

TAX INCREMENTAL DISTRICT NUMBER 4 DAVISON COUNTY



TAX INCREMENTAL PROJECT PLAN FOR WILD OAK DEVELOPMENT

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INTRODUCTION AND PURPOSE

The property upon which the TID is to be implemented is partially located within the municipal boundaries of the City of Mitchell, South Dakota. SDCL 11-9-8 allows a county to approve a tax incremental district located, in whole or in part, within a municipality so long as it obtains the consent of the governing body of the municipality by resolution. The city council of the City of Mitchell has consented to the creation of the District by resolution.

The purpose of this Plan, to be implemented by Davison County, South Dakota, is to satisfy the requirements for a Tax Incremental District Plan Number 4, Davison County as specified in SDCL Chapter 11-9. There are 11 mandated requirements of the Plan, each to be addressed in this Plan. The principal purpose of the Plan is to define eligible property and to define a Tax Increment Plan for funding eligible activities in an eligible area of the County.

This Plan was prepared for adoption by the County Commission in recognition that the area requires a coordinated, cooperative strategy, with financing possibilities, to promote economic development and accomplish the County's development objectives for improving the continued viability of Davison County by promoting economic development within the City of Mitchell, a municipality located within Davison County.

The driving interest in the establishment of this Plan is to offer tax increment financing as a tool to stimulate and leverage private sector development and redevelopment, and to promote economic development throughout the district.

Development and redevelopment in the area is anticipated to occur in the near future, with the potential for tax increment financing to provide the impetus and means to undertake this redevelopment at a faster pace than might occur otherwise.

The development of single family and multi housing alternatives in the City of Mitchell and Davison County will assist in providing for the expansion of certain manufacturing business and other businesses in the County, providing single family dwellings for the City of Mitchell and Davison County's work force helping solve a single family dwelling housing problem identified by a housing study in 2012. The expansion of Davison County's work force is an essential governmental purpose and will stimulate further economic development of the City of Mitchell and Davison County and the State of South Dakota.

GENERAL DEFINITIONS AS USED IN THIS PLAN

The following terms found in this Plan have the following meanings:

"Base" or "Tax Incremental Base" means the aggregate assessed value of all taxable property located within a Tax Incremental District on the date the district is created, as determined by SDCL § 11-9-20.

"Blighted" means property that meets any of the following criteria:

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 area¹; or

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) unsanitary 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 ²; or

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.³

"County Commission" means the Davison County Commission.

"City of Mitchell" means Mitchell, South Dakota.

"Davison County" means Davison County, South Dakota.

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

¹ SDCL § 11-9-9

² SDCL § 11-9-10

³ SDCL § 11-9-11.

"Developer" means Firesteel Links LLC, a South Dakota limited liability company.

"Developer's Agreement" means the agreement between Developer and Davison County concerning this Tax Incremental District.

"District" means the Tax Incremental District.

"Economic Development" means all powers expressly granted and reasonably inferred pursuant to SDCL §9-54.

"Fiscal year" means that fiscal year of Davison County.

"Generally Applicable Taxes" shall have the same meaning as set forth in 26 CFR § 1.141-4(e).

"Governing body" means the Davison County Commission.

"Grant" means the transfer for a governmental purpose of money or property to a transferee that is not a related party to or an agent of the municipality;

"Infrastructure Improvements" means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement, for the benefit of or for the protection of the health, welfare, or safety of the public generally.

"Municipality" means any incorporated city or county in this state.

"Planning Commission" means the Davison County Planning Commission.

"Plan" means this Project Plan.

"Project Costs" means any expenditure or monetary obligations by Davison County, 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 Davison County in connection with the implementation of this Plan.

"Project Plan" means properly approved Plan for the development or redevelopment of a tax incremental district including all properly approved amendments thereto as recommended pursuant to SDCL § 11-9-13.

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

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

"Tax Incremental District" means a contiguous geographic area within a City and/or County defined and created by resolution of the governing body and named Davison County Tax Incremental District #4.

"Tax Increment Valuation" is the total value of the Tax Incremental District minus the tax incremental base pursuant to § 11-9-19.

"Tax Increment Law" means South Dakota Codified Laws Chapter 11-9.

CREATION OF DAVISON COUNTY TID NUMBER 4

Representatives of the Developer have approached officials with Davison County and the City of Mitchell regarding the possibility of creating a Tax Incremental Financing District (“TID”) to assist in the construction of public infrastructure on land located within the corporate limits of the City of Mitchell and within Davison County, South Dakota. As presented by the Developer, the TID will consist of up to three (3) phases, as follows:

- Phase 1 will consist of the construction of public infrastructure and parking lots for a new clubhouse for Wild Oak Golf Course, to be located within the TID boundaries.
- Phase 2 will consist of the completion of Mattie Street from its intersection with Quiett Lane to Highway 38.
- Phase 3 will consist of the demolition and public infrastructure costs associated with the development of the “old clubhouse” area into housing, which public improvements may include street, sewer, lift station and site preparation.

*Construction includes the clearing of land, grading, surfacing, drainage, curb, sewer and miscellaneous costs to include engineering costs.

Developer may undertake the construction of any phase at any time during the initial 5 years of the TID. Developer shall not be required to complete the phases in any particular order, and may combine phases.

PROPERTY WITHIN THE TAX INCREMENT DISTRICT

The real property to be located within the Tax Increment District will consist of 20 parcels, legally described as follows:

Parcel 1: All of Tract A, all of Tract B, all of Tract C, all of Tract D, all of Tract E, all of Tract F, all of Tract G, all of Tract H, all of Tract I, and all of Tract J platted within Wild Oak Golf Club Addition to the City of Mitchell, Davison County, South Dakota.

Parcel 2: Lot One (1), Backlund Addition, in Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot Two (2), Backlund Addition, in Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot Three (3), Backlund Addition, in Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot Four (4), Backlund Addition, in Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Triple 'D' Tract 1 in the Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4) of Section Twenty-three (230, Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., including portions of previously platted, now abandoned Lot H-3, Davison County, South Dakota;

Southeast Quarter (SE1/4), except Highway Lots, Riverview Subdivision, except the Northeast Quarter of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter (NE1/4 NE1/4 NE1/4 SE1/4), and except the West Eighty Feet (W.80') of the Southeast Quarter (SE1/4), except Tracts A through J of Wild Oak Golf Club Addition, and except Triple 'D' Tract 1, in Section Twenty-three (230, Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., including portions of previously platted, now abandoned Lot H-3, Davison County, South Dakota;

That portion of Section Twenty-four (24), Township One Hundred Three (103), Range Sixty (60), also known as portions of Railroad Parcels Eight (8), Nine (9) and Ten (10) in the Northeast Quarter (NE1/4) of Section Twenty-four (24), except that portion of Lots One (1), Two (2), Three (3) and Four (4) of Backlund Addition lying within the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) and the Northwest Quarter (NW1/4) of the Southwest Quarter (SW1/4) and the Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4) and the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4); and a portion of Irregular Tract No. 1;

Lot One (1) in the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4), except Lot H-2, Section Twenty-four (24), Township One Hundred Three (103), Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot One (1) of Backlund Second Addition, Mitchell, Davison County, South Dakota; and

Lot Two (2) in the Northwest Quarter of the Southwest Quarter (NW1/4 SW1/4), except Lot Two A (2A) and except the Highway, and the Southwest Quarter of the Southwest Quarter (SW1/4 SW1/4), except Highway and except that portion of Lot Two A (2A), all excepting Lot H2, and except Lot A of S M Baas First Addition in the Northwest Quarter of the Southwest Quarter (NW1/4 SW1/4) and in a portion of the Southwest Quarter of the Southwest Quarter (SW1/4 SW1/4), and except the East 33' of the North 982.6' of the South 1057.6' and except Lot One (1) of Backlund Second Addition, Wild Oak Golf Club Addition to the City of Mitchell, Davison County, South Dakota.

Irregular Tract One (1) in the Southwest Quarter (SW1/4), except that portion of Lots One (1), Two (2), Three (3) and Four (4) of Backlund Addition lying within Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Two (2) in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Three (3) in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Four (4), within Lot Three (3) in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Five (5), within Lot Three (3) in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Six (6), in the Southeast Quarter (SE1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot H2 in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Seven (7), in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota; and

Lot Seven (7) of Lot Five (5) in the Southeast Quarter (SE1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota.

Parcel 3: That portion of Mattie Street right-of-way, as depicted on Exhibit A, lying south of Quiett Drive, and all other street rights-of-way located in Parcels 1 through 4.

LISTING OF KIND, NUMBER, LOCATION AND DETAILED COSTS OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS⁴.

In order to implement the provisions of SDCL Chapter 11-9, the following are Project Costs and expenditures made or estimated to be made and the monetary obligations incurred or estimated to be incurred by the Developer. Eligible Project Costs include capital costs, financing costs, real property assembly costs, professional fee costs, imputed administration costs, relocation costs, organizational costs, discretionary costs and grants, plus any costs incidental thereto.

The County is working to develop an economic and competitive base to benefit the County and the municipalities located therein and the State as a whole. All Project Costs are found to be necessary and convenient to the creation of the Tax Incremental District and its implementation. The project constitutes economic development which is a proper public purpose of the County. The County exercises the powers expressly stated in and reasonably inferred by SDCL §11-9-15 and Chapter 9-54.

A combination of private investment and tax increment financing will assist progress toward the following additional objectives:

- To address and remedy conditions in the area that impair or arrest the sound growth of the County;

⁴ SDCL §11-9-13(1).

- To implement the Comprehensive Plan and its related element;
- To redevelop and rehabilitate the area in a manner which is compatible with and complementary to unique circumstances in the area;
- To effectively utilize undeveloped and underdeveloped land;
- To improve pedestrian, bicycle, vehicular, and transit-related circulation and safety;
- To ultimately contribute to increased revenues for all taxing entities;
- To encourage the voluntary rehabilitation of buildings, improvements, and conditions;
- To watch for market and/or project opportunities to eliminate blight, and when such opportunities exist, to take action within the financial, legal and political limits of the County to acquire land, demolish and remove structures, provide relocation benefits, and pursue redevelopment, improvement and rehabilitation projects; and
- To improve areas that are likely to significantly enhance the value of substantially all property in the district.

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Costs of Public Works or Improvements

In accordance with SDCL § 11-9-14 the following is the kind, number, location and dollar amount of estimated Project Costs, costs of public works and improvements.

I. The following are listed as estimated costs of **Phase 1** of the Project.

Kind of Project	Number of Projects	Location ⁵	Amount	Reference ⁶
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) ⁷		District		11-9-15(1)
Financing Costs		District		11-9-15(2)
Real Property Assembly		District		11-9-15(3)
Professional Fees		District		11-9-15(4)
Administrative Costs		District		11-9-15(5)
Relocation Costs		District		11-9-15(6)
Organizational Costs		District		11-9-15(7)
Discretionary Costs and Grants	1	District	\$574,000	11-9-15(8)
Eligible Project Costs			\$574,000	

⁵District shall mean the Tax Increment District.

⁶SDCL §11-9-15 (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds or notes issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the Project Plan, are sufficient to pay the principal of and interest on the tax incremental bonds or notes when due;

(2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for Project Costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;

(3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a Project Plan;

(4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

(5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a Project Plan;

(6) Relocation costs;

(7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and

(8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans.

II The following are listed as estimated costs of **Phase 2** of the Project.

Kind of Project	Number of Projects	Location	Amount	Reference
Capital Costs (Street, Water & Sewer)		District		11-9-15(1)
Financing Costs		District		11-9-15(2)
Real Property Assembly		District		11-9-15(3)
Professional Fees		District		11-9-15(4)
Administrative Costs		District		11-9-15(5)
Relocation Costs		District		11-9-15(6)
Organizational Costs		District		11-9-15(7)
Discretionary Costs and Grants	1	District	\$600,000	11-9-15(8)
Eligible Project Costs			\$600,000	

III The following are listed as estimated costs of **Phase 3** of the Project.

Kind of Project	Number of Projects	Location	Amount	Reference
Capital Costs (Street, Water & Sewer)		District		11-9-15(1)
Financing Costs		District		11-9-15(2)
Real Property Assembly		District		11-9-15(3)
Professional Fees		District		11-9-15(4)
Administrative Costs		District		11-9-15(5)
Relocation Costs		District		11-9-15(6)
Organizational Costs		District		11-9-15(7)
Discretionary Costs and Grants	1	District	\$757,000	11-9-15(8)
Eligible Project Costs			\$757,000	

*Costs incurred in any phase may be allocated between any of the phases or any section in any phase, and any phase may be completed in any order or jointly. All of the above phase costs represent eligible Project costs, only such amounts as are feasible will be financed by the County or by a monetary obligation. In addition to the costs set forth above, Developer will incur additional eligible TID reimbursable expenses as follows:

- Capitalized interest cost of approximately \$308,976;
- Financing costs and other miscellaneous costs of \$860,024.

IX. Total Project Cost Estimates:

Phase 1	\$ 574,000*
Phase 2	\$ 600,000*
Phase 3	\$ 757,000*
Capitalized Interest Cost	\$ 308,976*
Financing Costs/Professional Fees/Misc. Expenses	\$ 860,024*
 Total of all Phases	 \$3,100,000*

All of the above are estimates of the costs involved in all Phases of the Project, and the actual total may be greater or smaller. An itemized listing of the estimated costs for all Phases is set forth on Schedule 1. Whether Developer proceeds with any Phase depends upon whether sufficient tax increment funds are generated from the sale and development of the residential lots to be located upon a portion of the TIF property, and commercial development (the “Clubhouse”) to be located on another parcel located within the TIF. Developer may also proceed with the Phases in any order that Developer elects, so that Phases may not be completed in the same order as set forth above. Additionally, phases may be combined or a partial phase completed and a new phase started. To provide adequate tax increment to satisfy the lender involved in the Project, such improvements shall occur, if at all, within the first five (5) years of the creation of the TID. Because the cost estimates for each Phase are only estimated costs, the total authorized TID costs of \$3,100,000 (which includes capitalized interest) is the controlling value with respect to authorized TID costs, rather than the particular line item amounts contained in the above Schedule and Schedule 1. The Phase estimates, Phase order, and line item categories proposed are for guidance only, and actual costs will be determined upon completion of the infrastructure improvements in each Phase. Therefore, the expenditures set forth in the Project Plan for all Phases may be actually used in any of the Phases. The above total represents eligible Project costs. Only such amounts as are feasible will be financed by the Developer or by monetary obligation. Although total eligible TID expense are in excess of \$3,100,000, Developer is limiting the requested TID amount to \$3,100,000 and will be responsible for costs that exceed that amount.

EXPENDITURES EXCEEDING ESTIMATED COST

Any expenditures which in sum would exceed the total amount of the TID amount of \$3,100,000 will require an amendment of this plan. All amendments are undertaken pursuant to SDCL §11-9-23. When the expenditures are increased above the total above, the Department of Revenue will be required to reset the base, in accordance with SDCL §11-9-23⁸

⁸If the Project costs are not provided for in the original plan, the governing body would be required to amend the plan which requires the South Dakota Department of Revenue to redetermine the tax increment base when additional Project costs are added to a plan. SDCL §11-9-23.

FEASIBILITY STUDY.⁹

An economic feasibility study is attached as Schedule 2.

ECONOMIC DEVELOPMENT STUDY

Not less than 50% of the area within the proposed district will stimulate and develop the general economic welfare and prosperity of the state through commercial, manufacturing and agricultural development as evidenced by the Economic Development Study attached as Schedule 3.

DETAILED LIST OF ESTIMATED PROJECT COSTS¹⁰

Attached as Schedule 1 is a detailed list of estimated Project Costs. No expenditure for Project Costs is provided for more than five years after the district is created.

FISCAL IMPACT STATEMENT¹¹

Attached as Schedule 4 is the Fiscal Impact Statement on other taxing districts found within the Tax Increment District, both until and after the bonds are repaid.

METHOD OF FINANCING, TIMING OF COSTS AND MONETARY OBLIGATIONS¹²

The payment of project costs is anticipated to be made by the County from the special fund of the Tax Incremental District;

Since TID revenues will not begin until 2017, it will be necessary to provide for capitalized interest expense to make up the shortfall in debt service during the initial 8 years of the TID. Capitalized interest is estimated to be in the approximate amount of \$308,976.

Maximum Amount of Tax Incremental Revenue

The maximum amount of tax incremental revenue bonds or monetary obligations to be paid through Tax Increment Number 4 shall be the amount sufficient to reimburse the County for the payments made for project costs and pay all tax increment bonds or monetary obligations in an amount not to exceed \$3,100,000 principal

⁹ SDCL §11-9-13(2)

¹⁰ SDCL §11-9-13(3)

¹¹ SDCL § 11-9-13(4).

¹² SDCL § 11-9-13(5)

and interest or such lesser amount as may be feasible with the estimated revenue generated by the Tax Increment District.

DURATION OF TAX INCREMENTAL PLAN

The duration of the Plan will extend to the number of years it will take for the reimbursement of the County, the extinguishment of bonds and the monetary obligation, except that the Plan duration shall not exceed 20 years from the date of creation of the District.

ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS

The site will generate taxes to the local jurisdictions at or above the assessed value of the Base. All taxing districts shall receive that base which will be the value set for 2014 taxes payable in 2015. The tax increment will be available to the taxing jurisdictions at or before twenty (20) years after the creation of the District. Schedule 5 details the tax capture implications to each of the local taxing jurisdictions. After the repayment of the bonds, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

CONDITIONS MAP¹³, IMPROVEMENTS MAP¹⁴, ZONING CHANGE MAP¹⁵

The conditions map is attached as Attachment 1. The Improvements map is attached as Attachment 2. The Zoning Change Map is attached as Attachment 3.

CHANGES TO CITY OF MITCHELL MASTER PLAN, MAP, BUILDINGS CODES AND CITY/COUNTY ORDINANCES¹⁶.

No County ordinances nor the County Master Plan will need to be changed.

¹³ SDCL § 11-9-16(1)

¹⁴ SDCL § 11-9-16(2)

¹⁵ SDCL § 11-9-16(3)

¹⁶ SDCL §11-9-16(4)

LIST OF ESTIMATED NON-PROJECT COSTS¹⁷.

The following is a list of the non-Project Costs. All costs are listed as taxable value, actual non-project costs will exceed the following amounts.

ALL PHASES

Item	Amount
Clubhouse	\$911,000*
Single Family Dwellings (51)	\$13,938,300*
TOTAL	\$14,849,300

*It is estimated that the clubhouse will cost approximately \$1,000,000 to build; however, Davison County utilizes a factor number to arrive at tax assessed value, which factor in effect at the time of the drafting of this project plan is 0.911. Therefore estimated tax-assessed value of the clubhouse is reduced to \$911,000. For establishing values of the single family dwellings, we have used an average cost of \$300,000 per dwelling. Utilizing the Davison County factor brings the total taxable value for the 51 dwellings to \$13,938,300.

STATEMENT OF DISPLACEMENT AND RELOCATION PLAN¹⁸

No residents or families will be displaced by the Project.

PERFORMANCE BOND, SURETY BOND OR OTHER GUARANTY.

As security for its fulfillment of the agreement with the governing body, a purchaser or lessee of redevelopment property may furnish a performance bond, with such surety and in such form and amount as the governing body may approve or make such other guaranty as the governing body may deem necessary in the public interest. This additional security may be provided for in a Developer's agreement.

¹⁷ SDCL §11-9-16(5)

¹⁸ SDCL § 11-9-16(16)

LIST OF SCHEDULES

- SCHEDULE 1 Estimated Project Cost
- SCHEDULE 2 Economic Feasibility Study
- SCHEDULE 3 Economic Development Study
- SCHEDULE 4 Fiscal Impact Statement
- SCHEDULE 5 Estimated Captured Taxable Values

ATTACHMENTS

- Attachment 1. Legal descriptions of real property
- Attachment 2. Map of real property
- Attachment 3. List of proposed changes in zoning ordinances

SCHEDULE 1 – "DETAIL OF PROJECT COSTS – ALL PHASES"

Kind of Project	Number of Projects	Location ¹⁹	Amount	Reference ²⁰
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) ²¹		District		11-9-15(1)
Financing Costs		District		11-9-15(2)
Real Property Assembly		District		11-9-15(3)
Professional Fees		District		11-9-15(4)
Administrative Costs		District		11-9-15(5)
Relocation Costs		District		11-9-15(6)
Organizational Costs		District		11-9-15(7)
Discretionary Costs and Grants	1 to 8	District		11-9-15(8)
Eligible Project Costs			\$3,100,000	

*See next pages for estimated costs of improvements. The project grant includes capitalized interest, professional fees, and ordinary interest expenses.

¹⁹District shall mean the Tax Increment District.

²⁰SDCL §11-9-15 (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds or notes issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the Project Plan, are sufficient to pay the principal of and interest on the tax incremental bonds or notes when due;

(2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for Project Costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;

(3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a Project Plan;

(4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

(5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a Project Plan;

(6) Relocation costs;

(7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and

(8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans.

Estimated Phase I Costs	
Concrete curb for parking lot	\$51,000
Asphalt and drainage for parking lot	\$203,000
*Construction of road	\$240,000
Contingencies	\$80,000
Total	\$574,000

Estimated Phase II Costs	
Sewer, water, street, curb and gutter	\$600,000

Estimated Phase III Costs	
Sewer and lift station	\$180,000
Demolition	\$100,000
Site plan	\$150,000
Professional Fees	\$150,000
Bridge construction	\$127,000
*Construction of safety area	\$50,000
Total	\$757,000

*"Construction" includes the clearing of land, grading, surfacing, drainage, curb, sewer and miscellaneous costs to include engineering costs.

TID Eligible	Requested
Phase 1	\$574,000
Phase 2	\$600,000
Phase 3	\$757,000
Capitalized Interest	\$308,976
Ordinary Interest/Professional Fees/Misc.	\$860,024
Administrative Fee	See below*
Total Authorized Front-End Costs	\$3,100,000

*The County will charge an Administrative Fee as part of the funds authorized by Davison County TID #4 as to be determined by the County and agreed to by Developer.

SCHEDULE 2 – “ECONOMIC FEASIBILITY STUDY”

Representatives of the Developer have approached officials with Davison County regarding the possibility of creating a Tax Incremental Financing District to assist in the construction of public infrastructure (street, sewer and water, lift station, demolition of existing buildings, clearing the land and site preparation and in some instances curb and gutter) on real property located within the County and partially contained within the City of Mitchell, Davison County, South Dakota. The Developer intends to sell residential lots located within the TID boundaries to third party developers or individuals for the development of single family and multi-family housing units.

Whether the individual Phases are implemented and in what order they are implemented will be based specifically on whether all or an adequate number of the lots being developed are sold and/or transferred to third parties for development purposes.

The County has been asked to finance infrastructure costs for the area through tax increment obligations. This feasibility study provides that the public infrastructure can be financed through tax increment financing under South Dakota Tax Incremental District Law (South Dakota Codified Laws Chapter 11-9). Tax increment financing is an indispensable self-financing tool used throughout the United States to help local governments successfully develop and redevelop areas and encourage economic development.

In tax increment financing, the current real property tax assessed value of all properties in a designated project area (“tax increment financing district”) is established as the “base value.” As development in the tax increment financing district increases the assessed values of the redeveloped properties, a portion of the additional tax revenue generated by the increase in assessed value over the base value is set aside and committed by the County to the reimbursement of approved project costs.

Tax increment financing is permitted only in connection with a “Project Plan” duly adopted by the County.

The property currently has a full and true value of \$11,490,490. The improvements to be made to the property are estimated to add \$14,849,300 to the taxable valuation. The estimated increment resulting from the improvements would be approximately \$14,849,300. Since only positive tax increment will be applied, the proposed project is feasible.

All of the project costs are found to be necessary and convenient to the creation of the Tax Incremental District and the implementation of the project. This project is designed to continue and finish the development of the Wild Oak Plan Development District.

Phase I of the project shall consist of the construction of a new clubhouse; however, TID funds for Phase I will only be used for TID eligible expenses such as site preparation, street improvements, curb, gutter and parking lot, and other TID eligible expenses.

Phase II of the project, if undertaken, will consist of the completion of Mattie Street south from its intersection with Quiett Lane to Highway 38.

Phase III of the project, if undertaken, will consist of the demolition of the existing clubhouse, site preparation, curb, gutter, lift station, new public street and other TID eligible expenses in relation to a possible new residential development which could consist of single family dwelling, condominiums or apartments to be located upon the site of the existing clubhouse.

DEVELOPMENT TABLES

COMMERCIAL					
Club-house	TIF Year	Assess Year	Collection Year	Percent of Assessed Value	Amount
	2015	2016	2017	20%	\$4,620
	2016	2017	2018	40%	\$9,241
	2017	2018	2019	60%	\$13,861
	2018	2019	2020	80%	\$18,482
	2019	2020	2021	100%	\$23,102
	2020	2021	2022	100%	\$23,102
	2021	2022	2023	100%	\$23,102
	2022	2023	2024	100%	\$23,102
	2023	2024	2025	100%	\$23,102
	2024	2025	2026	100%	\$23,102
	2025	2026	2027	100%	\$23,102
	2026	2027	2028	100%	\$23,102
	2027	2028	2029	100%	\$23,102
	2028	2029	2030	100%	\$23,102
	2029	2030	2031	100%	\$23,102
	2030	2031	2032	100%	\$23,102
	2031	2032	2033	100%	\$23,102
	2032	2033	2034	100%	\$23,102
	2033	2034	2035	100%	\$23,102
					\$392,735

RESIDENTIAL				
Homes Built	Year Built	First Year Assessed	First Collection Year	Amount
0	2014			\$0
3	2015	2016	2017	\$16,631
6	2016	2017	2018	\$33,262
9	2017	2018	2019	\$49,893
12	2018	2019	2020	\$66,523
15	2019	2020	2021	\$83,154
18	2020	2021	2022	\$99,785
21	2021	2022	2023	\$116,416
24	2022	2023	2024	\$133,047
27	2023	2024	2025	\$149,678
30	2024	2025	2026	\$166,309
33	2025	2026	2027	\$182,939
36	2026	2027	2028	\$199,570
39	2027	2028	2029	\$216,201
42	2028	2029	2030	\$232,832
45	2029	2030	2031	\$249,463
48	2030	2031	2032	\$266,094
51	2031	2032	2033	\$282,724
54	2032	2033	2034	\$299,355
57	2033	2034	2035	\$315,986
				\$3,159,862

Based upon the above table, for purposes of this Project Plan, the Developer is projecting the development of three new homes per year with an average building cost of \$300,000 per house and the construction of a new clubhouse at a cost of approximately \$1,000,000. Developer has also used the number of three new houses per year through the life of the TID. There are currently 67 undeveloped lots in the Wild Oak Development. For purposes of this plan and estimating three new houses per year (which is under the current average), 51 additional lots would be sold and developed during the life of the TID. It is anticipated that Developer will procure financing to fund the TID improvements by way of a loan. Developer reserves the right to be reimbursed for any payments made by it to pay "shortfall" amounts on any loan payment if the lender requires Developer to act as a secondary source of payment and also reimburse for any of Developer's expenses connected with the TID from excess collection amounts in the event the bonded indebtedness is retired prior to the completion date of the TID. However, any such payments may not exceed the total amount for the TID, i.e. \$3,100,000. As development within the TID is expected to be "residential" other than for the new clubhouse, the Davison County phasing of real property taxes will only be utilized by the clubhouse if such phase is approved as part of the TID

For purposes of this Project Plan only the new clubhouse and the undeveloped residential lots surrounding the "new 9 holes" of Wild Oak Golf Course have been utilized to determine the available tax

increment for this project even though the TID contains additional real property which may be developed for condominiums or apartments or single family dwellings which will, if developed, allow the TID to be paid off earlier than as provided for in this project plan. It is assumed that all obligations incurred would be adequately secured as to allow the payment of principal and interest when due, by means of a Developer-financed loan, as demonstrated by the table (amortization schedule) which follows on the next page, which table is for demonstration purposes only. The actual repayment schedule may change, but all principal and interest shall be paid within the life of the TID. A projected cash flow schedule is attached hereto. Utilizing the information regarding expected increment valuation and tax generation, it is possible to estimate an expected revenue stream that can be utilized to retire debt that will be created as a result of implementing the Project Plan.

TABLE 1

Input Data	
Advance Date of Bond	5/1/2015
First Payment Date	6/1/2016
Bond Amount	1,728,000
Rate	4.75%
Maturity Date	6/15/2036
Repayment Frequency	Semi-Annual

Assumptions:

Payment Dates	Number Days Betw een Payments	Actual Interest Expense	Principal Balance	Capitalized Interest Amount	Principal Payment	Pmt Amt
05/01/15			1,728,000.00			
06/01/16	397	90,516.00	1,818,516.00	90,516.00	-	
12/01/16	183	43,909.58	1,862,425.58	43,909.58	-	
06/01/17	182	44,724.08	1,896,524.17	34,098.58	-	10,625.50
12/01/17	183	45,793.16	1,931,691.82	35,167.66	-	10,625.50
06/01/18	182	46,387.43	1,956,827.75	25,135.93	-	21,251.50
12/01/18	183	47,249.24	1,982,825.49	25,997.74	-	21,251.50
06/01/19	182	47,615.35	1,998,562.34	15,736.85	-	31,878.50
12/01/19	183	48,256.95	2,014,940.80	16,378.45	-	31,878.50
06/01/20	183	48,652.42	2,021,088.22	6,147.42	-	42,505.00
12/01/20	183	48,800.86	2,027,384.08	6,295.86	-	42,505.00
06/01/21	182	48,685.38	2,022,938.46	-	4,445.62	53,131.00
12/01/21	183	48,845.53	2,018,652.99	-	4,285.47	53,131.00
06/01/22	182	48,475.71	2,005,681.70	-	12,971.29	61,447.00
12/01/22	183	48,428.86	1,992,663.55	-	13,018.14	61,447.00
06/01/23	182	47,851.60	1,970,752.16	-	21,911.40	69,763.00
12/01/23	183	47,585.45	1,948,574.61	-	22,177.55	69,763.00
06/01/24	183	47,049.96	1,917,545.57	-	31,029.04	78,079.00
12/01/24	183	46,300.74	1,885,767.30	-	31,778.26	78,079.00
06/01/25	182	45,284.61	1,844,656.91	-	41,110.39	86,395.00
12/01/25	183	44,540.78	1,802,802.69	-	41,854.22	86,395.00
06/01/26	182	43,292.30	1,751,383.99	-	51,418.70	94,711.00
12/01/26	183	42,288.63	1,698,961.62	-	52,422.37	94,711.00
06/01/27	182	40,798.68	1,636,733.29	-	62,228.32	103,027.00
12/01/27	183	39,520.29	1,573,226.58	-	63,506.71	103,027.00
06/01/28	183	37,986.87	1,499,870.45	-	73,356.13	111,343.00
12/01/28	183	36,215.62	1,424,743.07	-	75,127.38	111,343.00
06/01/29	182	34,213.62	1,339,297.69	-	85,445.38	119,659.00
12/01/29	183	32,338.46	1,251,977.15	-	87,320.54	119,659.00
06/01/30	182	30,064.84	1,154,066.99	-	97,910.16	127,975.00
12/01/30	183	27,865.91	1,053,957.90	-	100,109.09	127,975.00
06/01/31	182	25,309.63	942,976.53	-	110,981.37	136,291.00
12/01/31	183	22,768.95	829,454.48	-	113,522.05	136,291.00
06/01/32	183	20,027.87	704,875.35	-	124,579.13	144,607.00
12/01/32	183	17,019.80	577,288.15	-	127,587.20	144,607.00
06/01/33	182	13,862.93	438,228.09	-	139,060.07	152,923.00
12/01/33	183	10,581.38	295,886.47	-	142,341.62	152,923.00
06/01/34	182	7,105.38	150,068.86	-	145,817.62	152,923.00
12/01/34	183	3,623.54	-	-	150,068.86	152,923.00
				299,384.08	2,027,384.08	3,197,069.00

SCHEDULE 3 – “ECONOMIC DEVELOPMENT STUDY”

SECTION 1- INTRODUCTION

The County has been approached concerning the creation of a tax increment district located partially within the City of Mitchell with the balance being located in rural Davison County, South Dakota. In order to determine whether a tax increment district (TID) may be created, the governing body must make a finding that not less than 50%, by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the State through the promotion and advancement of industrial, commercial, manufacturing, agricultural and natural resources, and the improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district.

SECTION 2 - STUDY AREA BOUNDARY

The Study area is described as the area depicted on the map attached to this Project Plan as Attachment 2 and includes Mattie Street right of way.

SECTION 3 - ESTABLISHING ECONOMIC DEVELOPMENT

South Dakota law defines economic development as activity that stimulates and develops the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources. The area making up the boundaries of proposed County TID #4 consists of residential development and an existing golf course. However, over 50% of the development consists of bare lots and an existing clubhouse and pool area which have “outlived” their useful life spans, and, as such, are in need of being replaced. At the present time, the manufacturing sectors located in the Mitchell area are wanting to expand their workforces. However, they are unable to do so because of a lack of an available workforce and, just as critical, a lack of single family dwellings to house such a workforce. An independent Mitchell Area Development Corporation housing study completed in 2012 found a critical shortage in both owner-occupied and rental residential real property in the Mitchell area. The shortage first identified in 2012 is still currently causing businesses that would like to expand their workforce to “shelve” such plans, because there are not enough workers in the area to fill such positions in major part caused because there are not enough single family owner occupied homes available to attract such workforce from outside the Davison County area to move to Davison County. The study found that the City of Mitchell experienced significant single family owner occupied housing construction between the year 2000 to 2007 when 429 single family homes were constructed which was an annual average of 54 homes. However, construction slowed significantly between 2008 and 2012 with a total of 114 homes constructed which is an annual average of 23 homes.

The attractiveness of the Mitchell Area, the City of Mitchell status as a regional center, the City’s amenities and the availability of jobs should (according to the 2012 Housing Study) result in the continued construction of new single family homes on an annual basis. Overall household projections made by the study indicate a good demand for owner occupied housing construction. Substantial growth of 425 to 437 households was anticipated by the study through 2015 among households in the ages ranging between 55 and 74 years old. Households in these age ranges tend to be predominantly home owners and form a market for higher-priced trade up housing and low maintenance housing such as town homes and twin homes. The 35 to 44 year old range was also expected to gain 106 to 112 households through 2015. Many of the households in this age range are first-time home buyers.

It was the housing study’s opinion that City of Mitchell, local housing agencies, developers and builders should be proactive to the extent of building 38 to 43 owner occupied housing units per year in Mitchell over a 5-year period from 2013 to 2018. The study’s projection for single family housing “starts” includes homes built in new subdivisions and on infill lots and includes single family attached housing units such as twin homes and town homes. The breakdown of the study’s projection of 38-43 new owner occupied housing units annually over the 5 year period of 2013 to 2018 is as follows:

- Higher and medium priced homes: 18 to 20 homes
- Affordable homes: 10 to 11 homes
- Homes on infill lots: 2 homes
- Twin homes/townhomes: 8 to 10 units

For a total of 38 to 43 units per year.

ACTUAL HOMES BUILT BETWEEN 2011 AND 2013		
Year	No. of Homes Built	Type
2011	21	Single Family
	2	Twin
2012	13	Single Family
	5	Twin
2013	25	Single Family
	3	Twin

As can be seen by the above table, the “new starts” have not kept pace with the Housing Study’s recommendation that 38 to 43 owner occupied housing units should be constructed per year.

Developer projects that three new homes per year over the next 18 years will be constructed in the Wild Oak Development. The homes to be constructed would fit into the higher to medium priced homes (18 to 20 homes per year needed) as well as twin homes and town homes (8 to 10 units needed per year). The proposed development will go a long way towards fulfilling the identified need for new single family houses within the City of Mitchell to allow those people currently living in the “introductory level housing” to move up to the more modest and median priced homes allowing “upward movement” thereby opening up the availability of recruiting new work force to Mitchell to fill the introductory level housing vacated by those individuals moving “up” into the modest priced homes. This mobility will assist in expanding existing workforce and thus assisting in solving the City of Mitchell’s biggest impediment to expanding its workforce by adding additional single family dwelling housing. This will allow the existing businesses to expand their workforce, creating new jobs in the Mitchell area, stimulating and developing not only the general economic welfare and prosperity of the City of Mitchell and Davison County, but also the State of South Dakota through promotion and advancement of commercial and/or industrial business.

Section 4 - Finding That the Improvements to the Area are Likely to Enhance Significantly the Value of Substantially All of the Other Real Property in the District.

It is specifically found that once the improvements set forth within County TID #4 Project Plan are commenced the area making up the TID and surrounding the TID will enhance significantly the value of substantially all of the other real property in the TID District by jumpstarting the sale and development of additional residential lots. The development of Mattie Street will open up more lots located within the TID boundaries as it will help with traffic congestion in the development. Such improvements will significantly enhance the value of the real property contained within the district.

Section 5 - Conditions within the Study Area; Land Use and Planning

Land Use and Planning

Comprehensive Plan

The City of Mitchell Comprehensive Plan and Davison County Comprehensive Plan are consistent with the proposed use of the District.

SECTION 6 - FINDINGS WITHIN THE STUDY AREA ANALYSIS

In accordance with state law, it is found that not less than fifty percent (50%) by area of the real property within the District will stimulate and develop the general economic welfare and prosperity of the State of South Dakota through the promotion and advancement of industrial, commercial, manufacturing, agricultural, and natural resources by increasing the amount of single family dwellings within the City of Mitchell to assist in reaching the housing study goal of new house "starts" which will help business within the Mitchell area expand their workforces, and it is found that the improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the District in accord with SDCL 11-9-8(1) and (2).

SCHEDULE 4 - "FISCAL IMPACT STATEMENT"

FISCAL IMPACT STATEMENT COUNTY- TAX INCREMENT DISTRICT NUMBER 4

INTRODUCTION

The fiscal impact statement is intended to provide a succinct analysis of the estimated impact of the Tax Increment District to the public pursuant to SDCL § 11-9-13(4). It is not intended to rival the level of detail required by a detailed financial analysis. A fiscal impact statement shows the impact of the Tax Increment District, both until and after the bonds or obligations are repaid, upon all entities levying taxes upon property in the district.

DEFINITIONS

"Assumptions" means factors or definitions used in the fiscal analysis. Assumptions may include facts and figures identified by the District and educated guesses that are sometimes necessary when not all of the information is available. Assumptions are often used to extrapolate an estimate. Assumptions may include an estimate of tax levies of each taxing entity, the school aid formula contribution, the value of the real property, etc.

"Base Revenues" means the taxes collected on the base value.

"Fiscal Impact" means the increase or decrease in revenues and generally refers to an impact to revenues caused by the district.

"Revenue" means ad valorem taxes.

"Tax Increment District" means Davison County, Tax Increment District Number 4.

"Taxing Districts" means all political subdivisions of the state which have ad valorem taxing power over property within the boundaries of the Tax Increment District.

"Tax Increment Revenues" means all revenues above the Base Revenues.

ASSUMPTIONS:

1. The property will have improvements which at completion will be valued for taxable purposes at \$14,849,300.
2. The average tax levy of all taxing districts will be \$25.359 per thousand dollars of taxable valuation for commercial and \$20.284 per thousand dollars of taxable valuation for residential.
3. Tax increment will start to be collected in 2017 and end in to 2034.
4. The interest rate on the obligation is estimated to be approximately 4.75% per annum.
5. The discretionary formula will not be waived by the clubhouse. However notwithstanding the above, Developer acknowledges that the County Commission may in its discretion remove the discretionary formula for Davison County.

FISCAL IMPACT:

The total fiscal impact upon the taxing entities during the term of the Tax Increment District is as follows:

Taxing District will continue to receive taxes on approximately \$11,490,490 of full and true value throughout the duration of the District

Valuation Assumptions	Base	Increase	Positive Increment
Land / Existing Improvements	\$11,490,490	0	0
Additional Improvements	\$14,849,300	\$14,849,300	\$14,849,300
Total Positive Increment	\$14,849,300	\$14,849,300	\$14,849,300

SCHEDULE 5 – "ESTIMATED CAPTURED TAXABLE VALUES"

For purposes of this Project Plan, Developer assumes that it, for the new club house, will elect to use the real property tax discretionary formula currently utilized in Davison County, South Dakota, pertaining to payment of real property taxes (i.e., 20% Year 1; 40% Year 2; 60% Year 3; 80% Year 4; and 100% Year 5. However, any residential lot will not be eligible to use the discretionary formula. It is further assumed, for purposes of this Plan, that the first three houses will be completed in 2015. It is also projected that three additional houses will be built per year through 2033, thus utilizing 51 of the 67 remaining lots in the development. Finally, although Developer is anticipating additional residential development in the "old clubhouse area", the tax increment from that development is not being used in the projections contained in this project plan.

*Once Davison County determines 100% of full and true value for real property and real property improvements, it implements a multiplier of 0.911 to establish "taxable value" of real property and real property improvements. Actual valuation shall depend upon the value determined by the Davison County Director of Equalization when assessed, with the application of dollars-per-thousand from local taxes. All tax increment revenues shall be from Generally Applicable Taxes attributable to the improvements to be constructed in the TID. The potential for total increment collections are estimated to be at the maximum range of \$2,891,051 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2017, and the schedule carries out the tax captured 20 years from the date of Plan adoption. The following dollars-per-thousand rates are the current taxing rates of the local taxing jurisdictions:

2013 Rate (Residential)

2013 Payable in 2014	\$ Per \$1000
Davison County	4.576
City of Mitchell	6.322
Water District	0.085
School (owner occupied)	<u>9.301</u>
Total Tax Levy	20.284

2013 Rate (Commercial)

2013 Payable in 2014	\$ Per \$1000
Davison County	4.576
City of Mitchell	6.322
Water District	0.085
School (non ag)	<u>14.376</u>
Total Tax Levy	25.359

Utilizing the information regarding expected increment valuation and tax generation, it is possible to generate an expected revenue stream that can be utilized to retire debt that will be created as a result of implementing the Project Plan, which is presented on the following table. In addition, it is further assumed that the new clubhouse will be built in 2015. We also assume for purposes of this plan that the homes built will vary in costs of construction and are utilizing a “average” tax assessed value of \$273,300 per home which is slightly lower than the average of the existing homes in the development.

TID TAX REVENUE ESTIMATES

The maximum amount of bonded indebtedness shall depend upon the anticipated revenues from tax increment and shall be determined once the TID revenues are determined.

RESIDENTIAL										
Year	TIF Year	Assess Year	Collection Year	Houses Built	Taxable Value of Home	County	City	JR Water	School (Owner Occupied)	Total
						4.576	6.322	0.085	9.301	20.284
1	2014									
2	2015	2016	2017	3	\$819,900.00	\$3,752	\$5,183	\$70	\$7,626	\$16,631
3	2016	2017	2018	6	\$1,639,800.00	\$7,504	\$10,367	\$139	\$15,252	\$33,262
4	2017	2018	2019	9	\$2,459,700.00	\$11,256	\$15,550	\$209	\$22,878	\$49,893
5	2018	2019	2020	12	\$3,279,600.00	\$15,007	\$20,734	\$279	\$30,504	\$66,523
6	2019	2020	2021	15	\$4,099,500.00	\$18,759	\$25,917	\$348	\$38,129	\$83,154
7	2020	2021	2022	18	\$4,919,400.00	\$22,511	\$31,100	\$418	\$45,755	\$99,785
8	2021	2022	2023	21	\$5,739,300.00	\$26,263	\$36,284	\$488	\$53,381	\$116,416
9	2022	2023	2024	24	\$6,559,200.00	\$30,015	\$41,467	\$558	\$61,007	\$133,047
10	2023	2024	2025	27	\$7,379,100.00	\$33,767	\$46,651	\$627	\$68,633	\$149,678
11	2024	2025	2026	30	\$8,199,000.00	\$37,519	\$51,834	\$697	\$76,259	\$166,309
12	2025	2026	2027	33	\$9,018,900.00	\$41,270	\$57,017	\$767	\$83,885	\$182,939
13	2026	2027	2028	36	\$9,838,800.00	\$45,022	\$62,201	\$836	\$91,511	\$199,570
14	2027	2028	2029	39	\$10,658,700.00	\$48,774	\$67,384	\$906	\$99,137	\$216,201
15	2028	2029	2030	42	\$11,478,600.00	\$52,526	\$72,568	\$976	\$106,762	\$232,832
16	2029	2030	2031	45	\$12,298,500.00	\$56,278	\$77,751	\$1,045	\$114,388	\$249,463
17	2030	2031	2032	48	\$13,118,400.00	\$60,030	\$82,935	\$1,115	\$122,014	\$266,094
18	2031	2032	2033	51	\$13,938,300.00	\$63,782	\$88,118	\$1,185	\$129,640	\$282,724
19	2032	2033	2034	54	\$14,758,200.00	\$67,534	\$93,301	\$1,254	\$137,266	\$299,355
20	2033	2034	2035	57	\$15,578,100.00	\$71,285	\$98,485	\$1,324	\$144,892	\$315,986
										\$3,159,862

COMMERCIAL											
Year	TIF Year	Assess Year	Collection Year		Taxable Value of Commercial Property	Percent	County	City	JR Water	School (Non Ag)	Total
							4.576	6.322	0.085	14.376	25.359
1	2015	2016	2017		\$182,200	20%	\$834	\$1,152	\$15	\$2,619	\$4,620
2	2016	2017	2018		\$364,400	40%	\$1,667	\$2,304	\$31	\$5,239	\$9,241
3	2017	2018	2019		\$546,600	60%	\$2,501	\$3,456	\$46	\$7,858	\$13,861
4	2018	2019	2020		\$728,800	80%	\$3,335	\$4,607	\$62	\$10,477	\$18,482
5	2019	2020	2021		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
6	2020	2021	2022		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
7	2021	2022	2023		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
8	2022	2023	2024		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
9	2023	2024	2025		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
10	2024	2025	2026		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
11	2025	2026	2027		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
12	2026	2027	2028		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
13	2027	2028	2029		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
14	2028	2029	2030		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
15	2029	2030	2031		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
16	2030	2031	2032		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
17	2031	2032	2033		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
18	2032	2033	2034		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
19	2033	2034	2035		\$911,000	100%	\$4,169	\$5,759	\$77	\$13,097	\$23,102
											\$392,735
											\$3,552,597

ATTACHMENT 1

LEGAL DESCRIPTIONS OF REAL PROPERTY

Parcel 1: All of Tract A, all of Tract B, all of Tract C, all of Tract D, all of Tract E, all of Tract F, all of Tract G, all of Tract H, all of Tract I, and all of Tract J platted within Wild Oak Golf Club Addition to the City of Mitchell, Davison County, South Dakota.

Parcel 2: Lot One (1), Backlund Addition, in Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot Two (2), Backlund Addition, in Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot Three (3), Backlund Addition, in Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot Four (4), Backlund Addition, in Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Triple 'D' Tract 1 in the Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4) of Section Twenty-three (230, Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., including portions of previously platted, now abandoned Lot H-3, Davison County, South Dakota;

Southeast Quarter (SE1/4), except Highway Lots, Riverview Subdivision, except the Northeast Quarter of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter (NE1/4 NE1/4 NE1/4 SE1/4), and except the West Eighty Feet (W.80') of the Southeast Quarter (SE1/4), except Tracts A through J of Wild Oak Golf Club Addition, and except Triple 'D' Tract 1, in Section Twenty-three (230, Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., including portions of previously platted, now abandoned Lot H-3, Davison County, South Dakota;

That portion of Section Twenty-four (24), Township One Hundred Three (103), Range Sixty (60), also known as portions of Railroad Parcels Eight (8), Nine (9) and Ten (10) in the Northeast Quarter (NE1/4) of Section Twenty-four (24), except that portion of Lots One (1), Two (2), Three (3) and Four (4) of Backlund Addition lying within the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) and the Northwest Quarter (NW1/4) of the Southwest Quarter (SW1/4) and the Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4) and the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4); and a portion of Irregular Tract No. 1;

Lot One (1) in the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4), except Lot H-2, Section Twenty-four (24), Township One Hundred Three (103), Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot One (1) of Backlund Second Addition, Mitchell, Davison County, South Dakota; and

Lot Two (2) in the Northwest Quarter of the Southwest Quarter (NW1/4 SW1/4), except Lot Two A (2A) and except the Highway, and the Southwest Quarter of the Southwest Quarter (SW1/4 SW1/4), except Highway and except that portion of Lot Two A (2A), all excepting Lot H2, and except Lot A of S M Baas First Addition in the Northwest Quarter of the Southwest Quarter (NW1/4 SW1/4) and in a portion of the Southwest Quarter of the Southwest Quarter (SW1/4 SW1/4), and except the East 33' of the North 982.6' of the South 1057.6' and except Lot One (1) of Backlund Second Addition, Wild Oak Golf Club Addition to the City of Mitchell, Davison County, South Dakota.

Irregular Tract One (1) in the Southwest Quarter (SW1/4), except that portion of Lots One (1), Two (2), Three (3) and Four (4) of Backlund Addition lying within Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Two (2) in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Three (3) in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Four (4), within Lot Three (3) in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Five (5), within Lot Three (3) in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Irregular Tract Six (6), in the Southeast Quarter (SE1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

Lot H2 in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota;

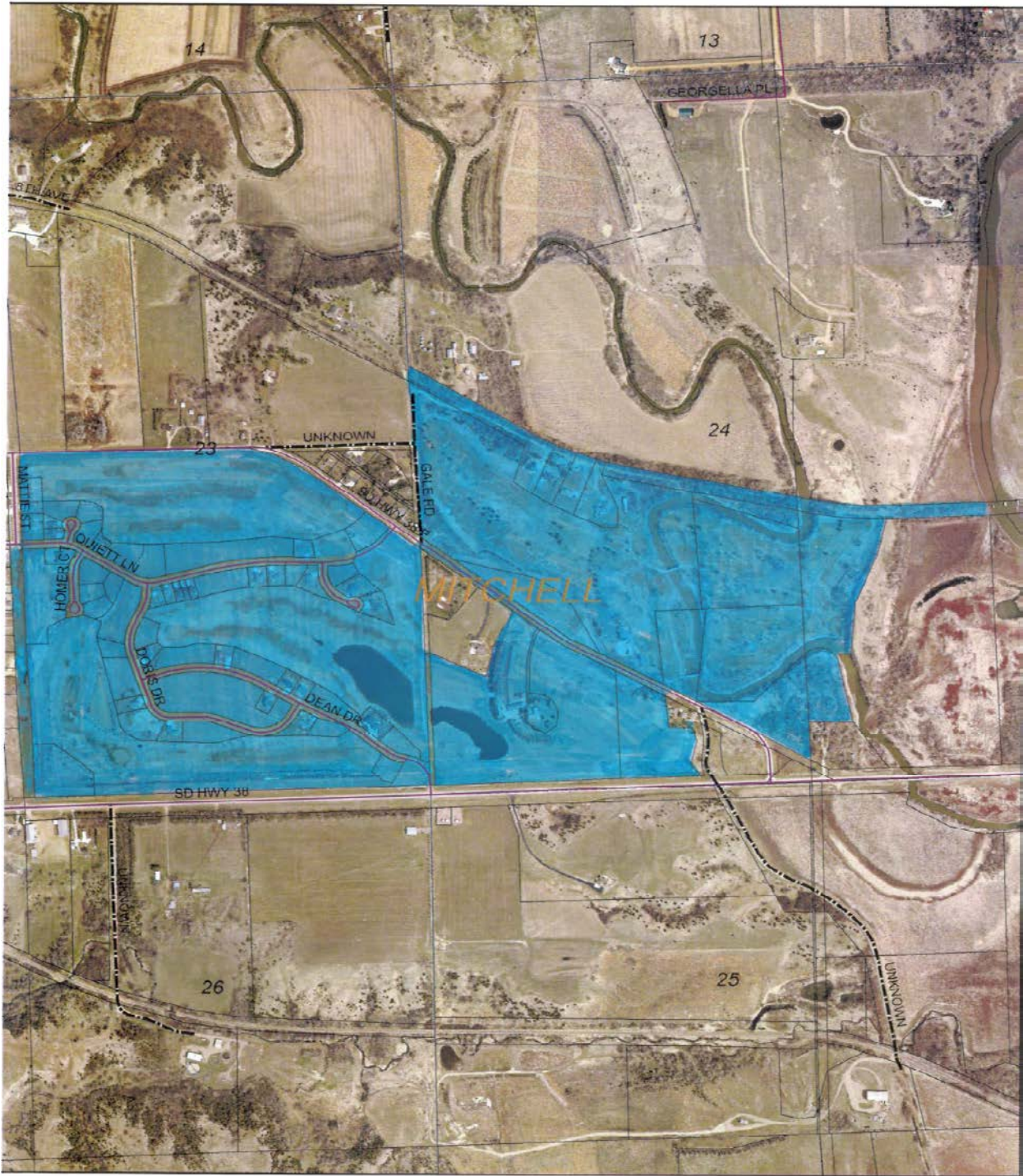
Irregular Tract Seven (7), in the Southwest Quarter (SW1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota; and

Lot Seven (7) of Lot Five (5) in the Southeast Quarter (SE1/4) of Section Twenty-four (24), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Davison County, South Dakota.

Parcel 3:

That portion of Mattie Street right-of-way, as depicted on Exhibit A, lying south of Quiett Drive, and all other street rights-of-way located in Parcels 1 through 4.

ATTACHMENT 2



ATTACHMENT 3

Zoning Changes

All parcels shall retain current zoning classifications.