



**CITY COMMISSION ROOM
PIERRE, SOUTH DAKOTA
August 16, 2022**

The City of Pierre board of Commissioners met in regular session on August 16, 2022 with Commissioners Barringer, Huizenga, Todd Johnson, Vona Johnson, and Mayor Harding present for roll call. The Pledge of Allegiance was recited followed by an invocation. The agenda was approved as amended – Airport Agreement with KLJ for Runway 7-25 was removed. No one was present for public comment.

Commissioner Barringer moved and Commissioner Todd Johnson seconded to approve the consent calendar to include the Minutes from the Regular Meeting on August 9, 2022; Raffle Request – Capital Area Pickleball Association; Raffle Request – Knights of Columbus Council 2686; New Firefighter Application – Kim Casey Kahler; Claims. Unanimous approval.

ADVANCE STORES COMPANY, IN	2 BATTERIES	351.25
AIRTECH HEATING & COOLING	BRIGHT ENERGY REBATE- BECKS	300.00
ALLIED PLUMBING & HEATING	REPLACE TOILET FLAPPER	131.89
ANIMAL CLINIC	JULY 2022 SERVICES	1,480.00
ASSOCIATED SUPPLY COMPANY	ACCU-TAB, BLUE	4,331.79
AUTOMATIC BUILDING CONTROL	AQUATIC FIRE ALARM INSPEC.	646.23
BAKER & TAYLOR COMPANY/THE	43 BOOKS	635.79
BALLEW CONSTRUCTION INC.	I/O PRIMARY HARRISON CABINET N	31,701.29
BIOVERSE INC	AQUASPHERE, POND COLORANT	511.35
BLACK HILLS JANITORIAL SUP	TRASH BAGS, HAND TOWELS	121.91
BLACKSTRAP, INC	26.525T ROAD SALT	2,333.67
BUILDERS FIRSTSOURCE INC	2X4-8', WOOD STAKES	71.37
BUILDING SPRINKLER INC	DIS CTR FIRE SPRINKLER INSPEC	450.00
CDW GOVERNMENT INC	HP INK	14,456.43
CENTER POINT LARGE PRINT	8 BOOKS	186.96
CENTRAL DISTRIBUTION	DUSTER, HANDSOAP, VAC BAG, TP	828.62
CENTURY BUSINESS PRODUCTS	AIRPORT COPIER SVC 6/26-7/25	125.89
COLE PAPERS INC.	TOILET PAPER	75.05
COMMTECH INC	14" 8GB LAPTOP	2,110.17
DAILY CAPITAL JOURNAL INC.	AIRPORT - SD OUTDOOR AD	1,100.20
DAKOTA SEPTIC/DAKOTA JOHNS	CLEAN VAULT TOILET - 4TH ST	648.08
DAKOTA SUPPLY GROUP	90 - 1" BALL CORP CC X CTS PJ	5,995.44
DAKOTAMART	HANDSOAP FOR PUBLIC BATHROOMS	42.75
DAVIDS, AMY J	BRUSH, PAINT	51.00
DEMCO	COLOR-CODED PAPER	75.80
DONS SINCLAIR	STREET - 1154G OFF RD DIESEL	4,942.81
EFTPS	FEDERAL WITHHOLDING	100,681.73
EGGERS ELECTRIC MOTOR COMP	COOLING FAN - AIRLIFT BLOWER 1	218.34
FRIMAN OIL AND GAS INC	ELECTRIC - 30# LP GAS	20.10
GALLS, LLC	BELT, RIPSTOP, INNER DUTY BELT	464.03

CITY COMMISSION PROCEEDINGS August 16, 2022

GRAHAM TIRE COMPANY INC	TIRE	712.87
HACH COMPANY	BASIC LAB PH KIT, REAGENT SET	1,938.88
HD SUPPLY FACILITIES MAINT	SLUDGE JUDGE, POLYMER, CONES	3,800.80
HEIMAN FIRE EQUIPMENT	ELITE SERIES LIGHT, WHITE/RED	502.62
HOGENS HARDWARE HANK	CHAMOIS, MENDER, HOSE WASHER	95.31
INGRAM PEST SERVICE INC	DISCOVERY CTR MICE CONTROL	223.00
JT DOYLE INC	JULY 2022 RECONCILIATION	14,621.38
KGFX, INC.	SKATE PARK GRAND OPENING AD	375.00
LOCATORS & SUPPLIES INC	BONDUIT ADHESIVE CARTRIDGES	3,761.82
MARCO TECHNOLOGIES, LLC	LIBRARY - COPIER SVC 6/25-8/25	406.40
MENARDS, INC	REBAR FOR NEW PLAYGROUND EQUIP	1,191.56
MEWS, ROGER D	LIBRARY - JULY CLEANING SVC	1,375.00
MIDCONTINENT COMMUNICATION	DIGITAL ADS 6/27-7/31	2,095.57
MIDWEST OIL CO OF SD	55G DRUM VP ULTRA PWR FE 10/30	737.00
MIDWEST TURF & IRRIGATION	PRIMARY CLUTCH, CLUTCH PULLER	675.74
MISSOURI RIVER ENERGY SERV	JULY METER COUNT & MONTHLY FEE	2,693.40
MORRIS INC.	FLOWABLE FILL	47,902.62
NARTEC, INC	COCAINE & METH TEST AMPULES	335.88
NORTHWEST PIPE FITTINGS	COUPLINGS, PVC SCH 40 PIPE BOE	775.93
OAHE ELECTRIC COOP INC.	RANGE SVC 7/1-8/1	382.91
OVERDRIVE INC	19 EBOOKS 4 AUDIO BOOKS	921.74
PKG CONTRACTING INC	WTP 6/9-7/11 APP #22	1,231,211.31
POWER PLAN	REPAIRS TO SWEEPSTER BR	298.80
PRECISION CONSTRUCTION CO	CURB & GUTTER ELIZABETH, BULOW	2,081.64
R & W CONSTRUCTION LLC	CONCRETE WORK DAKOTA & ONIDA	10,873.20
REES COMMUNICATION	3 - AAM FOR PATROL CARS	2,391.00
ROBINS WATER CONDITIONING	CEMETARY - DISP RENT AUG., WTR	107.50
RUNNINGS	JUNE 2022 STATEMENT	4,712.66
RURAL ELECTRIC SUPPLY COOP	3 - ARRESTER EVP 8.4KV	6,127.06
S ELLWEIN INC DBA INMAN'S	WWTP - RO RENT AUGUST	340.00
SANFORD HEALTH OCCUPATIONA	PHSICAL C. KWILINSKI	171.00
SCHUMACHER, RANDAL ALAN	MOVE MONUMENT & RESET	185.00
SD DEPT OF CORRECTIONS	JULY 2022 SOLEM BLDG MAINT.	1,677.62
SD DEPT OF REVENUE	ST - TITLE AND PLATES TRAILER	24.20
SDSRP	CITY OF PIERRE DED.	7,590.28
SERVALL UNIFORM & LINEN	CITY HALLS - MATS	77.25
STUART C IRBY CO	10 - 1PH PAD-MT TRANSFORMERS	24,160.00
SUMMIT UTILITY SERVICES LL	JULY 2022 LOCATES	5,692.50
SUN BADGE COMPANY	BADGE REPAIR, 2 NEW BADGES	284.50
SUPERIOR CONCRETE LLC	REPLACE CONCRETE @ CHAMBER BLD	1,708.73
TELELANGUAGE, INC.	JULY TELEPHONIC INTERPRETATION	14.95
TESSMAN SEED COMPANY	BOULEVARD MIX	196.00
TK ELEVATOR CORPORATION	AIRPORT - AUGUST MAINT.	149.33
TORO COMPANY - NSN/THE	OPTIMUM MONTHLY - SEPTEMBER	278.00
TURFWERKS	MOTOR ASSY	738.53
WAMCO LAB INC	EFFLUENT ACUTE TOXICITY TEST	640.00

WESCO DISTRIBUTION INC	30 - LED COBERAHEAD ST LIGHTS	9,120.00
WW TIRE SERVICE INC	REPAIR TIRE	70.00
ZANDER AUTO PARTS	3/8 DR. 6 PT STANDARD	51.06

Gidget Palmer, Projects Manager, presented agreements between the City of Pierre and Ledcor Telecommunications Services (LTS) to bring fiber optic cable through Pierre. It's part of a larger project spanning across South Dakota. The project requires easements and permission to occupy the City right-of-way, as well as an application to SD DOT. Commissioner Huizenga moved and Commissioner Vona Johnson seconded to approve the LTS Agreements for Easement, permission to occupy, and SDDOT application as presented and authorized the Mayor to sign. Unanimous approval.

This being the time and place to consider the condition use permit for 221 W Missouri Avenue, Mayor Harding opened the hearing. Sharon Pruess, City Planner, explained that Andy and Leslie Coyle own the property at 217 W Missouri Avenue and the adjacent lot to the west. They propose to construct 2-story building with a bathroom/concession on the first floor and air bnb or efficiency apartment on the 2nd floor. The proposed mixed business and residential use requires a conditional use permit. The property will require sewer and water be brought in and Coyle's have been advised that the sewer is very deep in this area and dewatering may be required. The Planning Commission recommended approval on July 25th. Being no one else present to comment, Mayor Harding closed the hearing. Commissioner Huizenga moved and Commissioner Vona Johnson seconded to approve the conditional use permit for 221 W Missouri Avenue as presented. Unanimous approval.

This being the time and place to consider the on/off sale Malt Beverage license for Kalie Olson DBA TKO's custom catering. Kalie Olson explained that she would provide full catering, but also has space to host up to 60 people onsite for events. She also provides the food service in the Capitol Building during session and may consider opening for breakfast hours after the next session. Being no one else present to comment, Mayor Harding closed the hearing. Commissioner Barringer moved and Commissioner Todd Johnson seconded to approve the on/off sale Malt Beverage license for Kalie Olson DBA TKO's custom catering. Unanimous approval.

Toby Morris provided an overview of Tax Increment Financing.

Kristi Honeywell, City Administrator, presented a resolution to modify the City's TIF guidelines. There have been state law changes and best practices changes that needed to be updated in the City's current guidelines. The Guidelines still include notification to the County and School, information that is required to be part of the application process, and a process for review and consideration of the proposal. Commissioner Huizenga moved and Commissioner Vona Johnson seconded to approve Resolution 2725. Unanimous approval.

RESOLUTION NO. 2725

A RESOLUTION ESTABLISHING PROCEDURES FOR THE ESTABLISHMENT OF TIF DISTRICTS WITHIN THE CITY OF PIERRE.

WHEREAS, the City of Pierre is authorized, pursuant to SDCL 11-9-2, to establish TIF districts. The amount financed in the TIF district is considered a part of the bond indebtedness of the City. In order for the City to control the nature of the TIF districts that it will approve and to maintain control of the amount of bonded indebtedness that the City will incur, procedures for the implementation of TIF districts need to be established;

NOW THEREFORE, BE IT RESOLVED THAT THE CITY HEREBY ADOPTS THE FOLLOWING PROCEDURES FOR THE ESTABLISHMENT OF A TIF DISTRICT WITHIN THE CITY OF PIERRE.

TAX INCREMENT FINANCING IN PIERRE, SOUTH DAKOTA

A Guide for Applicants

I. Introduction

In 1978, the South Dakota Legislature approved the use of Tax Increment Financing (TIF) by municipalities to help finance redevelopment projects. Tax Increment Financing is a method of funding public investments in an area by capturing, for a time,

all of the increased tax revenue that results when public investment stimulates private investment. TIF is one of the few economic development and community redevelopment tools currently available to municipalities in South Dakota. However, as with any technique, TIF should be used according to carefully specified criteria. These criteria will assure that projects help fulfill the City's objectives for economic development and redevelopment and avoid unnecessary subsidies. This guide outlines criteria and procedures for evaluating proposals for the use of TIF. These criteria should be considered guidelines only and do not guarantee approval of a request for Tax Increment Financing.

II. Objectives

Tax increment financing is intended to contribute to the economic growth and stabilization of the City of Pierre. The policies herein outlined, have been established to meet the following objectives:

- a. To provide a framework with which the City Commission and Mayor can evaluate and compare proposed uses of tax increment financing; and
- b. To guide city staff and other recognized public bodies in forming recommendations regarding the use of tax increment financing and negotiating contract terms with developers; and
- c. To inform developers and the public of the City's position on the use of tax increment financing and the process through which decisions regarding the use of the tool are made.

III. Purpose of Tax Increment Financing

Purpose of TIF. The City of Pierre recognizes one or more of the following purposes for the use of Tax Increment Financing:

- a. To encourage the redevelopment of deteriorated or otherwise blighted real property in Pierre through the investment of incremental property tax proceeds;
- b. To stimulate economic development in the community by assisting projects that promote the long term economic vitality of the community;
- c. To stimulate increased private investment in areas that would have otherwise remained undeveloped or under-developed and which will, in the long term, provide a significant source of additional tax revenues to all taxing entities;
- d. To stimulate the construction of safe and affordable housing units for low and moderate income residents of the community and expand the general housing stock in the community;
- e. To facilitate the reconstruction, maintenance and completion of the City's existing infrastructure network to support existing growth and guide the future growth of the community; and
- f. To encourage development that would not occur without Tax Increment Financing.

IV. Project Review Process

Each project seeking to use TIF must submit a complete application including all items listed in Section V to the City Planning Department. The completed application will be forwarded to the City Commission. The applicant or his/her designee shall present the application to the City Commission. The City Planning Department shall schedule an information meeting with the Pierre School District Superintendent or his/her representative and the Hughes County Commission Chairperson or his/her representative. This meeting shall provide general information to the Pierre School District and Hughes County on the proposed TIF project. The TIF application will then be forwarded to the City Planning Commission. The City Planning Commission shall be responsible for the technical review of the application. The review shall be limited to the typical functions of the Planning Commission including compliance with the zoning ordinance, the subdivision ordinance and the availability of public services such as streets and utility infrastructure.

V. Application Requirements

An application for the use of TIF must include the following information:

- a. A detailed project description to include location, type of activity, impact on surrounding property, potential impact on infrastructure and pertinent information that may clarify the project;
- b. A preliminary development financing plan, including sources of funds, identification of lender, interest rates, financing costs and loan terms (amount and length of term);
- c. An itemized list of the project costs to be funded by the Tax Increment Financing including identification of typical developer costs, exceptional costs, oversizing costs and professional fees.
- d. A list of the specific public improvements and a list of the specific private improvements to be constructed along with the project;
- e. A proforma indicating projected costs and revenues from a committed business;
- f. A statement or evidence identifying the specific evaluation criteria which the applicant believes the request addresses;
- g. Conceptual plans, sketches, maps or site plans for the project;
- h. A development time schedule including specific phasing of improvements and project costs;
- i. A non-binding letter of credit;
- j. A copy of the proposed gross payroll, employee benefit package, and estimated number of full and part time jobs. One full time equivalent (FTE) job shall equal 2080 hours and part time jobs can be combined to equal an FTE. Jobs associated with the construction component of the TIF shall not count;
- k. In the case of an affordable housing project, a copy of any applicable federal or state commitment for a grant or loan program as part of the financing package of the project;
- l. A non-refundable application fee which shall be set out in a schedule to be approved by the City Commission, as presented and on file at the city business office; and
- m. Other information that may be required by the Project Review Committee.

All applications for TIF must be submitted to the City Planning Department. After the application has been deemed complete, the City Planning Commission will schedule a meeting within thirty (30) days at which the applicant will present his/her project and financing request.

VI. Criteria for Evaluation

Criteria for Evaluation. Projects applying for assistance through Tax Increment Financing must qualify by meeting certain criteria. Some criteria are mandatory according to state law and must be met in order for the City to establish a Tax Increment Financing District. Others are discretionary, and enable the City Commission to determine the benefits of the project. The project application must demonstrate how the project meets the required criteria. However, in all cases, the decisions to create a Tax Increment Financing District and to enter into a developer's agreement with any applicant are wholly discretionary. There is no right for an applicant to have a Tax Increment Financing District created or to have the City enter into a developer's agreement.

Mandatory Criteria. In order to be considered for a TIF, a project must meet the criteria of SDCL 11-9-8:

- a. Findings required as to blighted areas or economic development as specified in SDCL 11-9-8, 11-9-9, 11-9-10 and 11-9-11.

SDCL 11-9-8. Required findings in resolution creating district. The resolution required by § 11-9-5 shall contain findings that:

1. Not less than twenty-five percent, by area, of the real property within the district is a blighted area **or** not less than fifty percent, by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and,
2. The improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district.

If blight is one of the criteria used to establish the Tax Increment Plan, the following findings of blight must be made.

SDCL 11-9-9. 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 11-9-10. Developed areas impairing growth defined as blighted. Any are 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 11-9-11. 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.

- b. The project shall be consistent with the most recently adopted Comprehensive Plan and all other appropriate plans and regulations.
- c. The project must demonstrate that it is not economically feasible without the use of Tax Increment Financing. In addition, if the project has site alternatives, the proposal must demonstrate that it would not occur in Pierre without Tax Increment Financing.

Additional Criteria A project must meet at least **two or more** of the following criteria:

- a. The project will eliminate actual or potential hazard to the public. Hazards may include condemned or unsafe buildings, sites, or structures.
- b. The project will improve the City's economic vitality through the creation and expansion of employment opportunities.
- c. The project will result in revitalization of existing properties.
- d. The project will encourage development that fills an unmet need in the community.
- e. The building or site to be redeveloped itself displays conditions of blight as established by the provisions of SDCL 11-9-9.
- f. The project involves the start-up of an entirely new business or business operation within the City of Pierre.
- g. The project involves the expansion of an existing business operation within the City of Pierre.
- h. The project site has displayed a recent pattern of static or declining real property assessments, as measured by the Hughes County Director of Equalization.

VII. General Guidelines

The following apply to all projects:

- a. Tax increment financing shall not be used for construction of residential structures but may be used for residential related public infrastructure such as streets, curb and gutter, sanitary sewer, storm sewer, water, street lights, etc.

- b. Any TIF assisted rehabilitation within a National Historic District must be carried out according to the Secretary of the Interior's Standards for Rehabilitation.
- c. The Developer is responsible for acquiring all necessary financing. The city assumes no responsibility for the repayment of any loan or bond beyond the tax allocations outlined in the Project Plan and the funds received.
- d. All proposed projects shall create a new taxable value equal to or greater than \$1 million.
- e. Construction must start within 12 months or the applicant must reapply for the TIF.

VIII. Eligible Project Costs

Eligible project costs are defined under SDCL 11-9-15.

IX. TIF Review Process

The review process shall be as follows:

- a. Applicant submits a completed TIF application to the City Planning Department. The application shall include all items in Section V.
- b. Applicant presents TIF application to the City Commission.
- c. Staff Schedules an information meeting with the Pierre School District and Hughes County.
- d. City Planning Commission holds a public hearing to create the TIF district and to designate the boundaries.
- e. City Commission considers a resolution to create the district boundaries.
- f. City Planning Commission considers adopting a project plan.
- g. City Commission considers a resolution approving the project plan.
- h. A development agreement will be drafted and agreed on by both parties. The development agreement is reviewed by the City Commission who must authorize the Mayor to sign the agreement. An administrative fee which shall be set out in a schedule to be approved by the City Commission, as presented and on file at the city business office shall be charged to every TIF project for which a project plan is approved. The fee is intended to recover city staff and city attorney costs to review the project, project plan and the development agreement.

If the Planning Commission does not recommend approval of the district boundaries or project plan, the applicant may appeal that decision to the City Commission. If the appeal is approved by the City Commission, the Commission shall proceed with considering the district boundaries and project plan.

If the City Commission does not approve the appeal, a request for the same TIF cannot be resubmitted within one year of the Commission's final determination, unless in the opinion of the City Commission, a substantial change has been made and a new review is warranted.

Dated this 16th day of August, 2022.

CITY OF PIERRE, SOUTH DAKOTA
BY: Steve Harding, Mayor

ATTEST: Twila Hight, Finance Office

Kristi Honeywell, City Administrator, presented a request to approve a resolution of support for the Hegg Company to apply for SD Housing Development Authority funding for infrastructure costs related to the housing piece of the old City Hall project. The funding is for infrastructure related costs for housing developments, as part of the recent Infrastructure Bill and allocated for housing from SD Legislature. The funds would be used for the apartment complex portion of the project and the application process requires support from the local governing body. Commissioner Vona Johnson moved and Commissioner Todd Johnson seconded to approve Resolution 2726. Unanimous approval.

RESOLUTION NO. 2726

RESOLUTION IN SUPPORT OF AN APPLICATION FOR FINANCIAL ASSISTANCE TO THE SOUTH DAKOTA HOUSING AND DEVELOPMENT AUTHORITY BY HEGG COMPANIES INC (Hegg Companies) AND/OR ITS AFFILIATES, AGENTS OR ASSIGNS, FOR THE BENEFIT OF MULTI-FAMILY DEVELOPMENT

WHEREAS, the City of Pierre and Hegg Companies has determined it necessary to proceed with improvements to the City's infrastructure, thus enabling additional multi-family units to be constructed in downtown Pierre

WHEREAS, the City and Developer have determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Housing and Development Authority shall be prepared by Hegg Companies, (Developer); for the proposed development, and;

WHEREAS, the City will work with the Developer's engineer to ensure that the preliminary Project infrastructure plans meet the City's requirements for adequate drinking water, water treatment capacity and distribution, storm sewer and all other necessary improvements as needed;

WHEREAS, the City has adequate treatment facilities and water supply to accommodate the proposed development

WHEREAS, the City is committed to the ownership and long-term maintenance of said infrastructure upon acceptance and condition set forth in a future memorandum of agreement and understanding that the said infrastructure and system shall meet the specifications, materials and equipment set forth in said agreement; and

WHEREAS, the City acknowledges that there is a tremendous housing shortage in City of Pierre and this proposed development will help, but not solve, the housing shortage.

CITY COMMISSION PROCEEDINGS August 16, 2022

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City hereby supports the submission of an Application for financial assistance by Hegg Companies, to the South Dakota Housing and Development Authority.
2. The City Administrator is hereby authorized to deliver such other documents as necessary, to assist with the Application for financial assistance.

Adopted this 16th day of August, 2022.

CITY OF PIERRE
Steve Harding, Mayor

ATTEST: Twila Hight, Finance Officer

2023 Budget Requests were presented by Community & Youth Involved Center, Capital City Campus, Convention & Visitor's Bureau, and Chamber Community Room.

Commissioner Barringer moved and Commissioner Todd Johnson seconded to adjourn. 6:49 p.m.
Unanimous approval.

Twila Hight, Finance Officer

Published once at the total approximate cost of _____.