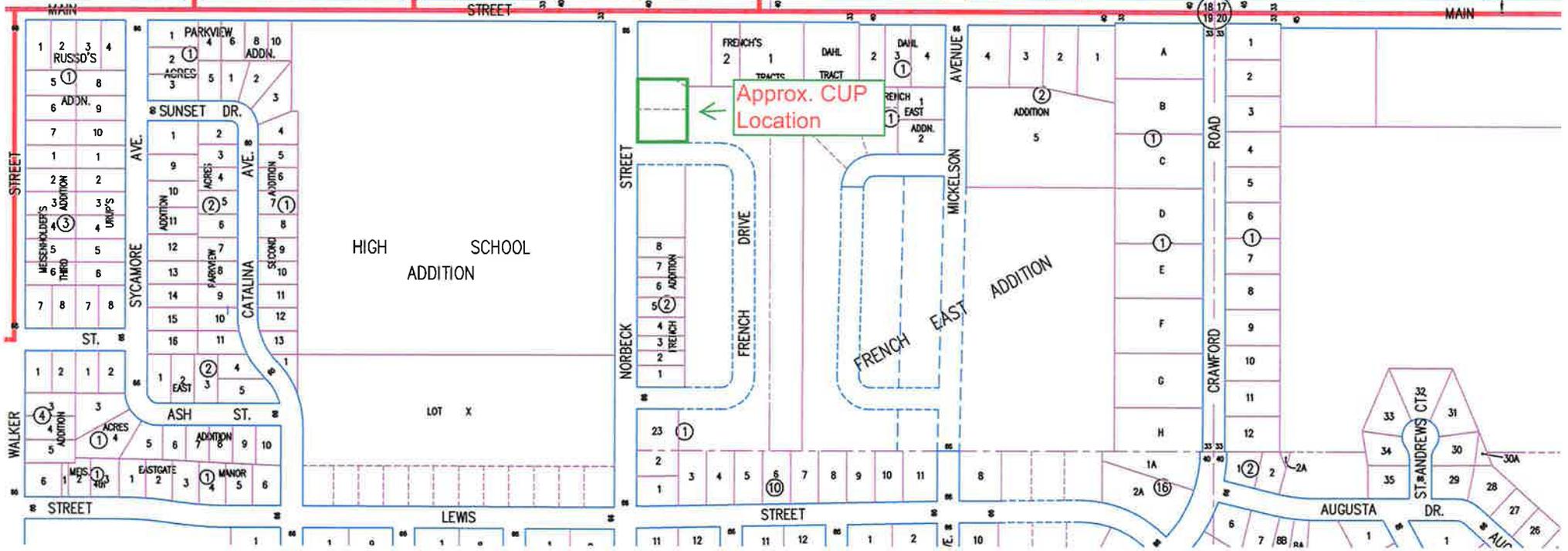
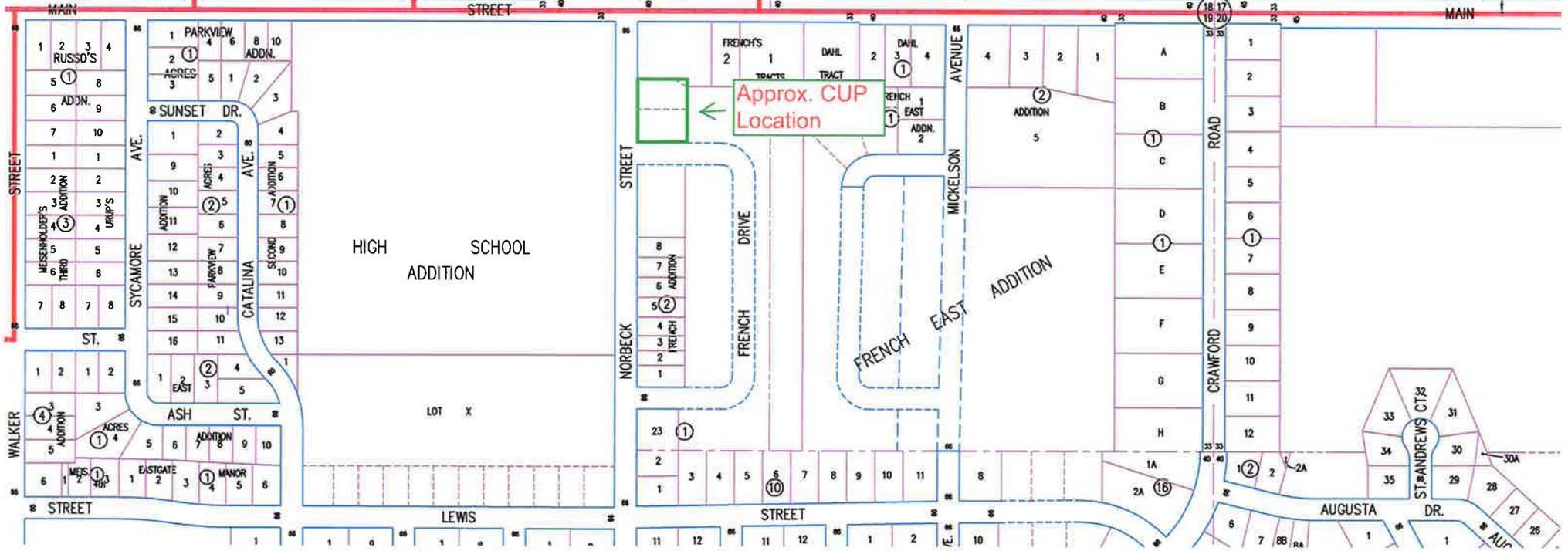
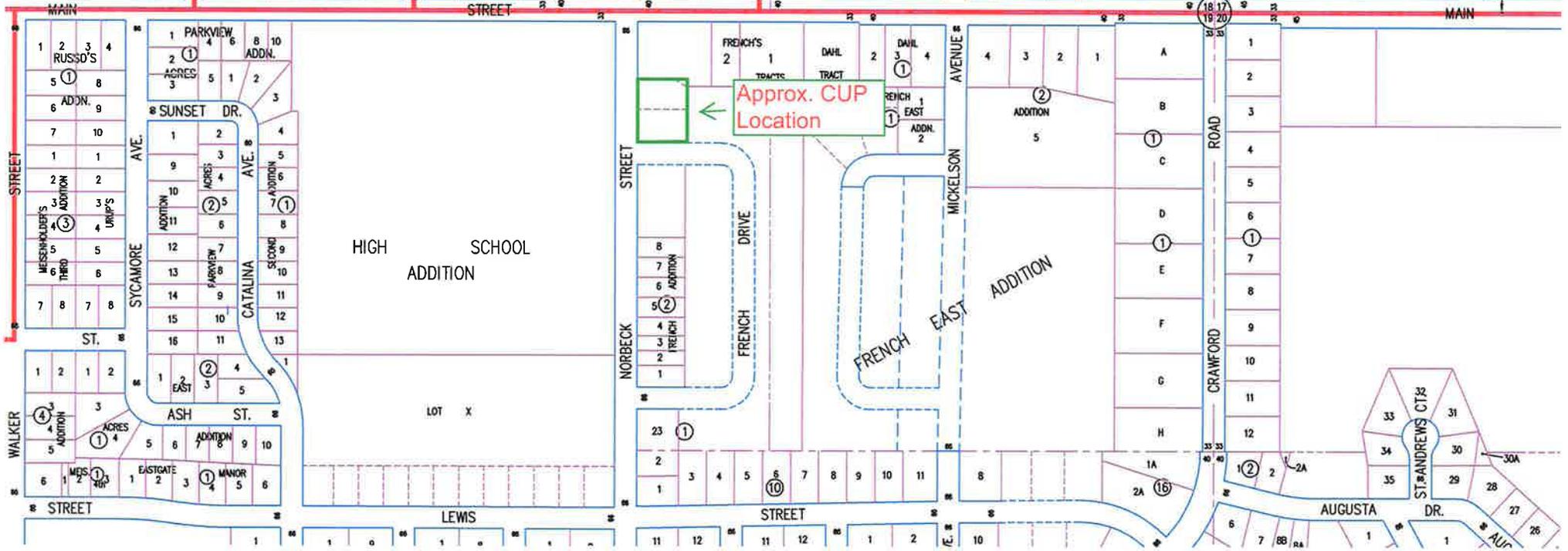
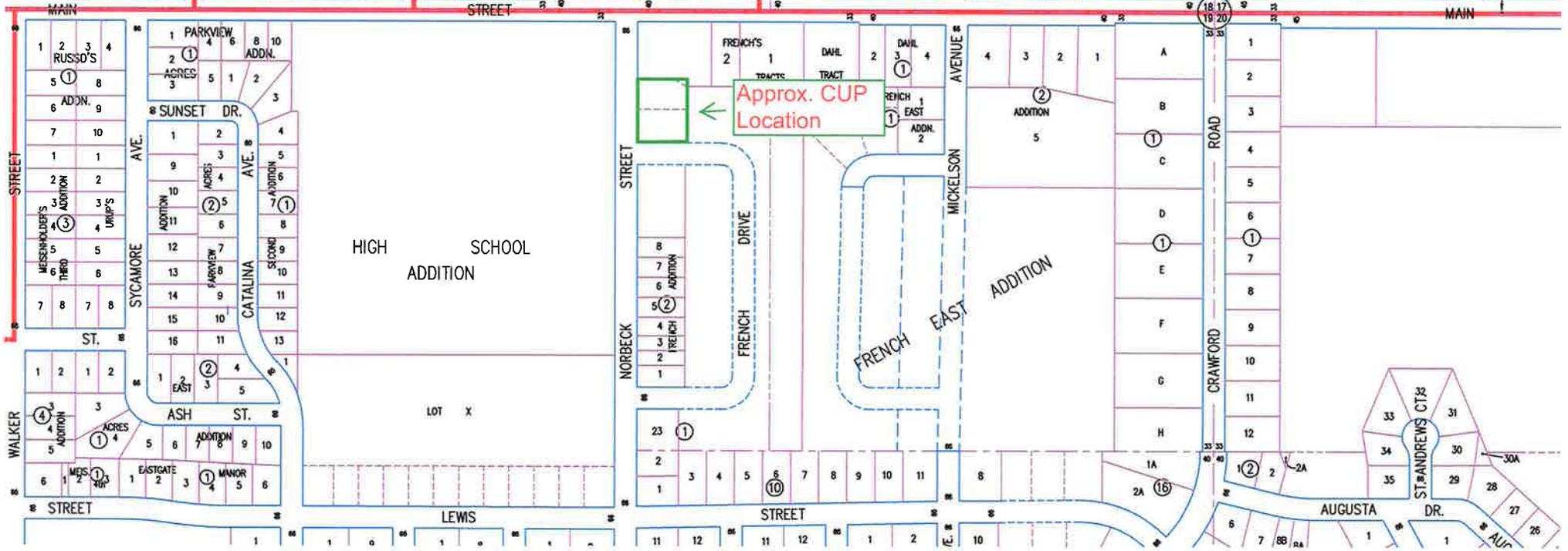
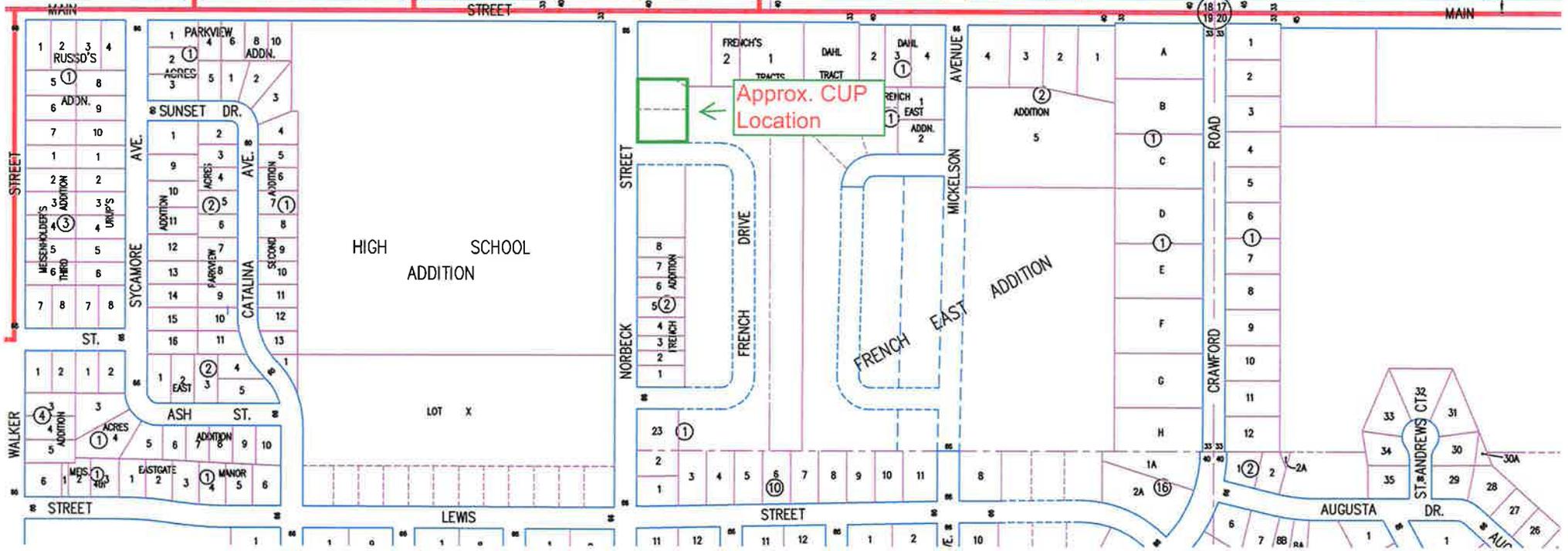
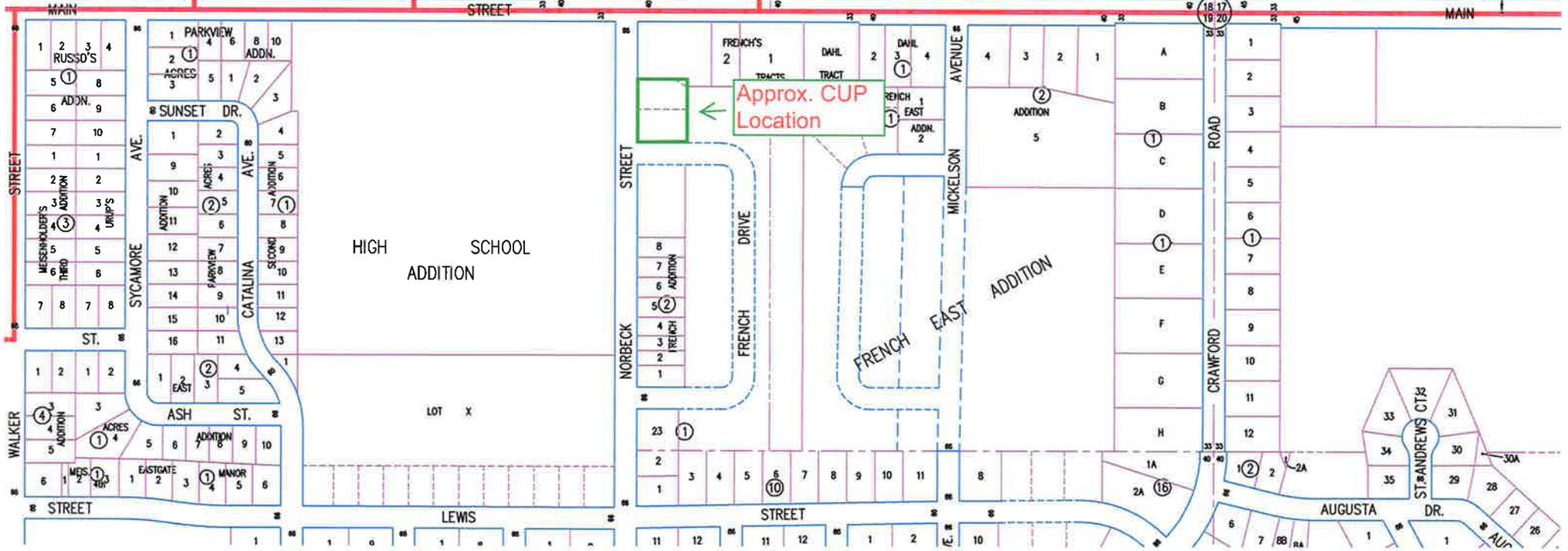
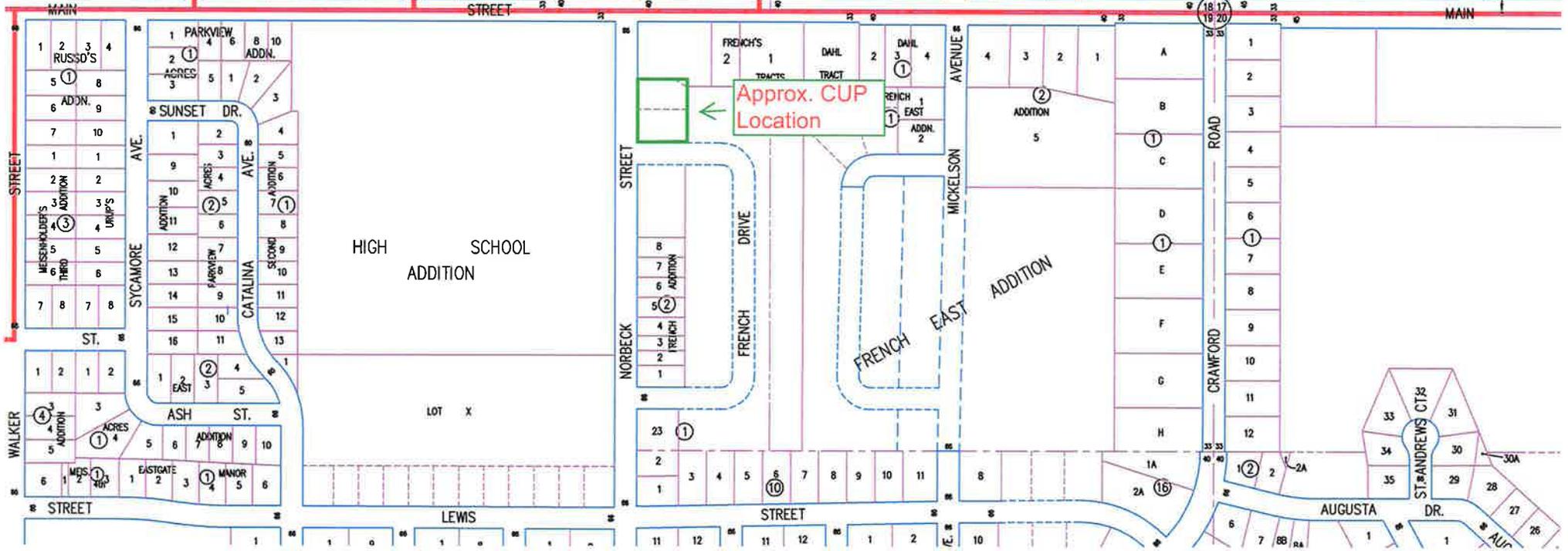
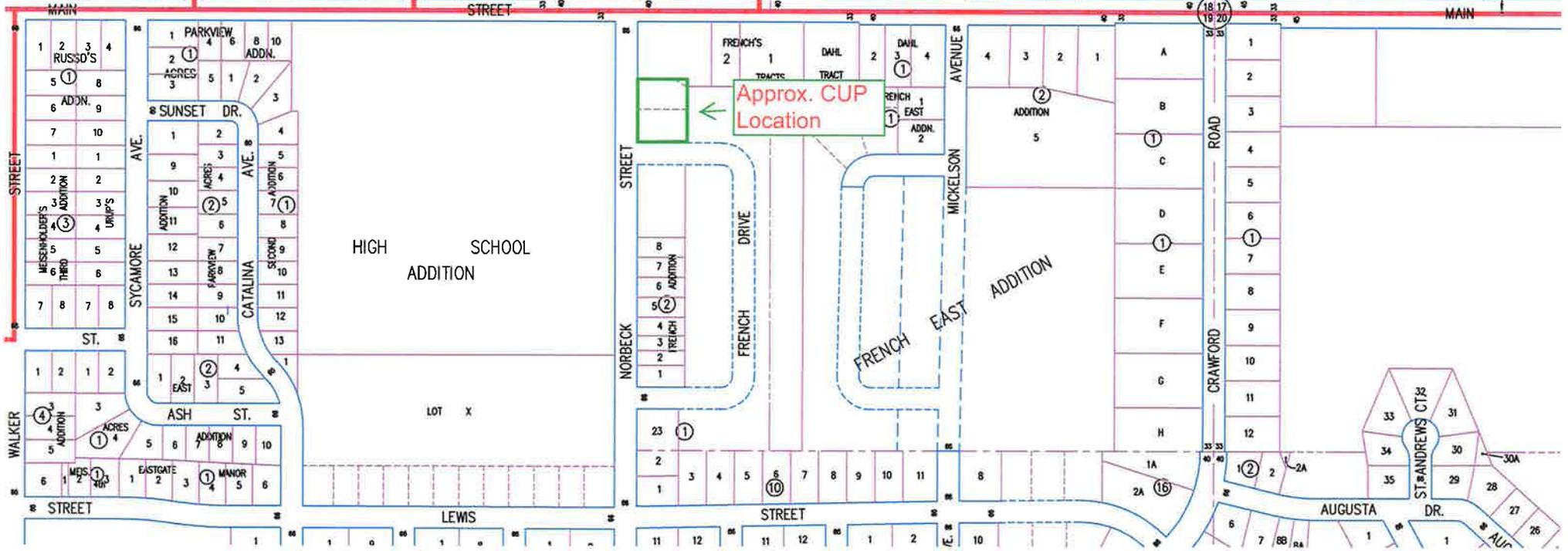
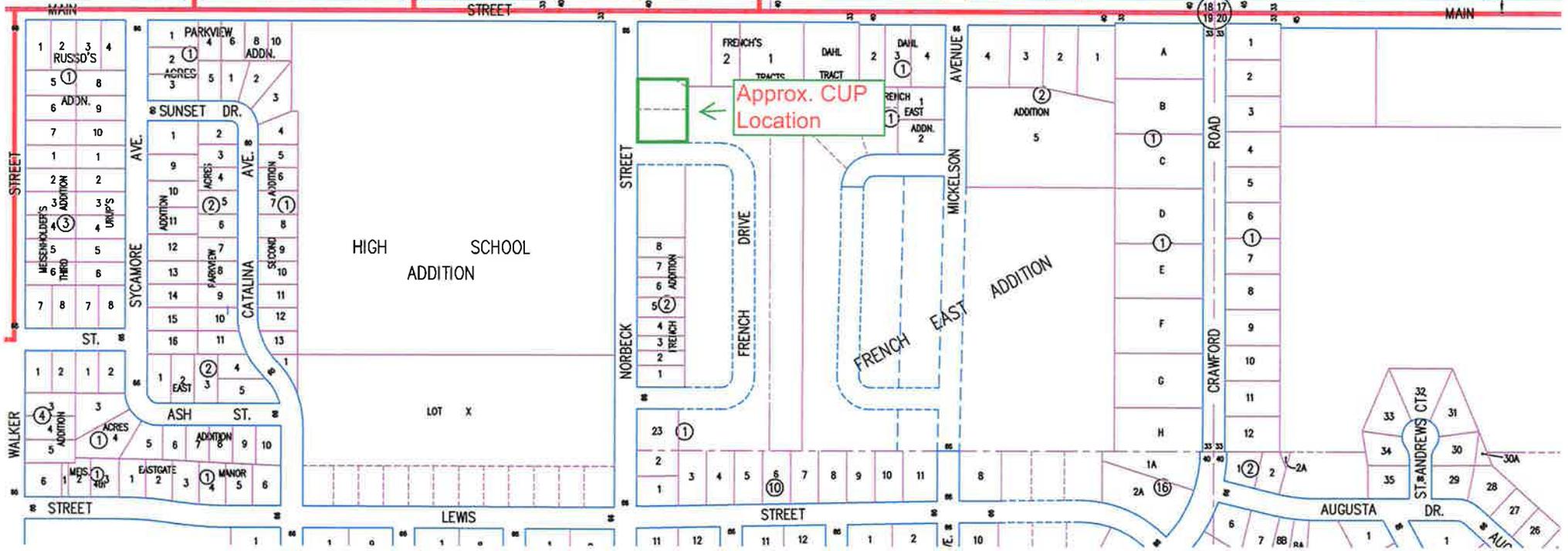
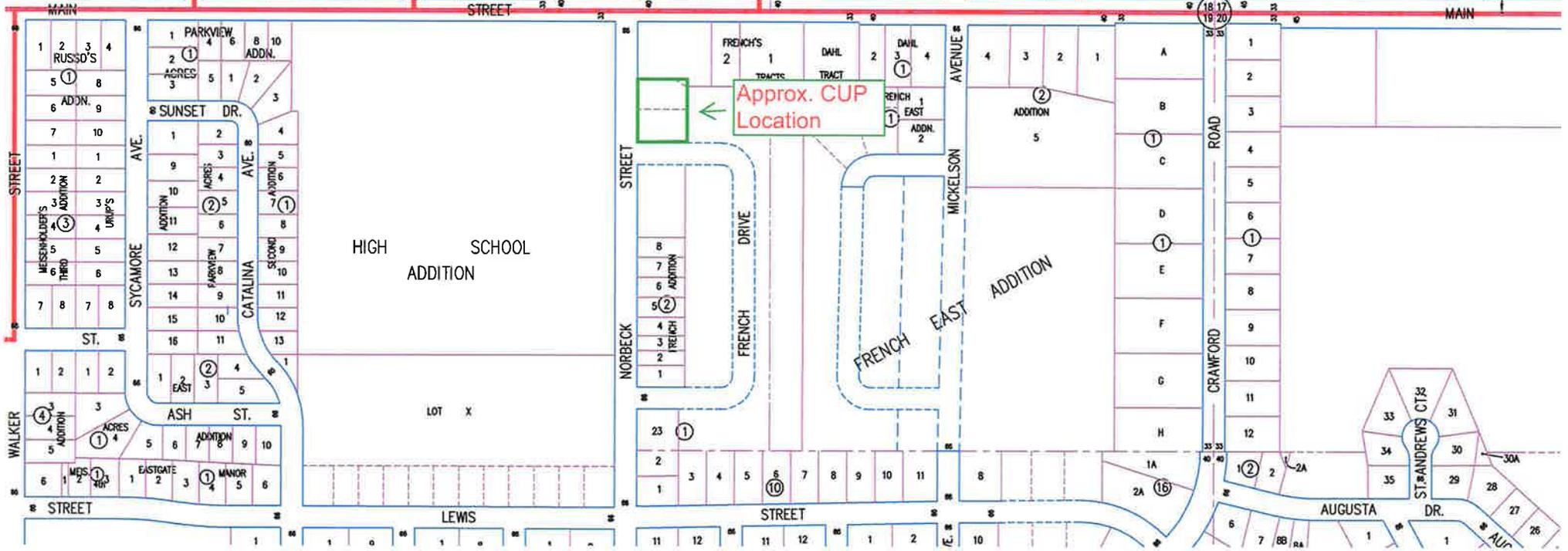
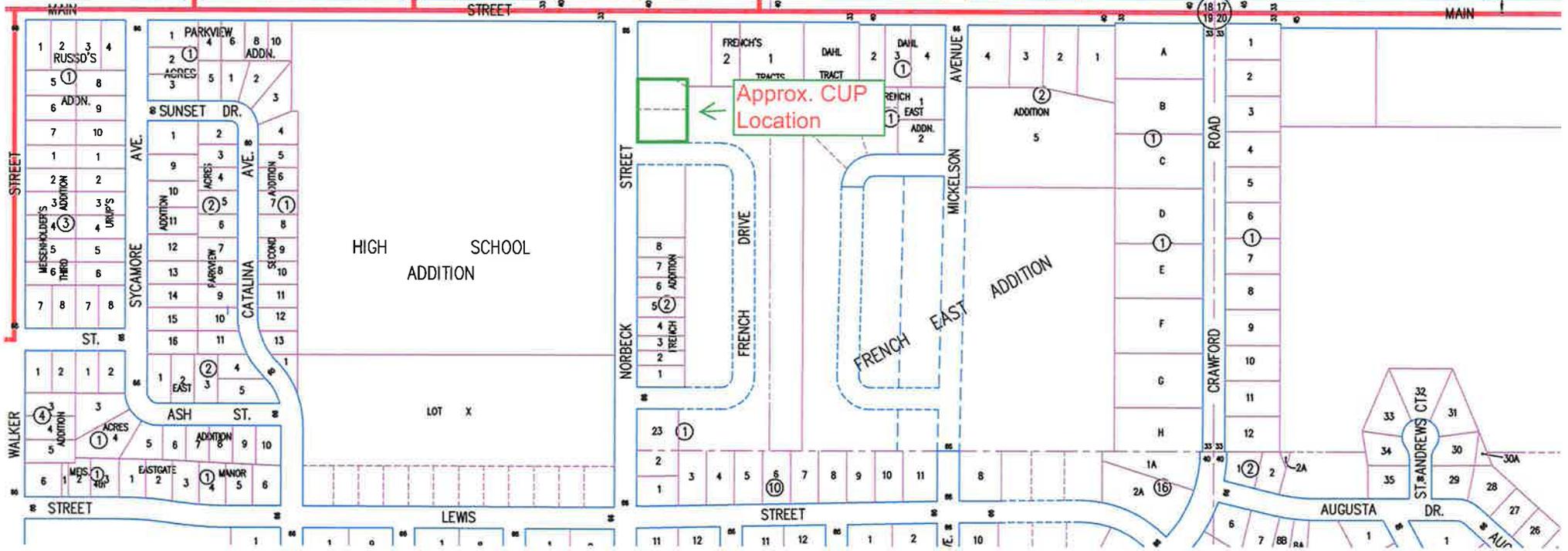
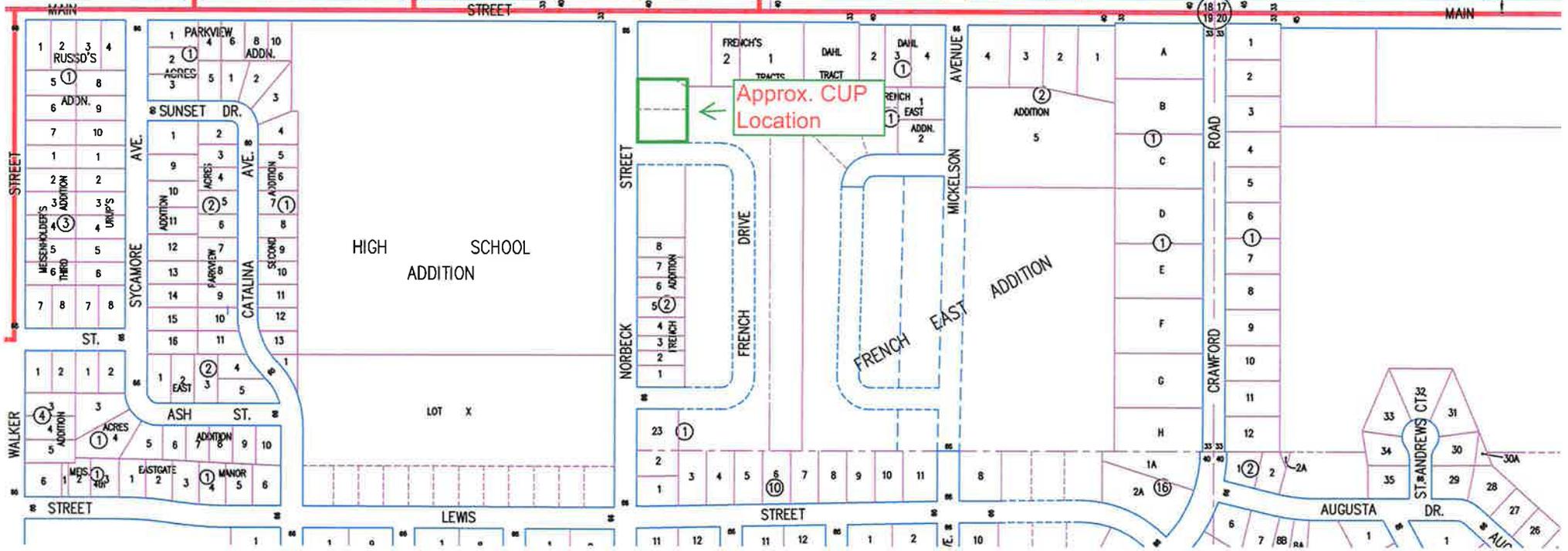
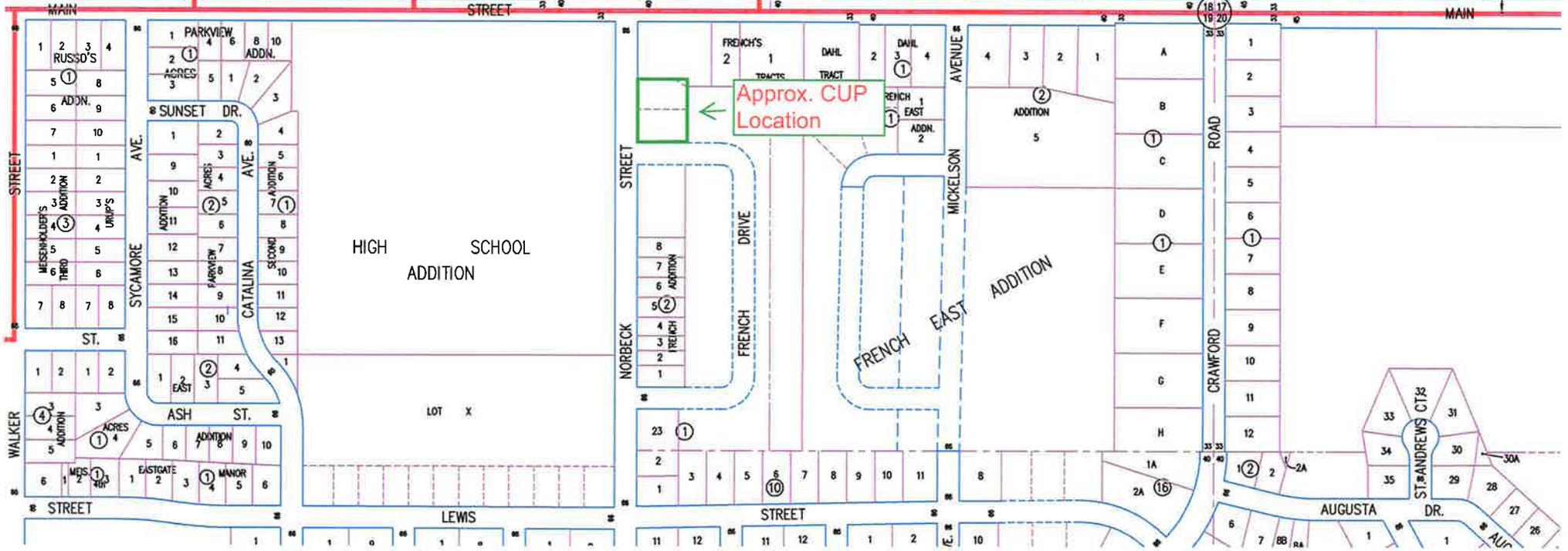
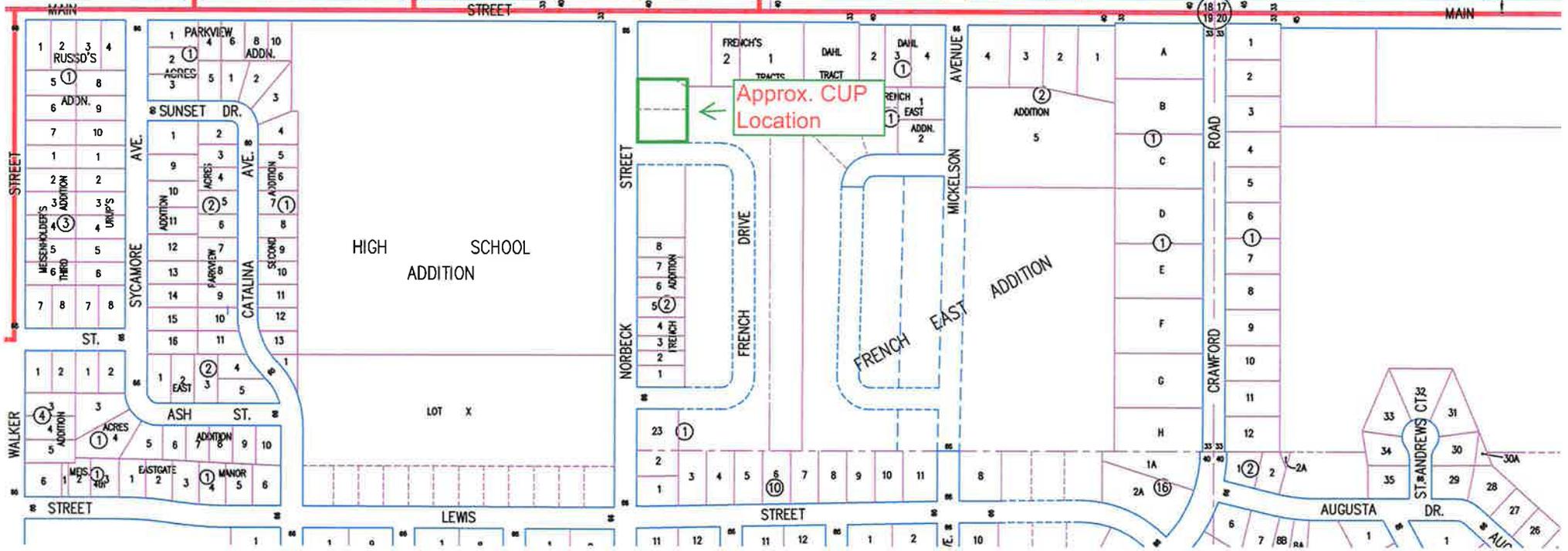
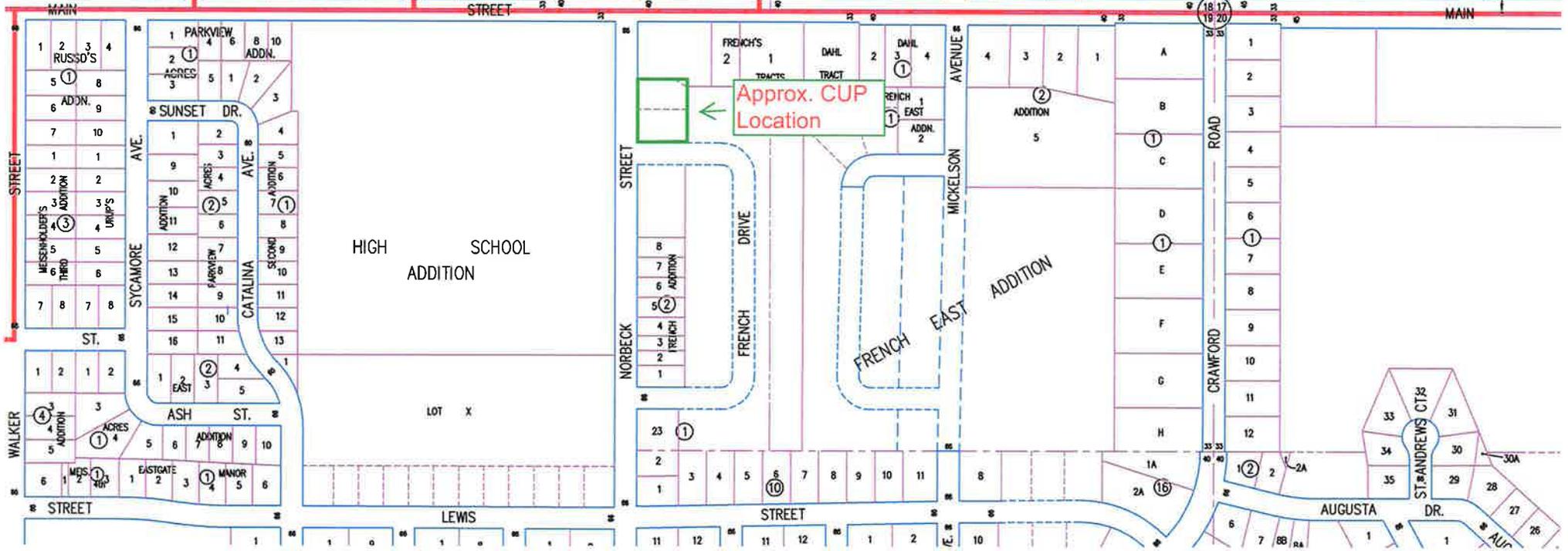
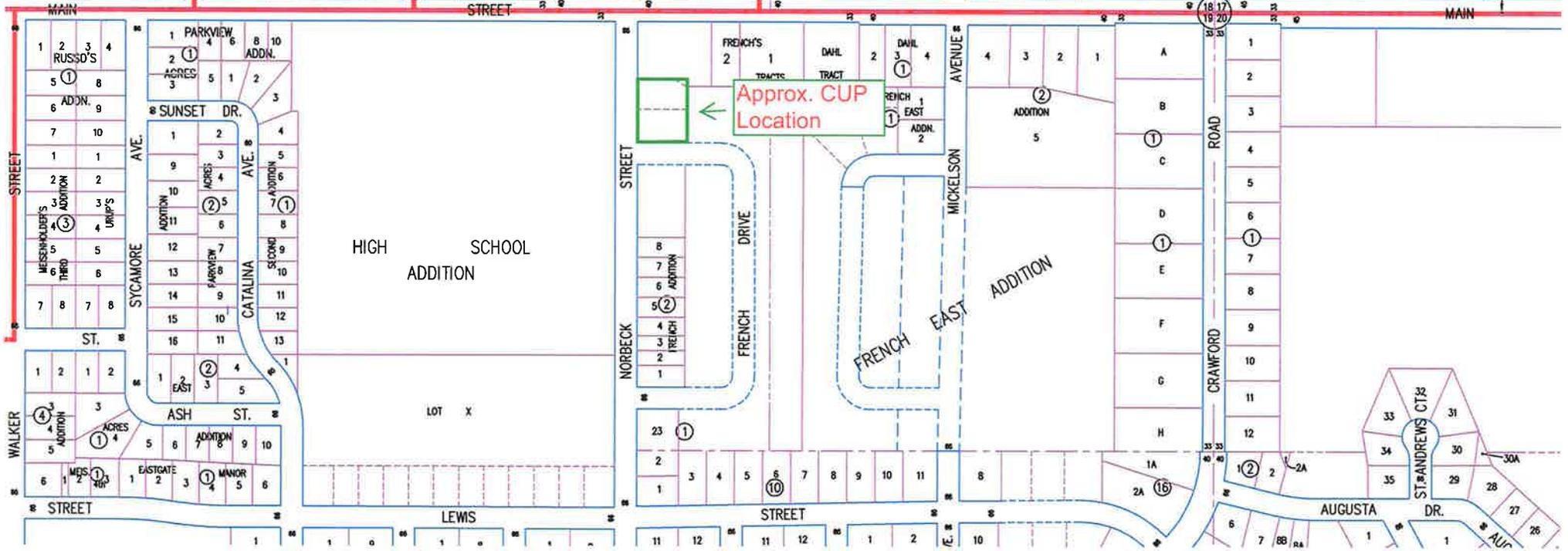
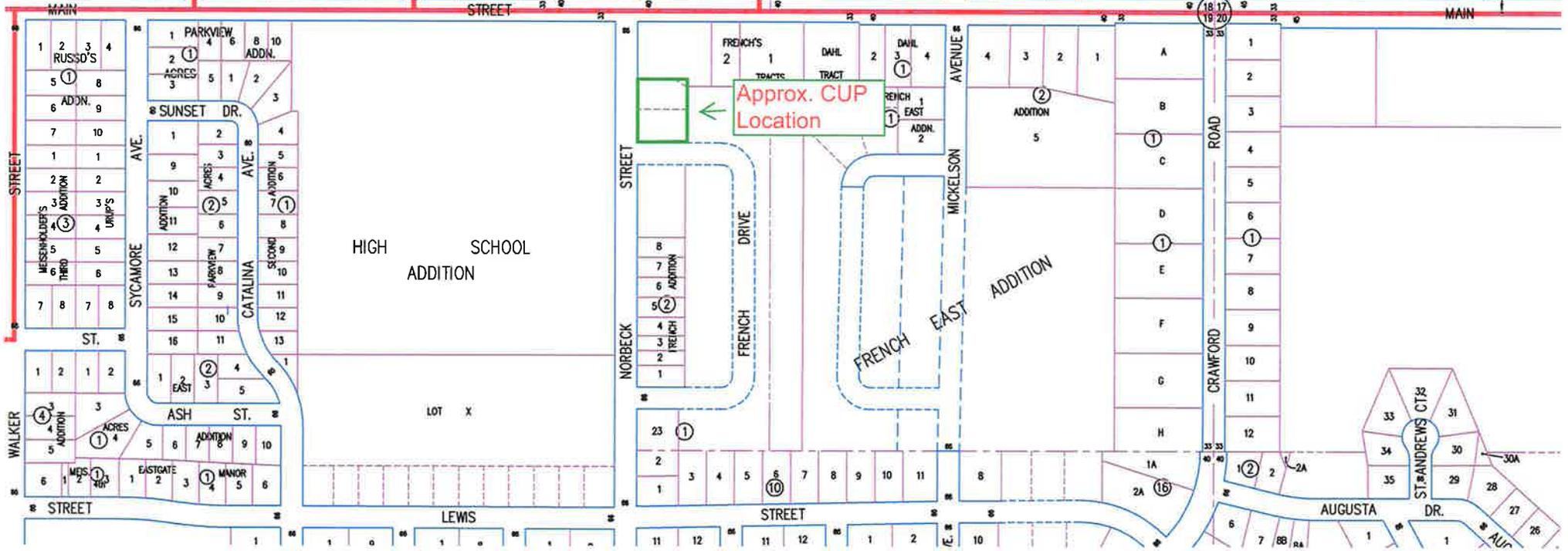
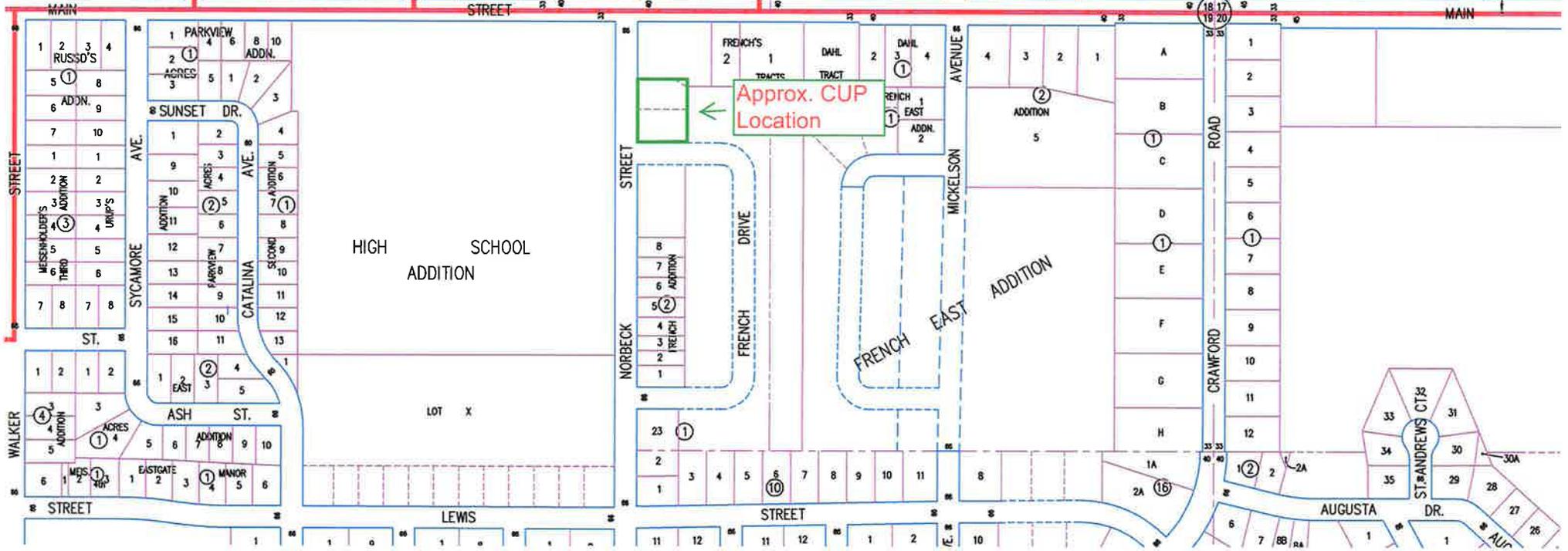
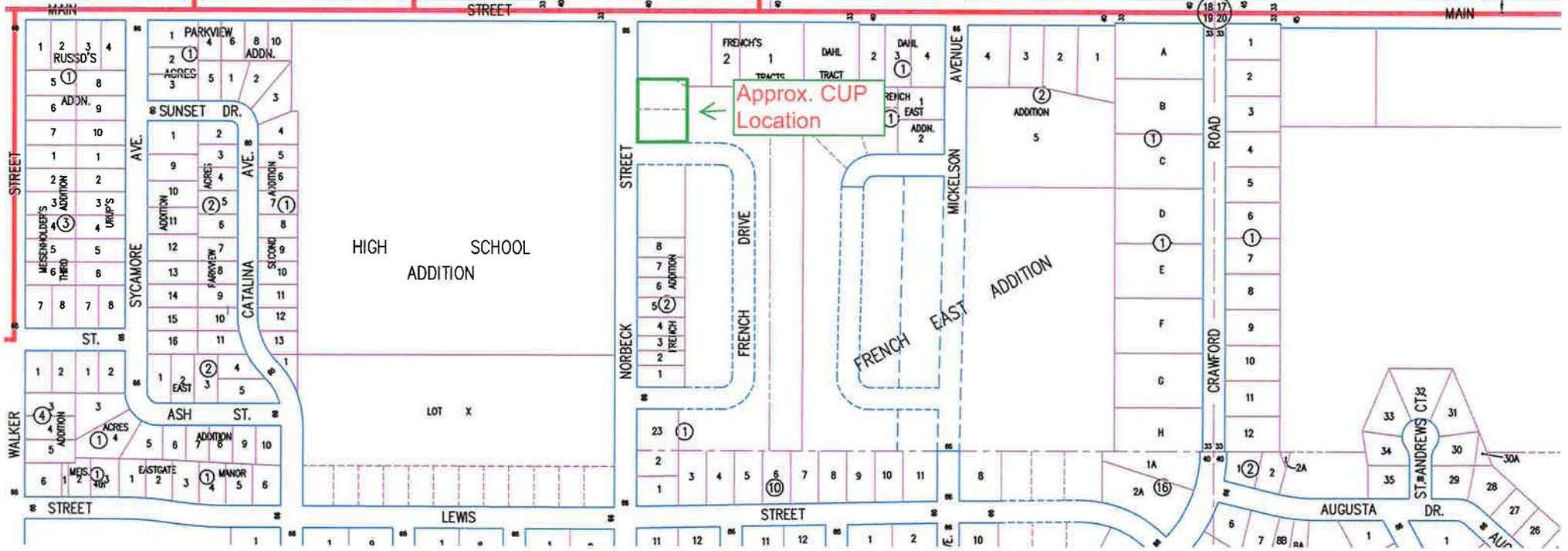
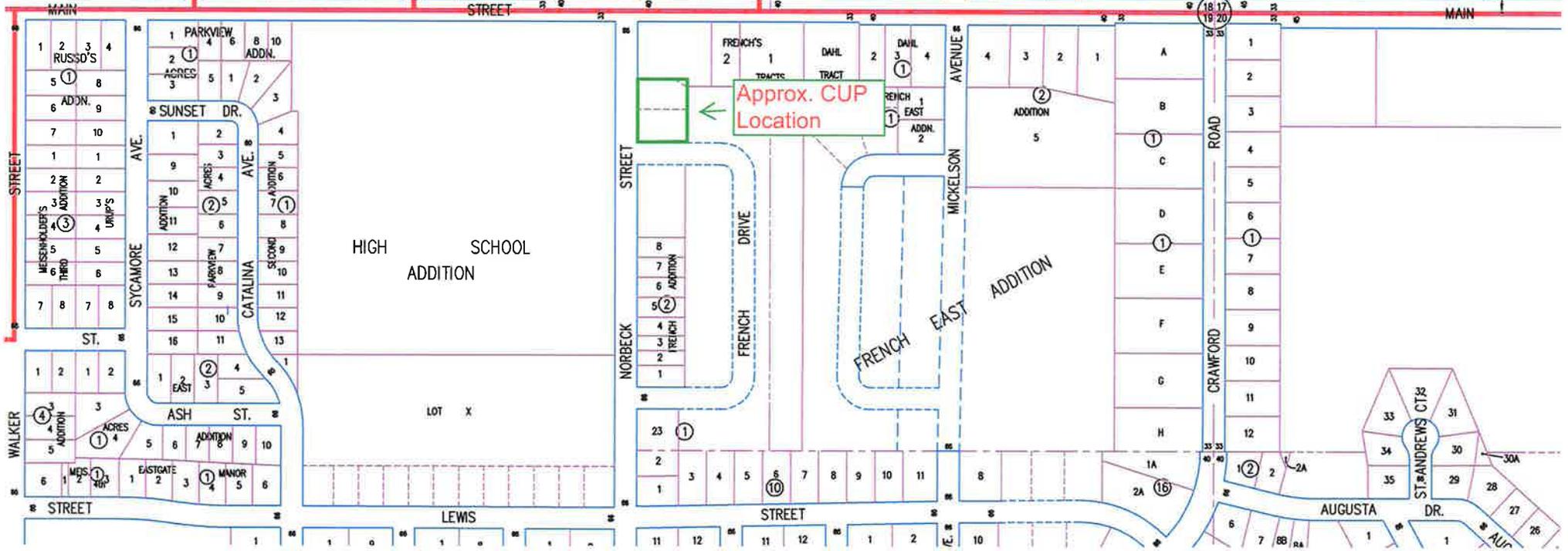
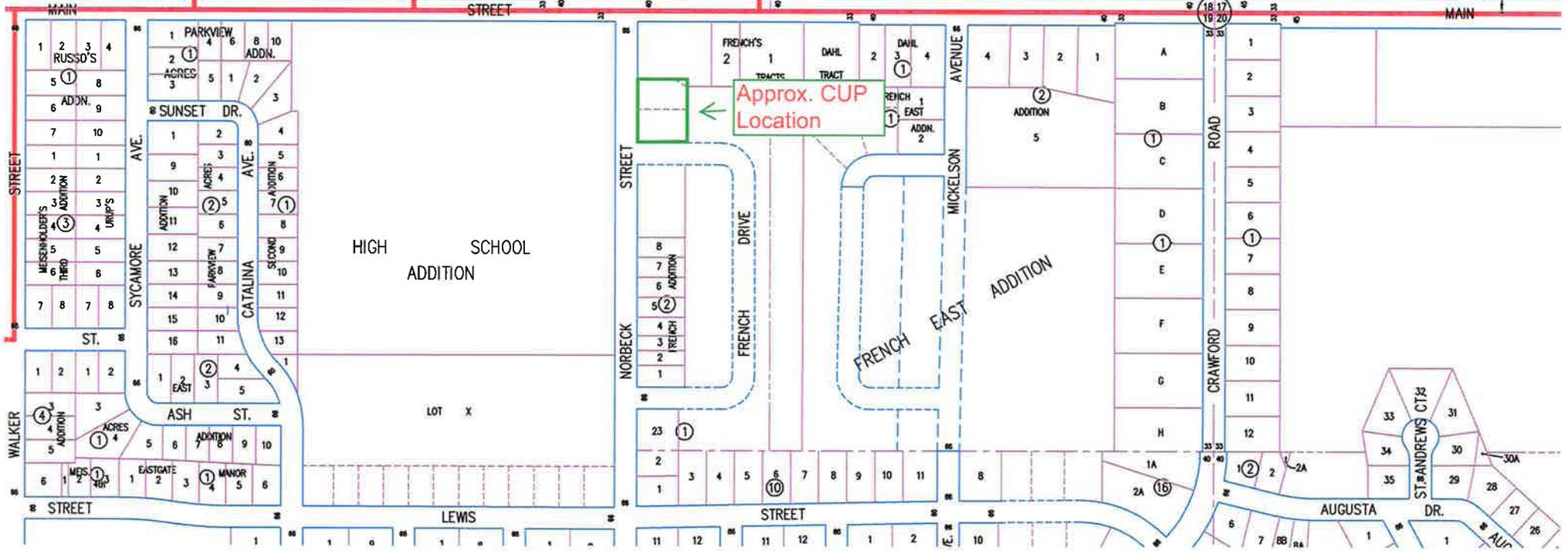
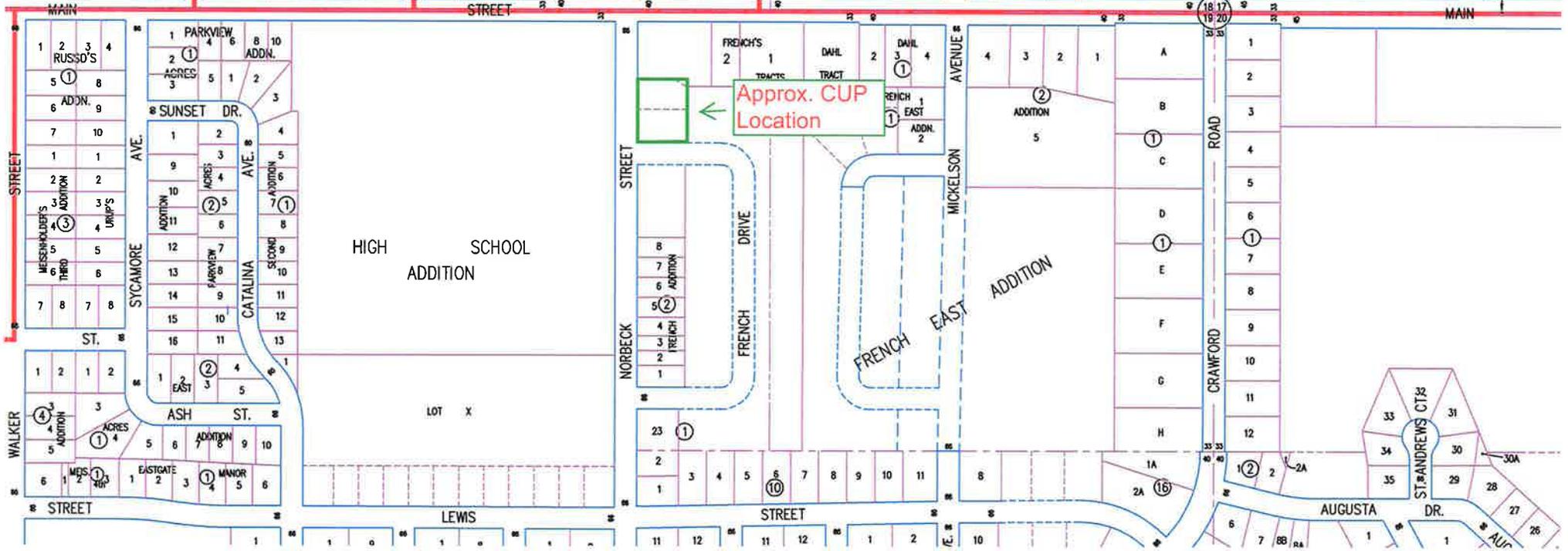
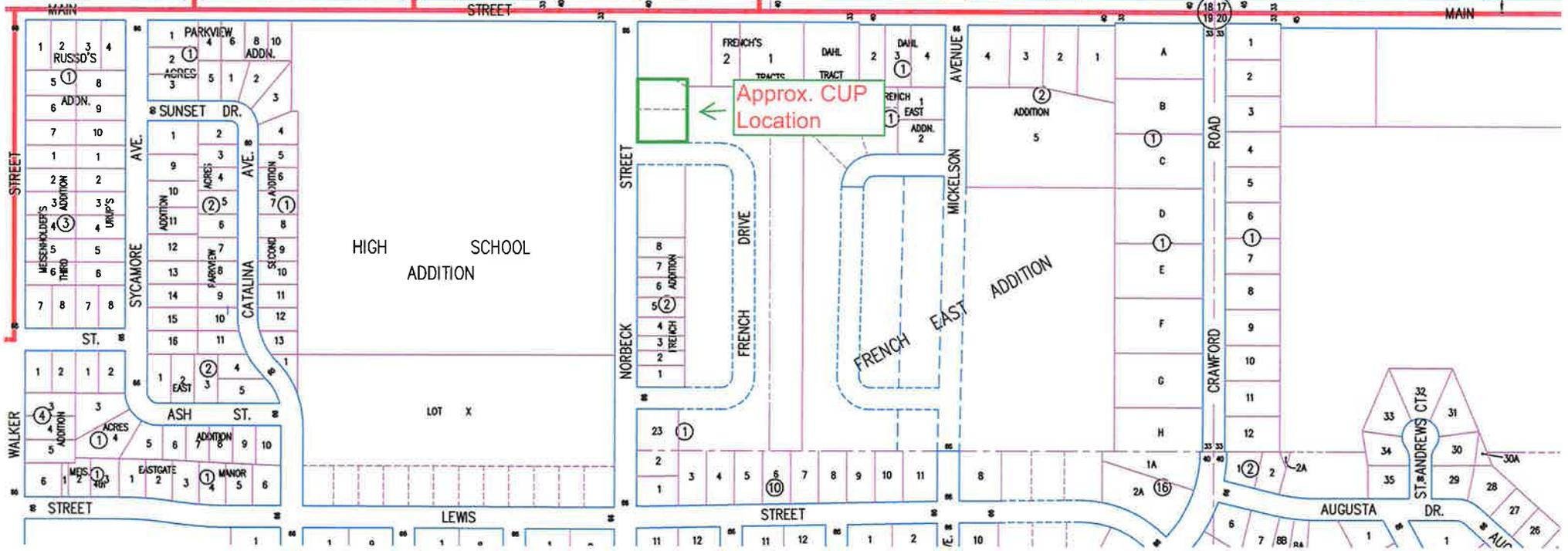
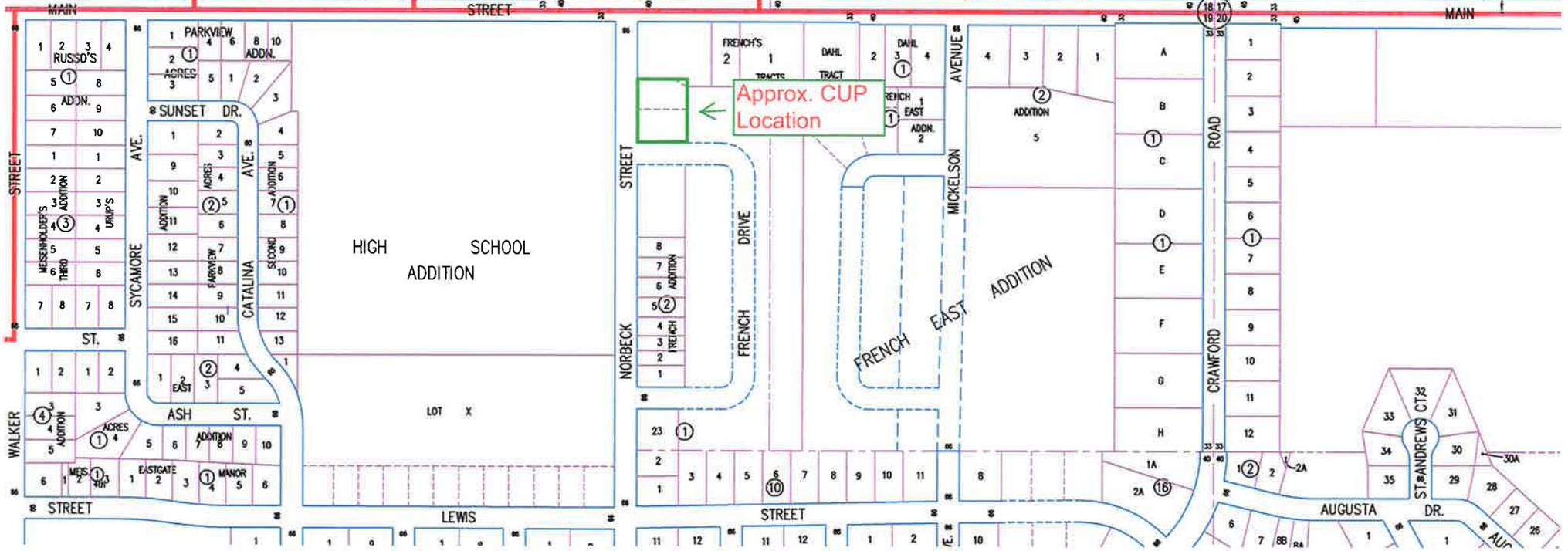
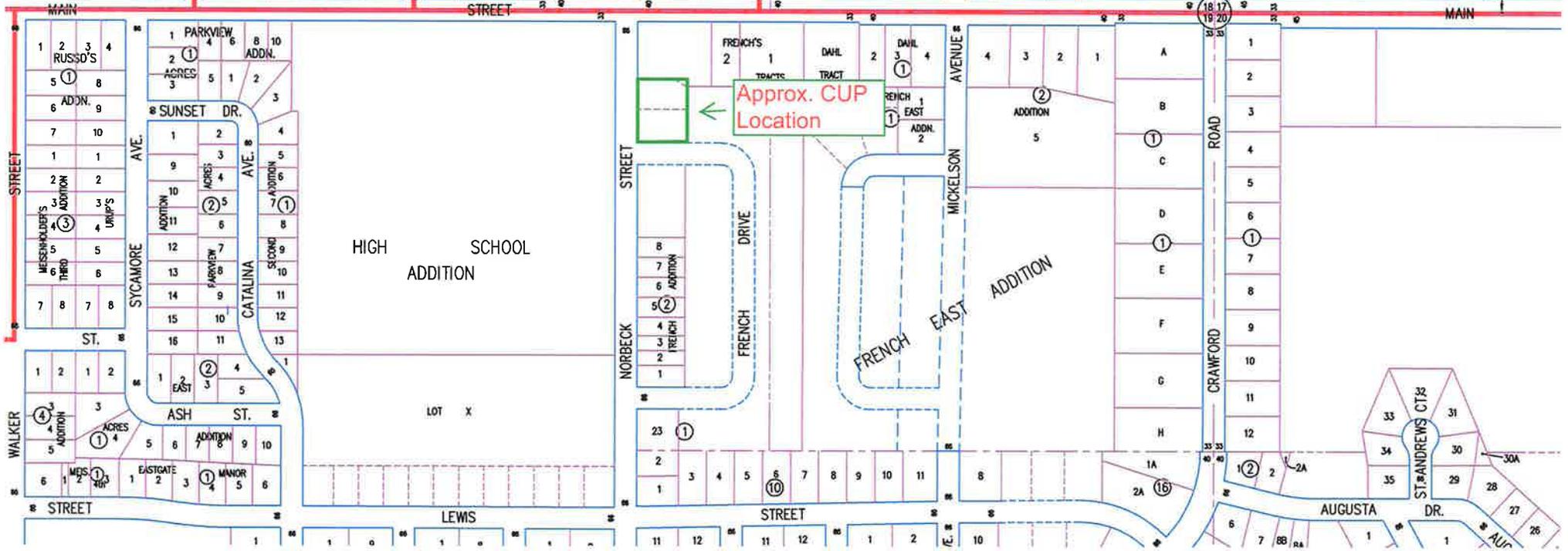
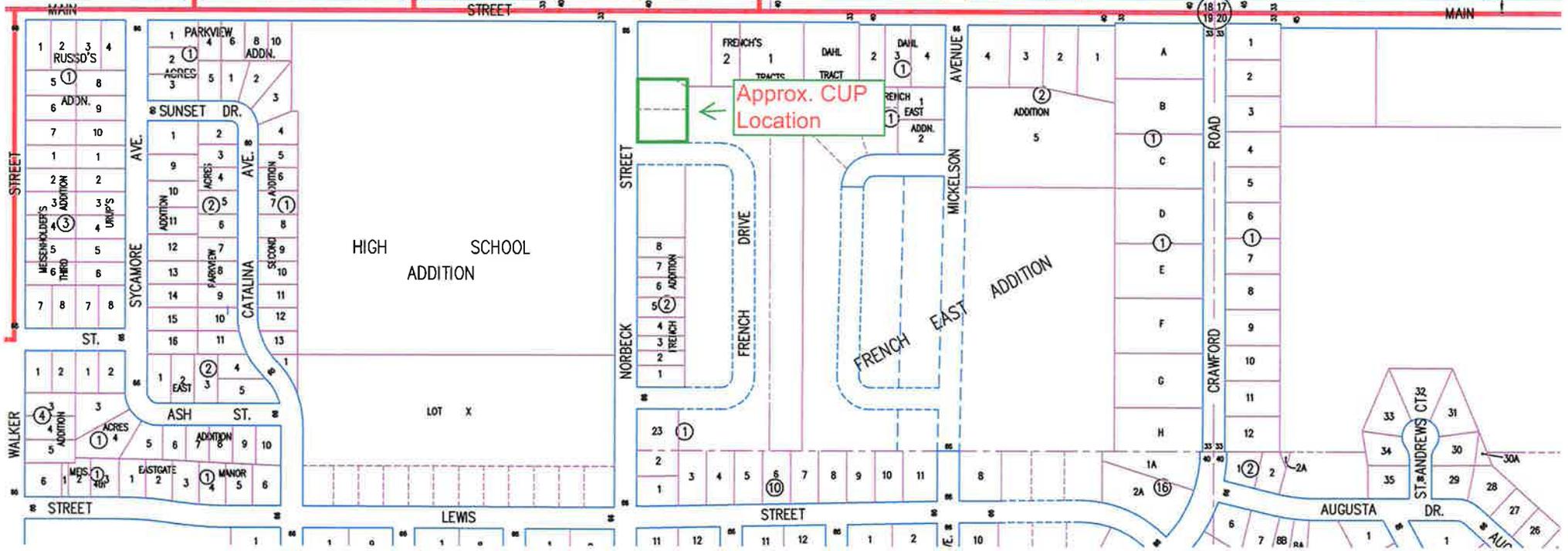
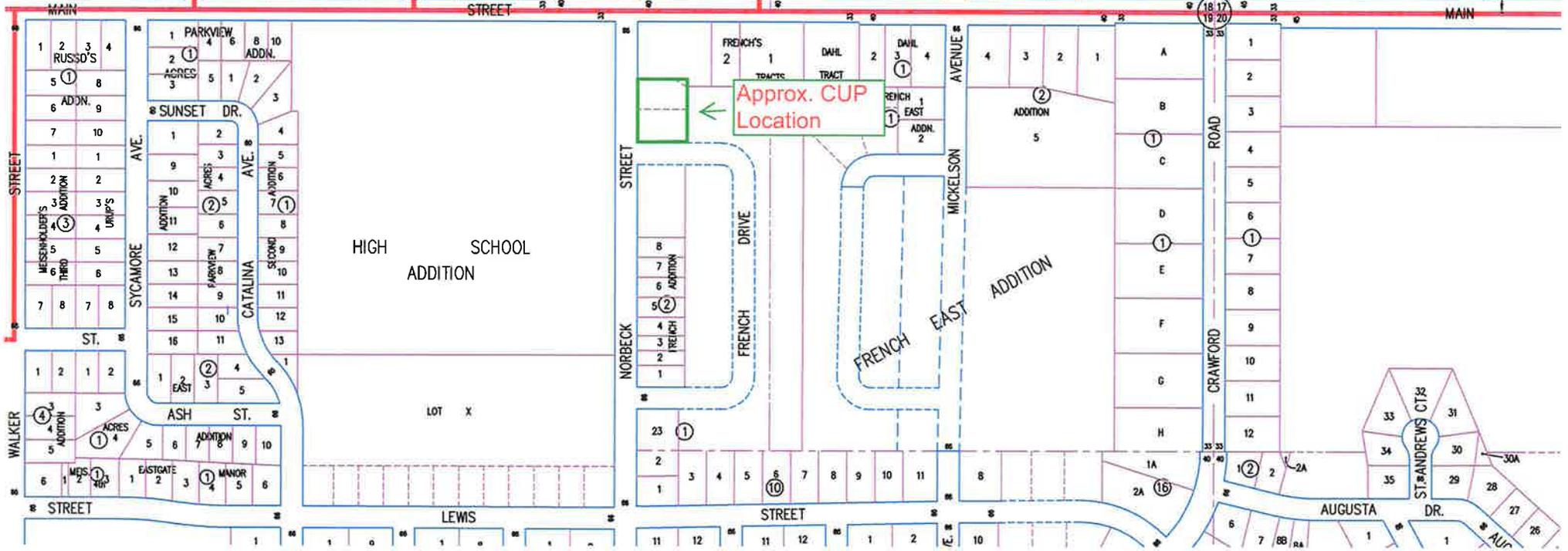
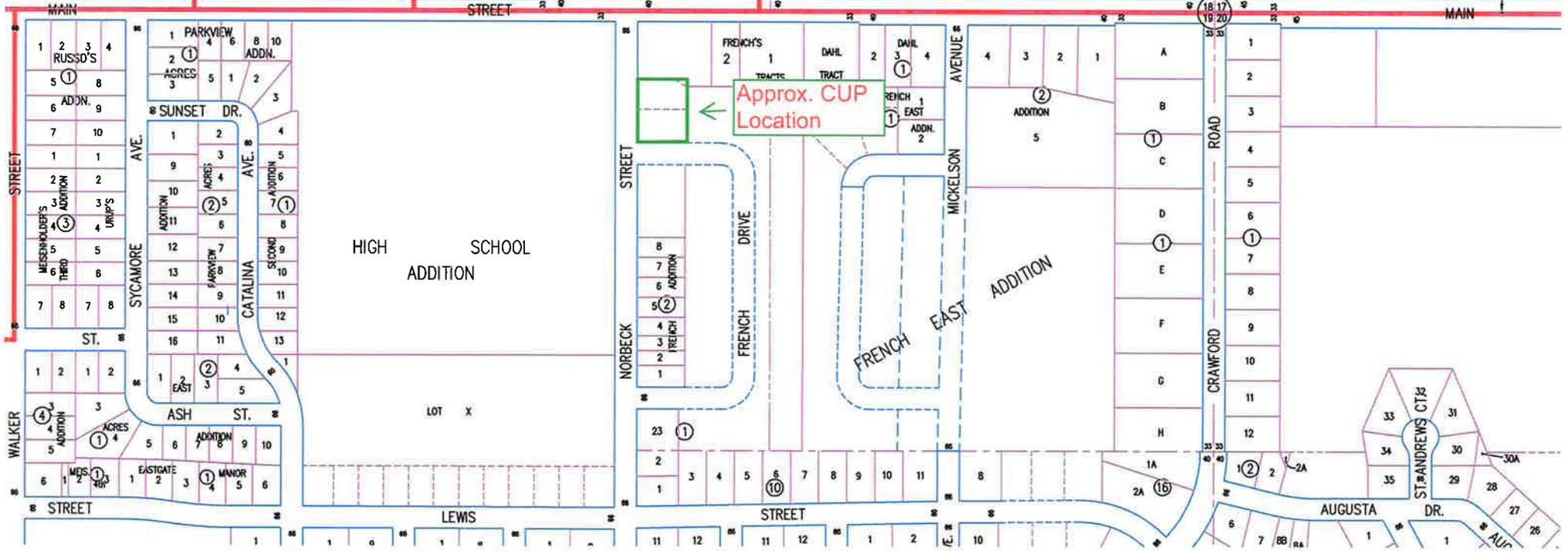
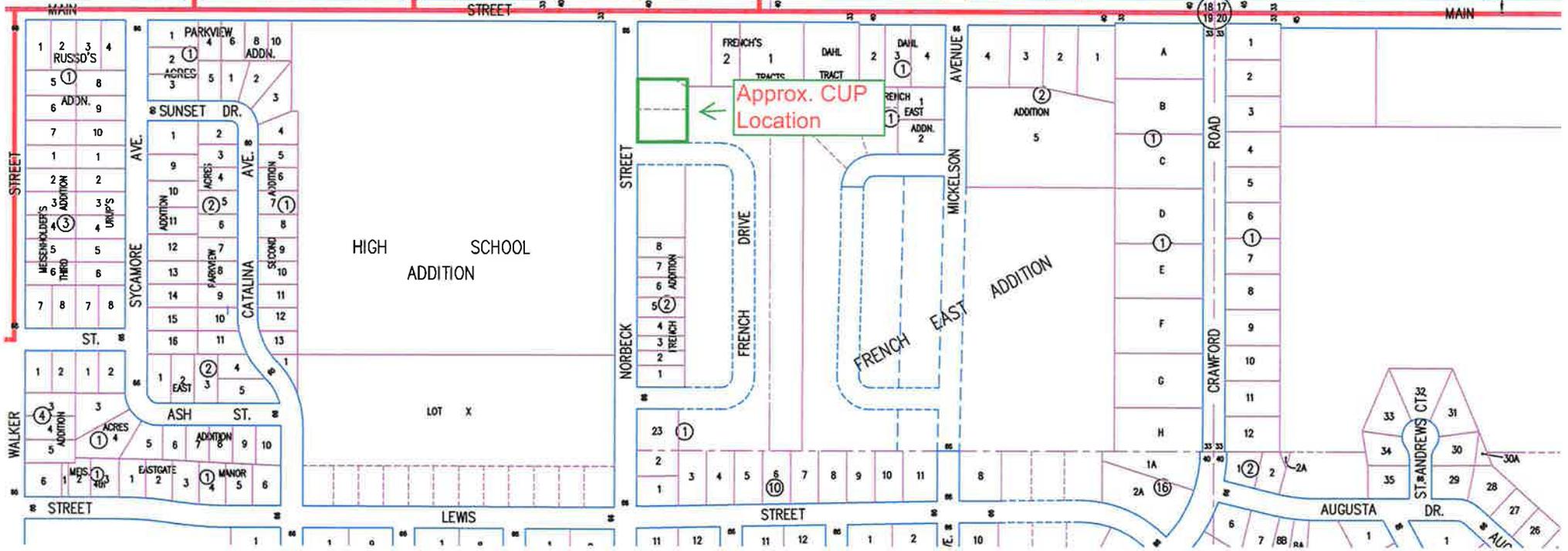
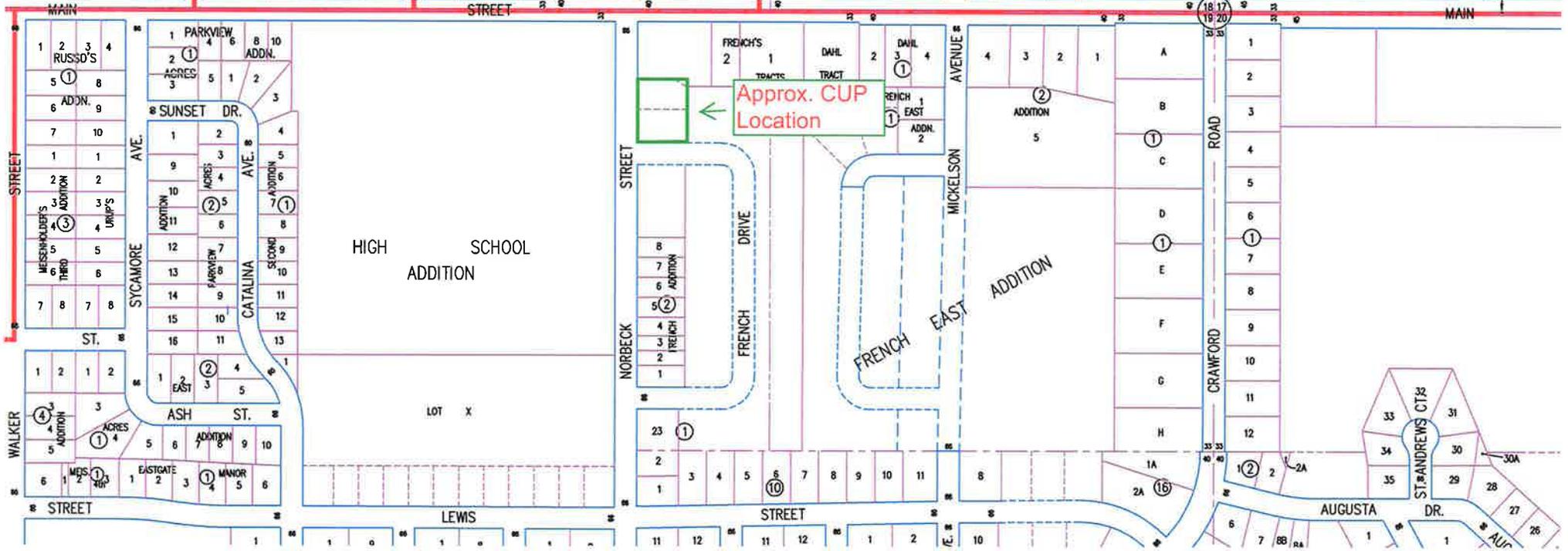
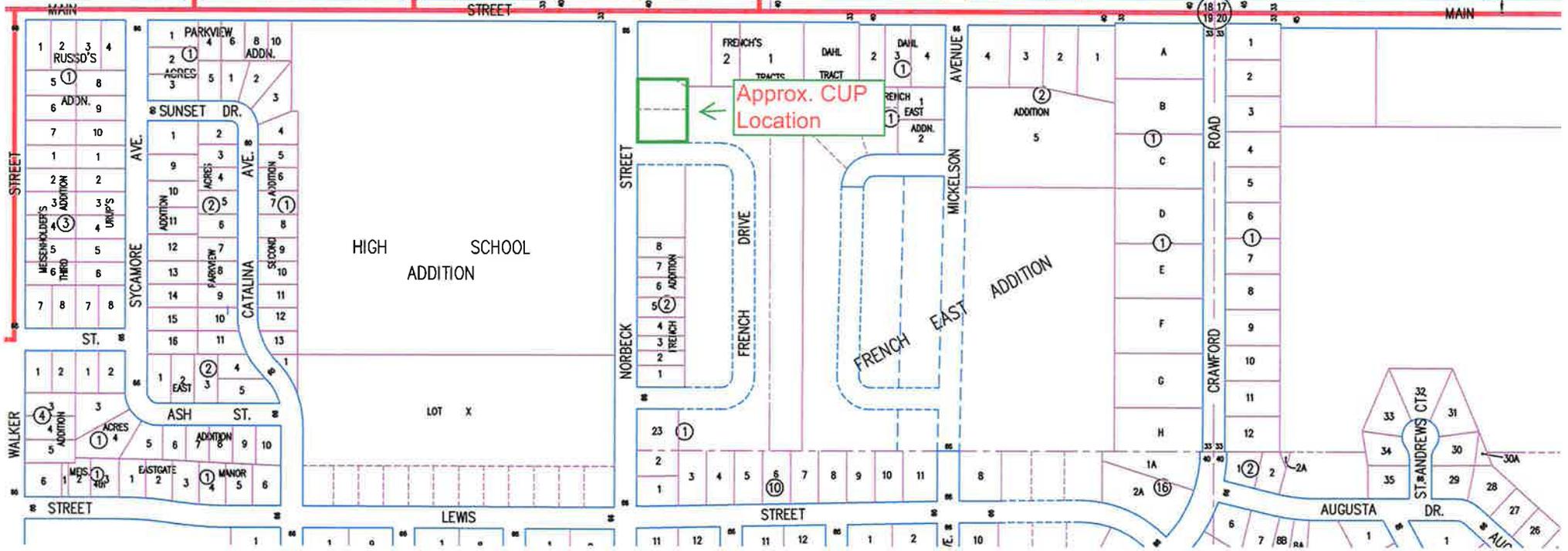
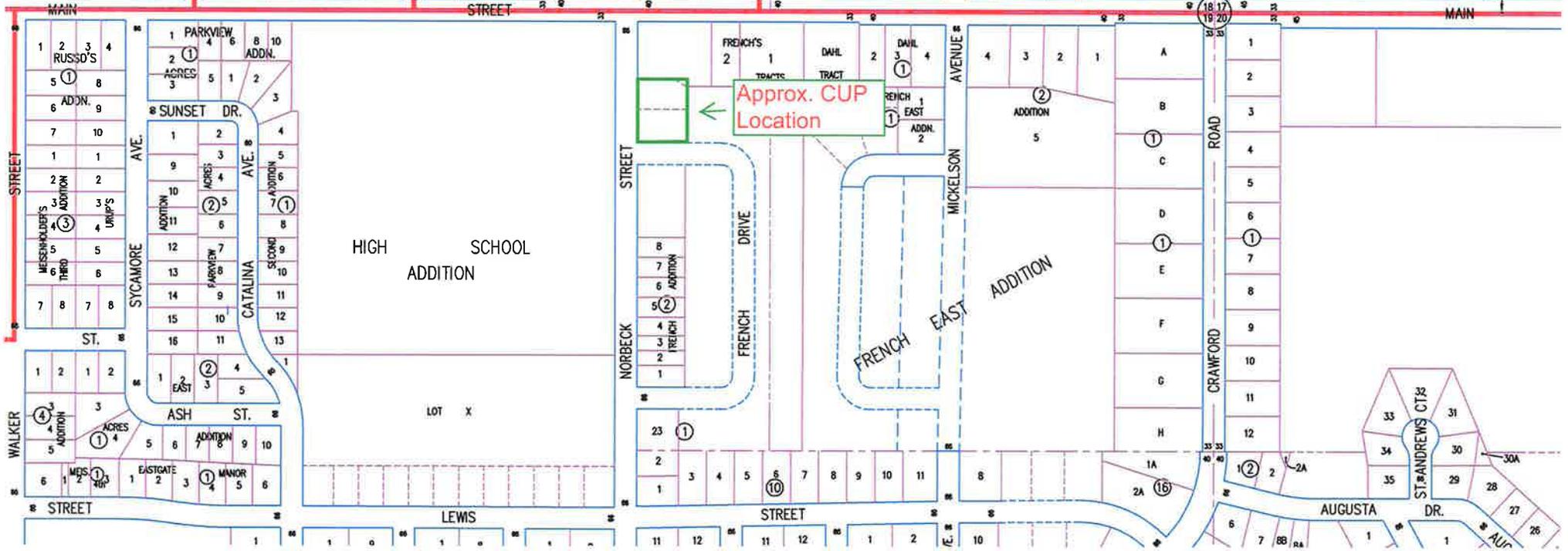
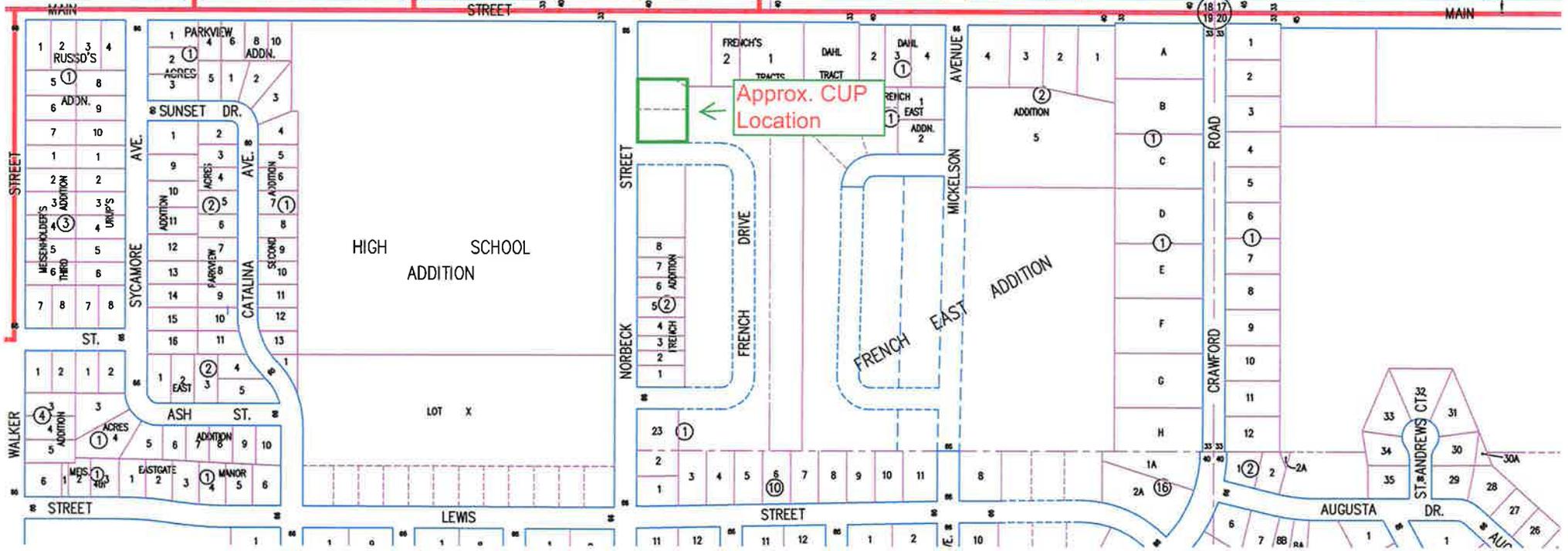
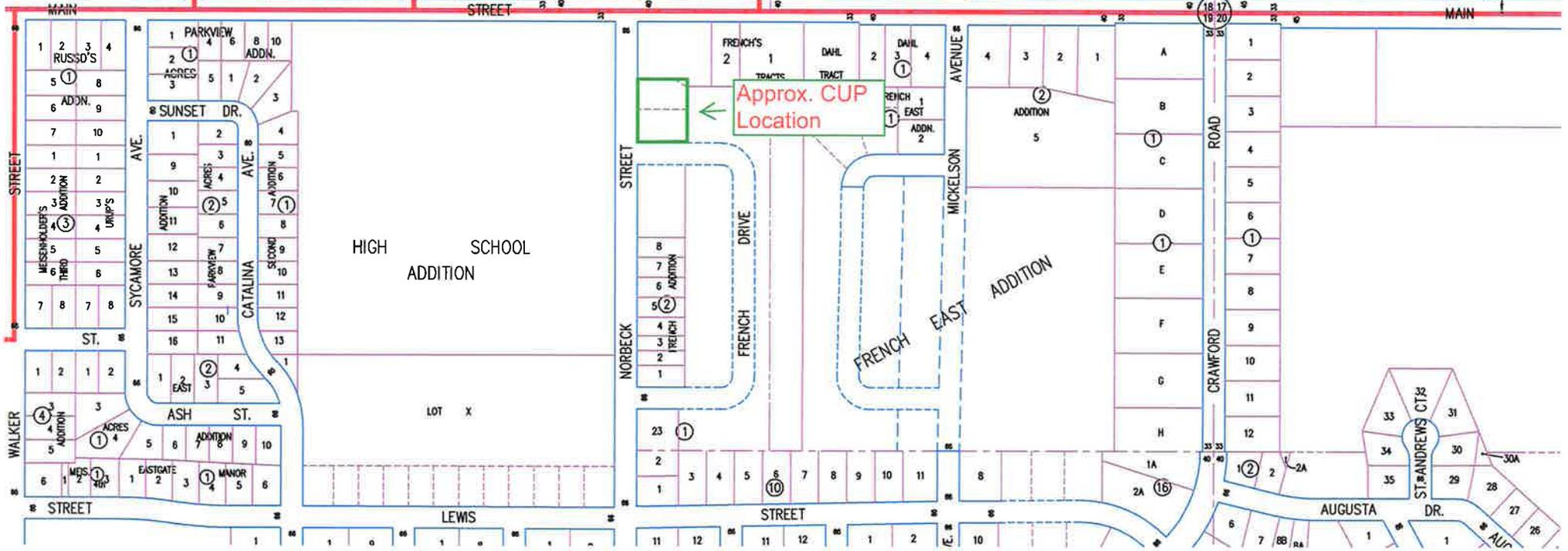
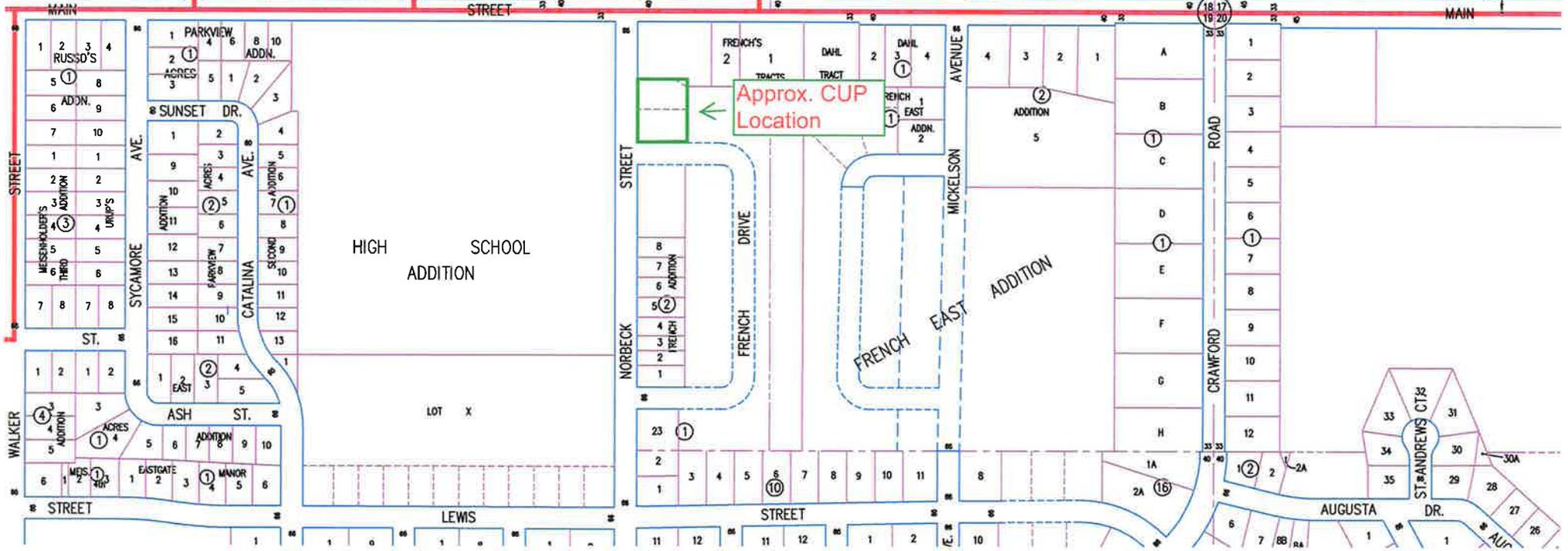
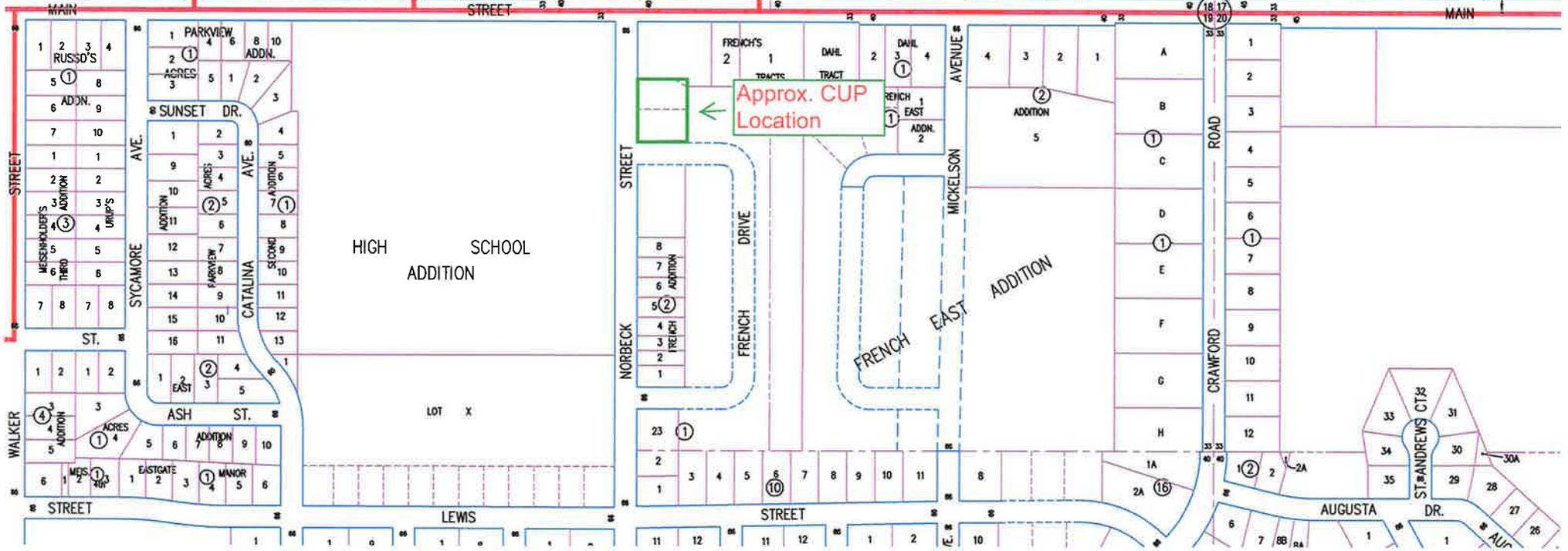
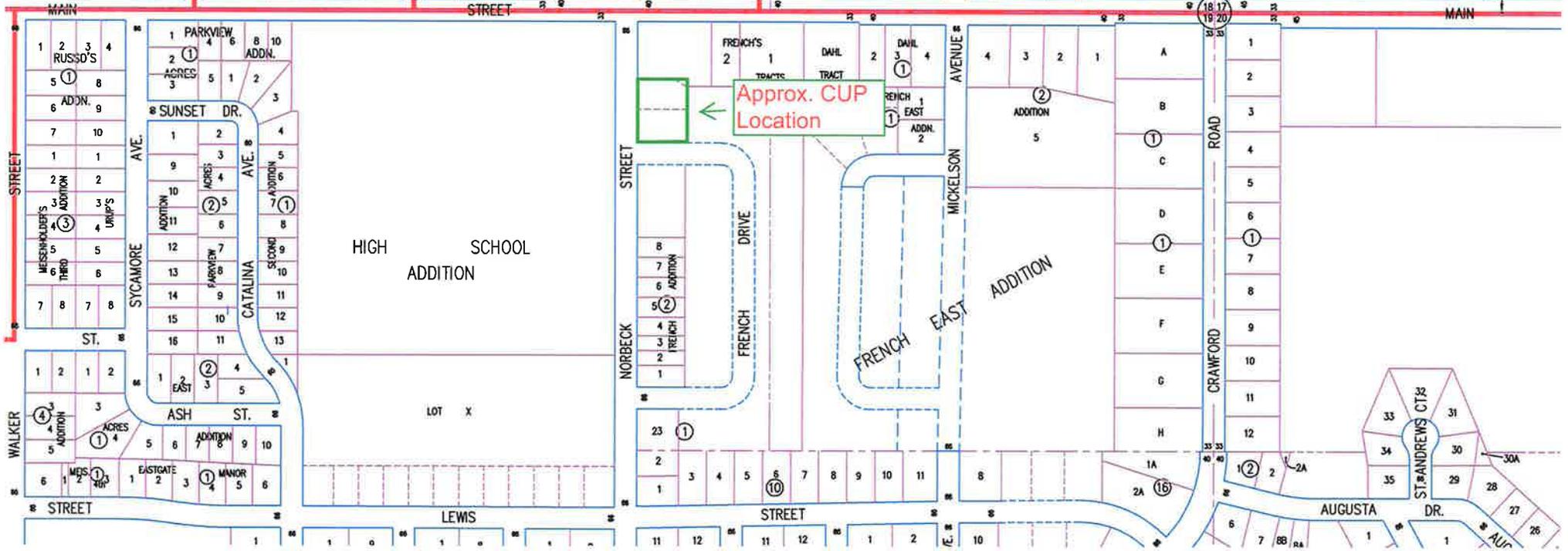
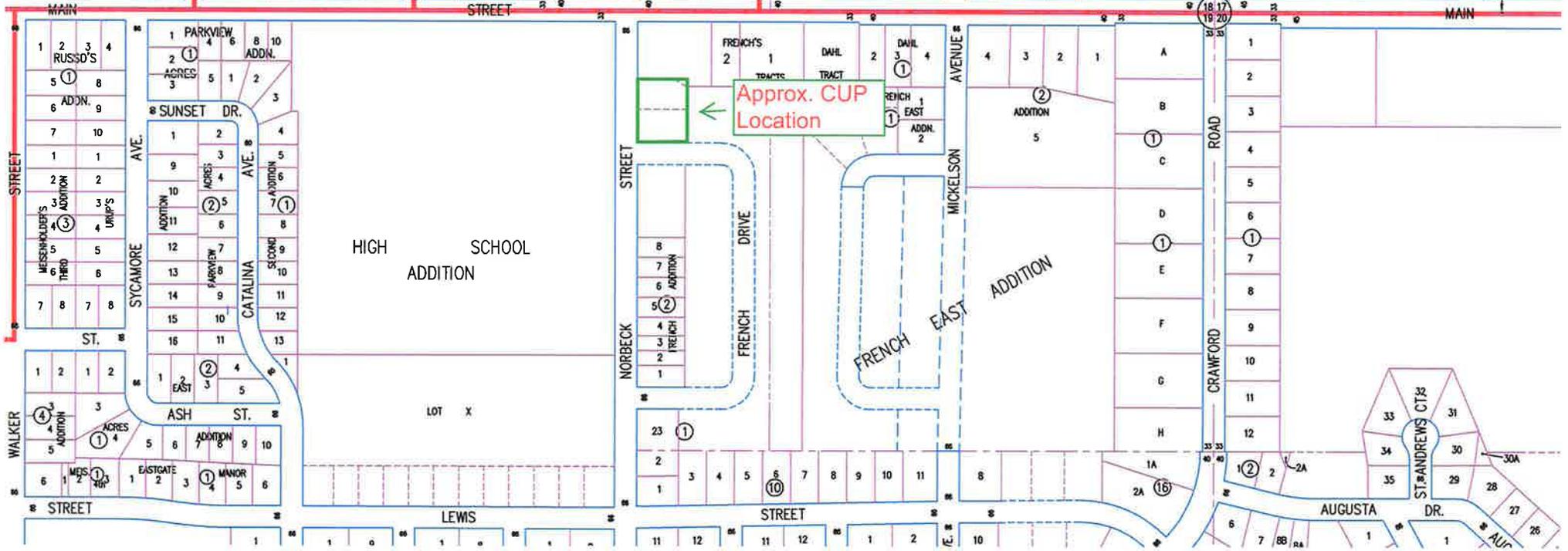
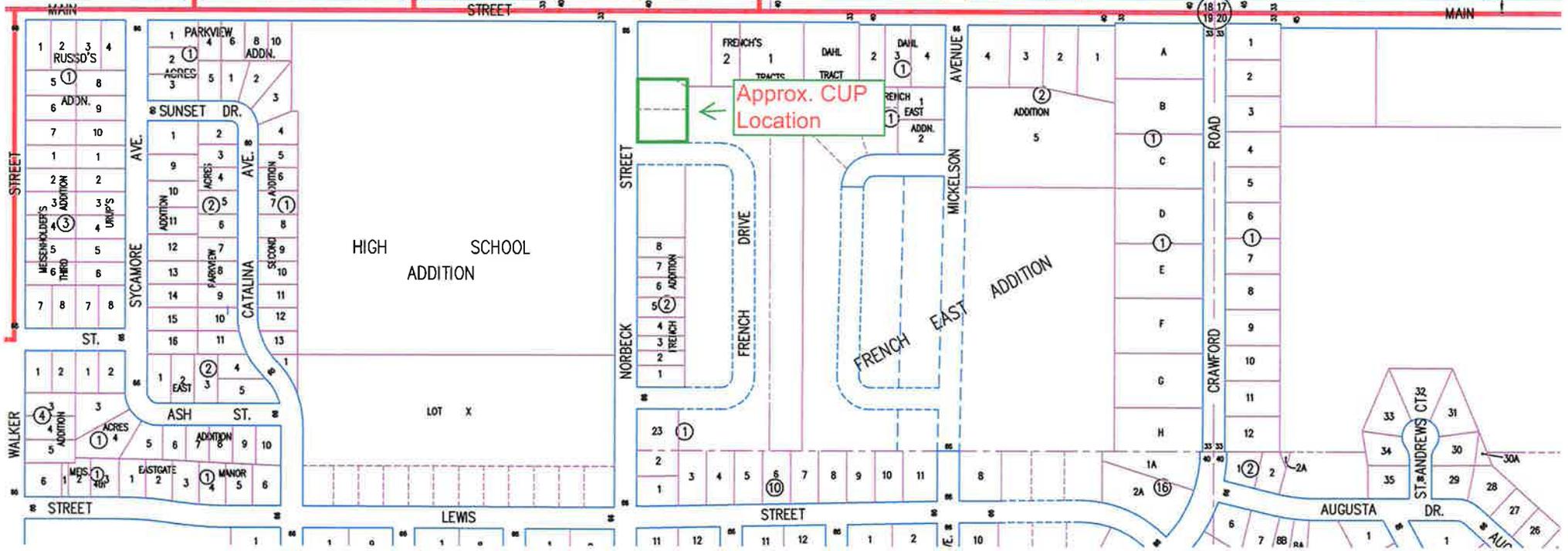
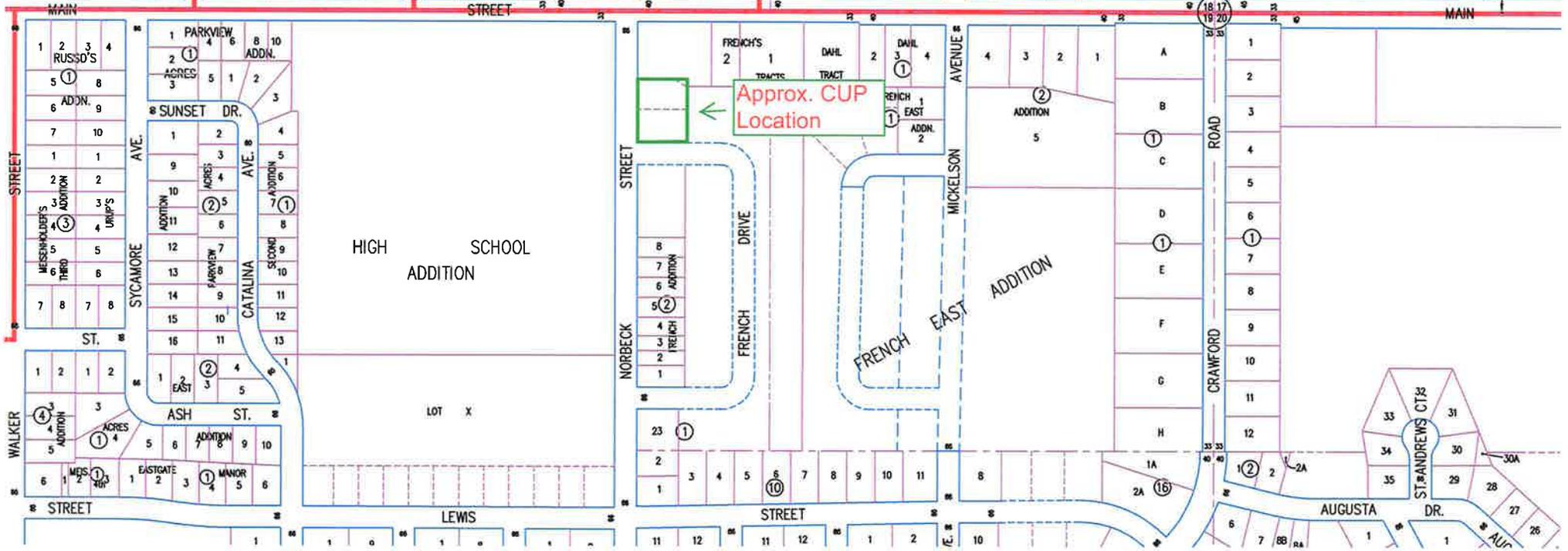
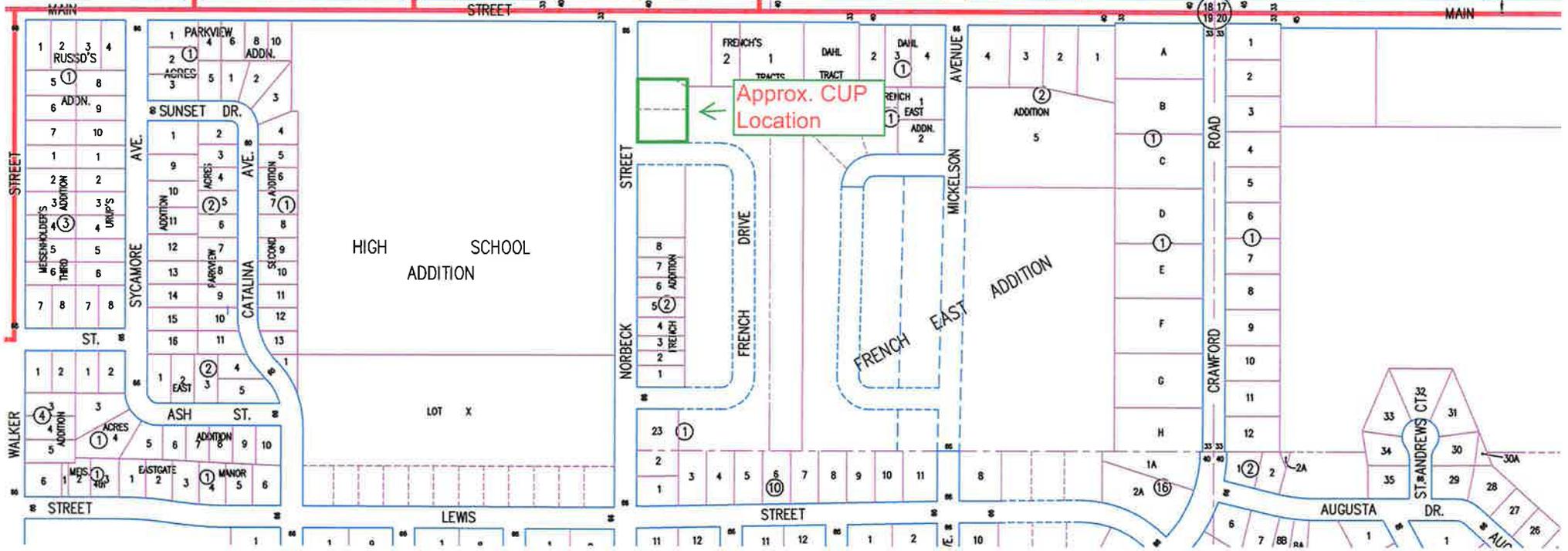
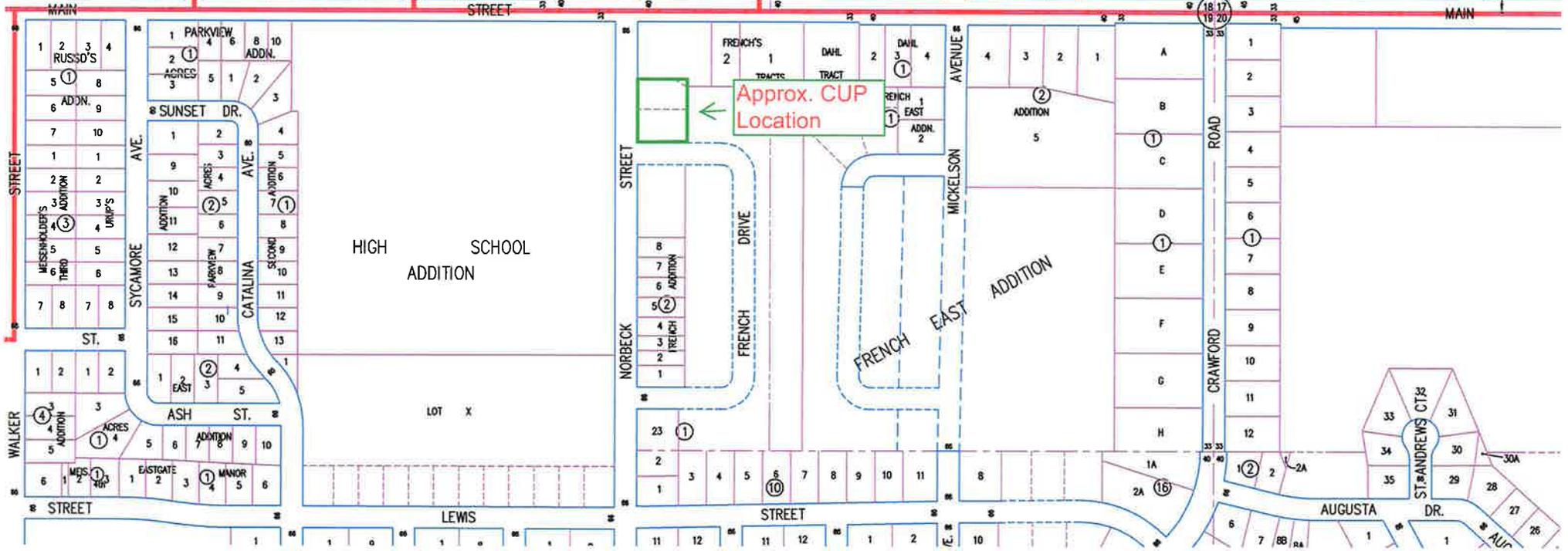
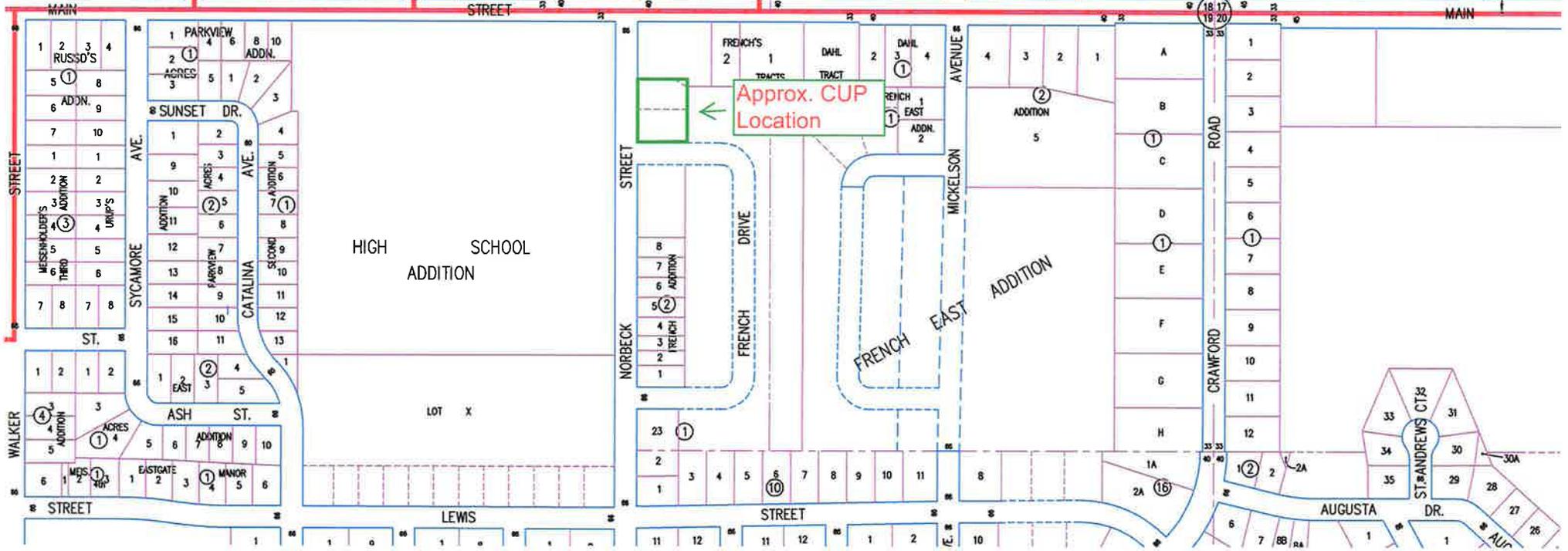
NORBECK STREET

FRENCH DRIVE

FRENCH EAST

MICKELSON AVENUE

CRAWFORD ROAD



Planning Commission Agenda Memo

From: Andrew Colvin, Assistant City Manager
Meeting: May 13, 2013
Subject: Project Plan for TIF #5 (Eagle Creek Project)
Presenter: Andrew Colvin

Background: The Vermillion Area Chamber and Development Company is planning to construct a building for Eagle Creek Software. The building will be located within the Riverbend Business Park at the corner of Princeton and Bower Streets. In order to assist with development costs, the Council created a tax increment district for site development costs. The Planning Commission considered the creation of the district on April 8th and forwarded a recommendation to the City Council to create the district. The next step in the process is developing a Plan for the TIF.

Discussion: The state statute pertaining to the TIF plan is as follows:

11-9-13. Project plan for each district--Contents. The planning commission shall adopt a project plan for each tax incremental district and submit the plan to the governing body. The plan shall include a statement listing:

- (1) The kind, number, and location of all proposed public works or improvements within the district;
- (2) An economic feasibility study;
- (3) A detailed list of estimated project costs;
- (4) A fiscal impact statement which shows the impact of the tax increment district, both until and after the bonds are repaid, upon all entities levying taxes upon property in the district; and
- (5) A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred.

No expenditure may be provided for in the plan more than five years after a district is created unless an amendment is adopted by the governing body under § 11-9-23.

Enclosed is a draft plan for TIF #5. The Planning Commission is asked to consider and adopt the plan, which will be forwarded to the City Council.

Compliance with Comprehensive Plan: The Comprehensive Plan calls for the development of undeveloped ground within the City. In addition, the project will be bringing new jobs to the community. Both of these will be accomplished by creating a tax increment district.

7. New Business; item a

Conclusion/Recommendations: Staff recommends the Planning Commission review the plan and forward a recommendation of approval to the City Council.

PROJECT PLAN

CITY OF VERMILLION
TAX INCREMENT DISTRICT #5
VERMILLION AREA CHAMBER OF COMMERCE AND DEVELOPMENT
RIVERBEND BUSINESS PARK BUILDING

District Created – April 15, 2013

Plan Approved _____

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 according to the criteria set forth in SDCL 11-9. The improvements are completed without incurring a general obligation for the taxpayers of the entire City. Tax Increment Financing (TIF) is an incentive utilized by local governments to stimulate development and investment. TIF helps to overcome the extraordinary costs that often prevent private investment from occurring in difficult to develop areas of the community. As a result, the TIF area itself improves and property values increase.

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 Valuation 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 the properties in this proposed Tax Increment District will be used for commercial purposes. The Tax Increment District will be financed by the Developer.

This financing method is invaluable for encouraging growth and development of blighted properties including open area impairing growth, since the amount of funds available for use by the project plan is directly related to the increase in valuation which a given project or development will create. TIF projects must be recommended for approval by the Vermillion City Planning Commission and the Vermillion City Council.

OVERVIEW

The City Council via a resolution on April 15, 2013 created the boundaries of Tax Increment District #5. The Tax Increment District consists of Lot 8, Block 7 Erickson Addition to the City of Vermillion. This lot is located at the southwest corner of Princeton Street and Bower Street. Lots 1, 2 & 3 Block 7, Erickson Addition were recently replatted to be Lot 8, Block 7, Erickson Addition to the City of Vermillion. The replat action was part of the April 15, 2013 City Council agenda. A map of TIF 5 is included at the end of the plan.

The plan proposes that the TIF increment be used to assist in the development of an approximately 30,000 square foot office building and related site improvements in the Riverbend Business Park. The Tax Increment Funds for the developer (Vermillion Chamber of Commerce and Development Company) would be used to repay the debt incurred to prepare the site for

construction and to construct the building and related site improvements such as the parking lot, stormwater drainage, utility extensions and landscaping.

This financing method is invaluable for encouraging growth and development in areas with special development problems or opportunities, since the amount available for use by the project plan is directly related to the increase in valuation which a given project or development creates. The Tax Increment District will be financed by the Developer.

Elements of the Project Plan

1. The kind, number, and location of all proposed public works or improvements within the District.

There will be no public works or public improvements within the district. The site is already abutted by two paved streets with street lights and storm sewer. The site is currently served by municipal water and sanitary sewer utilities and electric service will be extended to serve the facility with a sewer tapping fee due upon connection.

The developer will be constructing a parking lot, public sidewalk, office building and related improvements. The developer is financing the improvements.

2. Economic feasibility study

Current Valuation

Lot 8, Block 7 of Erickson Addition encompasses approximately 266,588 square feet or 6.2 acres. The current assessed value for Lot 8, Block 7 is \$58,228. The assessed value is based on Clay County records for Lots 1, 2 & 3, Block 7 of Erickson Addition as the three lots were replatted into Lot 8, Block 7 on April 15, 2013. In accordance with SDCL 11-9-20, the certification of the base value has been requested from the South Dakota Department of Revenue following creation and approval of the district by the City Council. The anticipated certified base value of the property in TIF 5 is \$58,228.

Expected Increase in Valuation

Estimated Future Valuation of Proposed District

Estimated Assessed Value of District	\$58,228
Estimated Assessed Value of project (year 20)	\$4,000,000
Other Anticipated Increases in Assessed Value	0
Estimated Increase in Assessed Value of Land*	0
Estimated Total Valuation (year 20)	\$ 4,058,228

*For purposes of TIF 5, the increase in land value is not included in these estimates. Any additional value will pay off the loan earlier than anticipated.

Revenue Estimates from Tax Increments

The TIF 5 Plan anticipates 38 semi-annual payments over 19 years. The potential negative short-term impact on various taxing districts will be offset by the increase in the tax base in future years.

2012 Non-Owner Occupied Tax Levies and Percentage of Total Levy

<u>Taxing Entity</u>	<u>Tax Levy*</u>	<u>Percentage of Total Levy</u>
Vermillion Public School District	17.242	59.8%
Clay County	6.29	21.8%
City of Vermillion	5.214	18.1%
Vermillion Basin Water District	.041	.00041%

*Rates per \$1,000 of assessed valuation

The estimated tax increment available to pay for project costs in the TIF 5 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. The project is anticipated to be 50% complete by November 1, 2013 and the developer will make application to waive the discretionary formula on this project.

Projected Tax Increment Income

Assessment Date	Year Taxes Paid	Projected Increment In Valuation	Adjusted Value	Total Tax Increment Payments	Six Month Total
Nov-13	2015	2,000,000	2,000,000	57,574	28,787
Nov-14	2016	4,000,000	4,000,000	115,148	57,574
Nov-15	2017	4,000,000	4,000,000	115,148	57,574
Nov-16	2018	4,000,000	4,000,000	115,148	57,574
Nov-17	2019	4,000,000	4,000,000	115,148	57,574
Nov-18	2020	4,000,000	4,000,000	115,148	57,574
Nov-19	2021	4,000,000	4,000,000	115,148	57,574
Nov-20	2022	4,000,000	4,000,000	115,148	57,574
Nov-21	2023	4,000,000	4,000,000	115,148	57,574
Nov-22	2024	4,000,000	4,000,000	115,148	57,574
Nov-23	2025	4,000,000	4,000,000	115,148	57,574
Nov-24	2026	4,000,000	4,000,000	115,148	57,574
Nov-25	2027	4,000,000	4,000,000	115,148	57,574
Nov-26	2028	4,000,000	4,000,000	115,148	57,574
Nov-27	2029	4,000,000	4,000,000	115,148	57,574
Nov-28	2030	4,000,000	4,000,000	115,148	57,574
Nov-29	2031	4,000,000	4,000,000	115,148	57,574
Nov-30	2032	4,000,000	4,000,000	115,148	57,574
Nov-31	2033	4,000,000	4,000,000	115,148	57,574

Total Tax Increment Expeditd to Accrue by 12-1-2033
\$2,130,238

NOTE: Tax increment payments are calculated using 85% of estimated future property valuation and 100% of expected 2013 mill levy.

3. Detailed list of project costs

There are anticipated to be no project costs funded by the City of Vermillion. The VCDC as developer will be financing the building construction and site improvements.

The estimated cost of all improvements in TIF 5 both the building construction and finishes as well as site improvements is \$4,920,000. All improvements are scheduled to be completed within one year of the building permit being issued in June 2013.

The developer will be providing the financing for the construction of the building and site improvements. It is anticipated that the developer will be funding the construction through private bank financing and a REDI loan provided by the Governor's Office of Economic Development. The applicant will be responsible for any principal and interest payments due that are not available from Tax Increment District Number Five. If the tax increment revenues exceed the anticipated loan payments, the debt will be retired early.

The debt on the Tax Increment District Project Costs covered in the Plan will be retired by deposits made in the Tax Increment District as taxes are paid on the property in succeeding years. The City of Vermillion Finance Office will make the disbursements from the 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 are retired or in no event may the positive tax increments be allocated longer than twenty years after the calendar year of creation. The final payment for this plan is scheduled to be made on December 1, 2033.

TOTAL ESTIMATED PROJECT COSTS:

Capital Costs:

Storm water drainage	100,000
Site work (Parking Lot - Sidewalk)	300,000
Water, Sanitary Sewer & Electric Service	100,000
Private Structure - 30,000 office building	3,900,000

Professional Costs:

Engineering/Inspection/Testing	270,000
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Financing Costs:

Interest	654,561
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Contingency Costs:

<u>250,000</u>

TOTAL

5,574,561

TOTAL ESTOMATED PROJECT COSTS TO BE PAID BY THE
TAX INCREMENT DISTRICT

Capital Costs

Storm water drainage	80,502
Site work (Parking Lot - Sidewalk)	241,505
Water, Sanitary Sewer & Electric Service	80,502

Professional Costs:

Engineering/Inspection/Testing	217,354
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Financing Costs:

Interest	654,561
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Contingency Costs:

<u>201,254</u>

TOTAL

1,475,677

These capital, financing, services and other expenses are intended to be expended as grants as allowed by SDCL 11-9.

Capital Costs – The capital costs of \$4,400,000 included in the Project Plan are for building construction and site improvements.

Financing Costs – The financing costs for this Project Plan are dependent on the interest rate obtained. The interest rate used for this project is 3.36%. It is estimated that the financing costs will total \$654,894. If a lower interest rate is obtained, the project costs will be repaid more quickly and the property will be returned to the tax rolls sooner.

Real Property Assembly Costs – No real property assembly costs are anticipated as the City of Vermillion will not be acquiring any real or personal property. The VCDC is and has been the owner of Lot 8, Block 7 Erickson Addition prior to the TIF District being created.

Professional Service Costs – Professional service costs for Engineering and Professional fees in the amount of \$270,000 are anticipated in the Project Plan.

Imputed Administrative Costs – All Tax Increment District actions require municipal staff time to prepare and enact. The City shall be reimbursed on November 30, 2018 for its administrative costs in the amount of \$5,000. However, in no case shall the City be reimbursed less than \$100 on November 30, 2018.

Relocation Costs – No relocation costs are anticipated in the Project Plan.

Organizational Costs – No organizational costs are anticipated in the Project Plan.

Payments and Grants – No payments or grants by the City are anticipated to be made to create the tax increment district or to implement the project plan.

4. Fiscal impact statement

There will be no adverse impact on the City, County, or School District during the duration of the Tax Incremental District since the development would not have occurred without the creation of the Tax Incremental District. In fact, by setting a new and updated base value, there will be additional revenue being created. Further, a positive impact on these taxing jurisdictions will occur when the Tax Incremental District is dissolved and the development in the Tax Incremental District will become part of the tax base of all affected taxing jurisdictions. When this occurs, the tax rates of the taxing jurisdictions will be lower than they would have been had the Tax Incremental District not been established.

It is anticipated that the assessed value of the parcel included in the Tax Incremental District will remain relatively stable from year to year upon the completion of construction of the building and the site improvements. The impact of tax incremental financing on the assessed value of each taxing jurisdiction in which the Tax Increment District is located in whole or in part would also remain stable from year to year. Based on this assumption, it is anticipated that tax increment will be captured annually as shown. The estimate is based on the qualifications identified in this report and does not include the possible tax increment derived from any other future development, tax rate changes or inflation factors after 2013.

Total assessed value of TID Number Five upon certification is estimated to be \$58,228.

Below is information which shows the impact of the tax increment district, both until and after the bonds are repaid, upon all entities levying taxes upon property in the district.

Year	Valuation Paid	Vermillion			Vermillion	
		School District	Clay County	City of Vermillion	Basin Water District	Total
2015	2,000,000	\$34,484	\$10,428	\$12,580	\$ 82	\$57,574
2016	4,000,000	68,968	20,856	25,160	164	115,148
2017	4,000,000	68,968	20,856	25,160	164	115,148
2018	4,000,000	68,968	20,856	25,160	164	115,148
2019	4,000,000	68,968	20,856	25,160	164	115,148
2020	4,000,000	68,968	20,856	25,160	164	115,148
2021	4,000,000	68,968	20,856	25,160	164	115,148
2022	4,000,000	68,968	20,856	25,160	164	115,148
2023	4,000,000	68,968	20,856	25,160	164	115,148
2024	4,000,000	68,968	20,856	25,160	164	115,148
2025	4,000,000	68,968	20,856	25,160	164	115,148
2026	4,000,000	68,968	20,856	25,160	164	115,148
2027	4,000,000	68,968	20,856	25,160	164	115,148
2028	4,000,000	68,968	20,856	25,160	164	115,148
2029	4,000,000	68,968	20,856	25,160	164	115,148
2030	4,000,000	68,968	20,856	25,160	164	115,148
2031	4,000,000	68,968	20,856	25,160	164	115,148
2032	4,000,000	68,968	20,856	25,160	164	115,148
2033	4,000,000	68,968	20,856	25,160	164	115,148

5. Methods of Financing

Below is a description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred.

VCDC allocated to the project - \$650,000

Private Bank construction loan financing \$4,200,000

Once construction is completed, the private bank financing for construction will be blended with a REDI loan provided by the Governor's Office of Economic Development. Proceeds from the REDI loan will not exceed \$2,100,000. The loan to value ratio will not exceed 80%.

The Developer will be borrowing and is responsible for the principal and interest payments on the total debt of \$4,200,000 for the project at an average interest cost of 3.36% for the 30,000 square foot office building and related improvements. As to the tax increment project costs of \$1,475,677 the projected amortization schedule is listed below showing the project costs portion to be borrowed by the Developer using 3.36% interest rate.

PROJECTED AMORTIZATION RATE

No.	Payment Date	Beginning Balance	Interest 0.0336	Total Due	Capital Int Payment	Tax Inc Payment	Total Payment	Loan Balance	Cumulative Interest
1	12/01/2013	1,475,677	24,791	1,500,468	24,791		24,791	1,500,468	24,791
2	06/01/2014	1,500,468	25,208	1,525,676	25,208		25,208	1,525,676	49,999
3	12/01/2014	1,525,676	25,631	1,551,307	25,631		25,631	1,551,307	75,631
4	06/01/2015	1,551,307	26,062	1,577,369	-	28,787	28,787	1,548,582	101,693
5	12/01/2015	1,548,582	26,016	1,574,599	-	28,787	28,787	1,545,812	127,709
6	06/01/2016	1,545,812	25,970	1,571,781	-	57,574	57,574	1,514,207	153,678
7	12/01/2016	1,514,207	25,439	1,539,646	-	57,574	57,574	1,482,072	179,117
8	06/01/2017	1,482,072	24,899	1,506,971	-	57,574	57,574	1,449,397	204,016
9	12/01/2017	1,449,397	24,350	1,473,747	-	57,574	57,574	1,416,173	228,366
10	06/01/2018	1,416,173	23,792	1,439,964	-	57,574	57,574	1,382,390	252,157
11	12/01/2018	1,382,390	23,224	1,405,614	-	57,574	57,574	1,348,040	275,382
12	06/01/2019	1,348,040	22,647	1,370,688	-	57,574	57,574	1,313,114	298,029
13	12/01/2019	1,313,114	22,060	1,335,174	-	57,574	57,574	1,277,600	320,089
14	06/01/2020	1,277,600	21,464	1,299,064	-	57,574	57,574	1,241,490	341,553
15	12/01/2020	1,241,490	20,857	1,262,347	-	57,574	57,574	1,204,773	362,410
16	06/01/2021	1,204,773	20,240	1,225,013	-	57,574	57,574	1,167,439	382,650
17	12/01/2021	1,167,439	19,613	1,187,052	-	57,574	57,574	1,129,478	402,263
18	06/01/2022	1,129,478	18,975	1,148,453	-	57,574	57,574	1,090,879	421,238
19	12/01/2022	1,090,879	18,327	1,109,206	-	57,574	57,574	1,051,632	439,565
20	06/01/2023	1,051,632	17,667	1,069,299	-	57,574	57,574	1,011,725	457,232
21	12/01/2023	1,011,725	16,997	1,028,722	-	57,574	57,574	971,148	474,229
22	06/01/2024	971,148	16,315	987,463	-	57,574	57,574	929,889	490,544
23	12/01/2024	929,889	15,622	945,512	-	57,574	57,574	887,938	506,167
24	06/01/2025	887,938	14,917	902,855	-	57,574	57,574	845,281	521,084
25	12/01/2025	845,281	14,201	859,482	-	57,574	57,574	801,908	535,285
26	06/01/2026	801,908	13,472	815,380	-	57,574	57,574	757,806	548,757
27	12/01/2026	757,806	12,731	770,537	-	57,574	57,574	712,963	561,488
28	06/01/2027	712,963	11,978	724,941	-	57,574	57,574	667,367	573,466
29	12/01/2027	667,367	11,212	678,578	-	57,574	57,574	621,004	584,677
30	06/01/2028	621,004	10,433	631,437	-	57,574	57,574	573,863	595,110
31	12/01/2028	573,863	9,641	583,504	-	57,574	57,574	525,930	604,751
32	06/01/2029	525,930	8,836	534,766	-	57,574	57,574	477,192	613,587
33	12/01/2029	477,192	8,017	485,209	-	57,574	57,574	427,635	621,604
34	06/01/2030	427,635	7,184	434,819	-	57,574	57,574	377,245	628,788
35	12/01/2030	377,245	6,338	383,583	-	57,574	57,574	326,009	635,126
36	06/01/2031	326,009	5,477	331,486	-	57,574	57,574	273,912	640,603
37	12/01/2031	273,912	4,602	278,513	-	57,574	57,574	220,939	645,204
38	06/01/2032	220,939	3,712	224,651	-	57,574	57,574	167,077	648,916
39	12/01/2032	167,077	2,807	169,884	-	57,574	57,574	112,310	651,723
40	06/01/2033	112,310	1,887	114,197	-	57,574	57,574	56,623	653,610
40	12/01/2033	56,623	951	57,574	-	57,574	57,574	0	654,561

City of Vermillion
Tax Incremental District Number 5
Boundaries
April 15, 2013

