

Davison County Request for TIF #4



Project Overview

- South Dakota Soybean Processors has proposed a plan to construct a multi-seed processing plant.
- The processing plant will have capacity to process 35 million bushels of soybeans annually from area farmers.
- The proposed project site is located just off Highway 37 within Davison County and only two miles south of I-90.
- Adjacent to BNSF Railway Mainline.
- Will require necessary infrastructure upgrades to power, water, natural gas, and turning lane.

Local Impact

- Utilization of Local Providers
- State Sales & Contractors Excise Tax Revenue
- High Demand for locally produced grains
 - Positively impacting basis for farmers

Additional Information

- South Dakota Soybean Processors is a leading producer of soybean oil used in the Food, Feed, Industrial, and renewable fuels.
- SDSPP has the ability to supply product via rail tanker, truck tanker, tote quantities, and drums and offer crude, refined and bleached, as well as refined bleached and deodorized oil.
- SDSPP produces Expeller Pressed Non-GMO and Organic soymeal. These identity preserved methods are backed by the Non-GMO Project Verification and USDA Organic certifications.

Mandatory Criteria

- The aggregate assessed value of the taxable property in the proposed district, plus the Tax Incremental Base Value of all other existing districts, does not exceed ten percent of the total assessed value of taxable property in the County.

Davison County	
Tax Increment District	Base Value
1	
2	\$ 749,540
3	\$ 75,730
4 Estimated	\$ 563,870
TOTAL	\$ 1,389,140

Davison County Taxble Value \$ 1,746,793,037

All TIF Base Value must be less than 10% \$ 174,679,303

Mandatory Criteria

- The County assumes no responsibility for the repayment of any loan or bond. The responsibility of the County will be collection of the real or property taxes and payment of allocations outlined in the project plan.
 - The County will act as a conduit for the revenue and pass on all positive increment to the developer or to reimburse the County for their expenses.

Mandatory Criteria

- The project must be located within a proposed district in which a minimum of twenty five percent (25%) of the area of the district is determined to be "blighted" or 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 through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district, in accordance with SDCL 11-9-8. It is not necessary to identify the specific parcels meeting the criteria.

Mandatory Criteria

- The project must comply with the adopted comprehensive plans, Zoning Ordinances, Drainage Ordinances, and all other appropriate plans and regulations.
 - The creation of Davison County TIF #4 shall be conditioned upon the creation of the District by resolution, and the establishment of the TID boundaries and approval of the TID Project plan by the Davison County Planning and Zoning Commission.

Conditional Use Permit Stipulations

1. Comply with the Memorandum of Understanding (MOU) recommendations of the Traffic Impact Study and the Department of Transportation, at no cost to Davison County. The final determination will include input from the Highway Superintendent, one County Commissioner, and one Prosper Township Board Member.
2. Driveway approach access will be approved by the Highway Superintendent.
3. Present a landscape plan to the Planning & Zoning office, to include installation and maintenance of a fast-growing shelterbelt designed by the Davison County NRCS, including, but not limited to the south and east sides of the property wherever it is reasonably feasible to do so. The east side will not extend north past the south property line of Lot A of Johnson's Subdivision in the N ½ of Section 11-102-60.
4. A modification of ownership structure or legal entity name shall not require a new Conditional Use Permit.
5. Due to the length of construction, the 24-month non-use criteria set forth in Section 12:06 (A) 3 (Board of Adjustment Powers and Duties of Conditional Use Permits) of the Davison County Zoning Ordinance shall be waived.
6. Have a written plan for the site to address cleanup and disposal of the structures when the economic life of the building has expired. The life of the building shall be considered expired if not occupied for a 24-month period.
7. Comply with all regulations mandated by the Department of Agriculture and Natural Resources (DANR).

Mandatory Criteria

- The use of TID funds for the project will not result in the net loss of preexisting tax revenues to the County and other taxing jurisdictions
 - The TIF will be certified as industrial through DOR.
- For the life of the TID, the property inside the District may not be transferred to an entity which will claim a real property tax exemption. This will also be included in the Developer's Agreement.
 - SDSP is a for-profit entity and will not claim a tax exemption

Mandatory Criteria

- If the project has site alternatives, the proposal must demonstrate that it would not occur in Davison County without the TID
 - There are no other site alternatives in Davison County
- The project will not provide direct or indirect assistance to retail or service businesses competing with existing businesses in the Davison County trade area.
 - SDSP will buy soybeans from area elevators within a 75-mile radius to fulfill its 35-million-bushel capacity.

Mandatory Criteria


- The Project will bring new or expanded employment opportunities as demonstrated by proposed wage scales, employee benefits and mixture of full and part time employees.
 - The facility is expected to create 85 full-time positions.
 - Estimated \$4.25+ Million in Annual Salaries
 - Indirect benefits, including but not limited to grocery purchases, restaurant services, housing, utilities, health care, increased tax revenue, etc.
- The project will result in additional redevelopment in the Tax Incremental District.
 - The expansion of the railway will allow for area development for future businesses.



Non-Mandatory Criteria


The project will generate at least one full time job for each ten thousand dollars (\$10,000.00) in principal value of the TID; or would create a minimum of fifty (50) new jobs

- The project is expected to create 85 new full-time positions
 - Estimated \$4.25+ Million in Annual Salaries
 - Indirect benefits, including but not limited to grocery purchases, restaurant services, housing, utilities, health care, increased tax revenue, etc.




The project involves the development of an entirely new business or business operation within Davison County

- SDSP is a new addition to Davison County. The only other locations are Volga and Miller/St. Lawrence



The project costs are limited to those specific costs associated with a site that exceeds the typical or average construction costs (i.e., excessive fill, relocation costs, additional foundation requirements associated with unusual soil conditions, extension of sewer or water mains, on site or off-site vehicular circulation improvements, etc.).

- SDDOT will require a turning lane at the expense of SDSP.
- Project Costs include site work and underground utilities (TIF Eligible Expenses)
 - \$21,221,000



The development is financially able to waive the five (5) year discretionary tax formula, in accordance with SDCL 10-6-35.2; which gives the County Commissioners the authority to adopt a discretionary tax formula. Discretionary Tax Formula is only applicable to a new commercial business in the county or the expansion of an existing commercial business.

- The company will waive the property tax discretionary formula.