BOARD OF COMMISSIONERS AGENDA
Monday, April 17, 2023
5:30 PM – COMMISSION ROOM – 116 W CENTER ST

Please join the Zoom meeting from your computer, tablet or smartphone.
https://us06web.zoom.us/j/83953691795

Meeting ID: 839 5369 1795
You can also dial in using your phone.
+1 312 626 6799

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPT AGENDA

APPEARANCES/ACKNOWLEDGEMENTS

CONSENT CALENDAR
1) Minutes – April 3, 2023
2) Bills for Approval – April 19, 2023
3) Bills for Ratification – April 12, 2023
4) Payroll Bills for Ratification – April 14, 2023
5) Personnel
6) 2022 Library Annual Report
7) March 2023 Building Permits

UNFINISHED BUSINESS

NEW BUSINESS
1) Approve DSU Athletic Facility Usage Agreement
2) Adopt Resolution No. 2023-13 – Provide for the Creation of Tax Increment District Number Five
3) Award Bid No. 922 – Hay Ground
4) Award 2023 Asphalt Surface Treatment Project to ASTECH Corp. for $229,337.60
5) Action to demolish historic residential structures at 715 N Egan Avenue
6) Discussion on Employee Compensation Resolution Section A Department Head benefits

PUBLIC COMMENT

ANNOUNCEMENTS
1) Next Regular Commission Meeting – Monday, May 1 at 5:30 pm
2) Construction Projects Community Open House – Wednesday, April 26 from 4:30 to 6:30 pm at City Armory
3) Strategic Planning Update Community Forums – Wednesday, April 19
   a. 1:00 pm at Dakota Prairie Playhouse
   b. 6:00 pm at Madison High School Theater
4) Library dedication of the Nancy Sabbe Community Room – Monday, April 24 from 4:00 to 6:00 pm
5) City Finance & Utility Billing Offices Closed May 8th- May 10th – Employee Training

ADJOURN

Anyone wishing to speak to an item on the agenda must be acknowledged by the chair and come to the podium to address the Mayor and City Commission. Addressing other audience members will not be permitted.
Supplementary agenda information may be accessed at www.cityofmadisonsd.com
If special accommodations are necessary to attend any Board of Commissioners meeting, please contact the Finance Office at (605) 256-7500 at least 24 hours before meeting time. All attempts shall be made to accommodate a request.

CITY OF MADISON
BOARD OF COMMISSIONERS PROCEEDINGS
MADISON, SD 57042

April 3, 2023
Regular

The Board of Commissioners of the City of Madison met in regular session at 5:30pm on the 3rd day of April with the following members present on roll call: Commissioners Jeremiah Corbin, Kelly Dybdahl, and Mayor Lindsay. The following members were absent: Commissioner Jerae Wire, Adam Shaw.

The Pledge of Allegiance was recited.

Motion by Commissioner Dybdahl, seconded by Commissioner Corbin to adopt the April 3, agenda. Motion carried unanimously.

Motion by Commissioner Corbin, seconded by Commissioner Dybdahl, to approve the following items on the consent calendar. Minutes March 20, 2023, Board of Equalization Minutes March 21, 2023, Bills for Approval – April 5, 2023, Bills for Ratification – March 29, 2023 and March 22, 2023, Payroll Bills for Ratification – March 31, 2023, Personnel.

Bills for Approval – April 5, 2023
APPEARA, Services, $72.98, AT & T MOBILITY, Service for Phone & Tablets, $2,239.15, BARTELS CLEANING SERVICE, MMU Cleaning Service, $500.00, BLUEPEAK, Phone & Internet, $3,420.01, BOYER FORD TRUCKS INC OR BOYER TRUCKS - SIOUX FALLS, Grease Fitting Cap, $10.61, COLES PETROLEUM PRODUCTS INC, Grease, $98.78, DAHL/KESTER, Part-time Animal Control - March, $400.00, DAKOTA FLUID POWER INC, Parts, $97.66, DAKOTA SUPPLY GROUP INC, Duraline 3" Interduct, $30,000.00, DGR ENGINEERING, 2022 Electric Conversion, $23,056.20, DLT SOLUTIONS LLC, Annual Architecture Engineering & Construction, $1,232.56, DOMESTIC VIOLENCE NETWORK, Annual Contribution - 2023, $15,000.00, F & M COOP OIL CO, Tire Balance, $140.10, FASTENAL CO, Paint Suits, $39.40, FOX PROMO LLC, Shirts/Sweatshirt w/Embroidery, $140.47, GONYO/GARY LEE, Meal Reimbursement - Snow, $5.35, GOSCMA, Annual Membership - J. Berreth, $175.00, GRAYBAR ELECTRIC CO INC, Belden Cable, $611.24, GREAT AMERICA FINANCIAL SVCS, Usage for Color - Acct# 025-1686092-000, $50.56, GREATER MADISON AREA CHAMBER, Qtr 2 Appropriation, $23,750.00, HANCO CORPORATION, Tools - Tire, $254.10, I STATE TRUCK CENTER, Plug, $19.96, JENCKS & JENCKS PC, April Services/Contract, $5,500.00, JOHNSON BROTHERS EXCAVATION, Sand, $1,046.10, KIMBALL MIDWEST, Drill Bits, $157.60, KOLORWORKS, Paint/Supplies - Public Library, $402.69, KRUG PRODUCTS INC, Hose Assembly, $21.26, MADISON ACE HARDWARE, Paint Supplies, $101.81, MALLOY ELECTRIC, Flange Cart, $3,304.48, MARTIN/JEREMY, Meal Reimbursement - CDL, $14.00, MPOWER TECHNOLOGIES INC, Integrator / Editor Annual Maintenance Agreement, $7,500.00, OFFICE PEEPS INC, Air Purifier Filters, $521.51, ONE STOP, Fuel - Fire 1, $70.53, PETE LIEN & SONS INC, Quicklime, $5,253.14, PORTA PROS INC DBA A-1 PORTABLE TOILETS, Toilet Rental - Totland Park, $152.00, RIVERSIDE TECHNOLOGIES, INC., Z2 G9 Tower 32GB, $1,299.00, ROOK/RYAN W, Reimburse Unmanned Aircraft Test Fee, $175.00, RSA, Professional Services - City Admin Bldg Phase II, $42,000.00, RUNNINGS SUPPLY INC, Shop Towels/Dog & Cat Food/Kitty Litter, $262.86, SANITATION PRODUCTS INC, Parts, $235.07, SD PUBLIC HEALTH LABORATORY, Water Samples, $146.00, SD RETIREMENT SYSTEM, SDRS Wockenfuss SPP, $45.00, SMART GUARD LLC, AMI Meters - 2S, $83,025.00, SPENCER QUARRIES INC, Omega Mix, $2,307.20, STREICHERS INC, Ballistic Panels/Vests, $4,678.98, STURDEVANTS MADISON INC, Grease, $79.74, TIMMER SUPPLY CO, Ball Valve, $26.34, VESSCO INC, Slacker Parts, $101.00, WHEELCO BRAKE & SUPPLY INC, Filters, $170.24

Bills for Ratification – March 22, 2023
GG & MG ENTERPRISES LCC, Office Remodel - Library, $3,457.80.

Bills for Ratification – March 29, 2023
ALPHA MEDIA USA LLC, Snow Banner, $828.00, AMARIL UNIFORM COMPANY, Long Sleeve Shirts, $171.42, AMAZON CAPITAL SERVICES INC, CA & IT Computer & Accessories, $2,036.45, APPEARA, Services - WTP, WWTP, $274.75, BERGERSEN/CARSTEN, Classes at Community Center 2/26 - 3/11, $177.00, BOBS ELECTRIC OF MADISON INC, Fuse, $164.70, CARQUEST OF MADISON, Antifreeze, Grease, $103.95, CHRISTIANSEN/STEVE, Meal Reimbursement - Snow Removal, $5.68, COLES PETROLEUM PRODUCTS INC, 2/18/23 to 3/9/23 Fuel Report,

$8,962.99, EUROFINS EATON ANALYTICAL LLC, PFAS Testing, $1,000.00, FLANAGAN/STEVE, Reimburse Hotel - Pierre, $212.72, FOX PROMO LLC, Embroider on Coats, $44.00, GARYS BAKERY, Asst Rolls/Muffins, $264.96, HASLETON/JARED, Classes at Community Center 2/13 - 2/25, $338.75, HAWKINS INC, Chemicals, $1,543.46, HUNTER PUBLISHING INC, March 9 Publications, $147.30, JOSH'S TOOLS LLC, Tools, $48.25, KRUG PRODUCTS INC, O-Ring, $15.48, LAKE COUNTY INTERNATIONAL INC, Bolts, $4.99, LAKE COUNTY TREASURER, 2/18/23 to 3/9/23 Fuel Report, $207.90, LEWIS DRUGS INC, Career Fair - Tissue Paper, Candy, $39.45, LOCATOR & SUPPLIES INC, Sky Genie Bag, $128.04, MADISON ACE HARDWARE, Bristle Brush, $557.39, MADISON GROCERY STORE INC, Special Event - Groceries, $407.79, MARCO TECHNOLOGIES, Lease Agreement #016-1571453-000, $325.47, NORTHWESTERN ENERGY, Utilities - WWTP - 2544362-3, $4,492.02, O REILLY AUTOMOTIVE INC, Filters, $449.99, OFFICE PEEPS INC, Air Filters, $537.66, OLSON/WYATT, Classes at Community Center 2/27 - 3/09, $168.00, ONE SOURCE, Background Checks, $247.00, PATCH/CHAD, Meal Reimbursement - Parts Run, $14.00, PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC, Equipment Lease - Acct# 0011373079, $237.09, PRO GARAGE DOOR, Garage Door Parts, $87.76, ROSSING/DAVID, Schwinn Air Bike, $100.00, RUNNINGS SUPPLY INC, Cordless Grease Gun - Milwaukee, $1,006.32, SD MUNICIPAL LEAGUE, District Meeting - Berreth/Dybdahl, $60.00, STREICHERS INC, Name Tags w/Heat Press, $99.99, SWEENEY CONTROLS CO, SCADA Troubleshoot, $487.20, USA BLUE BOOK, ZEP Big Orange, $368.77, WEIST/SHERRY, Water Aerobics Class 1/30 - 2/27, $699.20, WHEALY/MARK, Spin Class 2/8 - 2/24, $142.00.

Payroll Bills for Ratification – March 17, 2023
ACCOUNTS MANAGEMENT INC, $310.41, IRS-EFTPS, $44,918.55, OFFICE-CHILD SUPPORT ENFORCE, $1,653.30, SD RETIREMENT SYSTEM, $22,829.35, SD RETIREMENT SYSTEM, $3,270.00.

Personnel
Lawrence, Christopher $22.11/hour; Zimmerman, Nathan $125,507; Williams, Craig $26.43; Krusemark, Kaden $13.72/hour Lifeguard, $12.01/Hour Supervisor on Duty, $14.24/Hour Water Safety Instructor.

Discussion was held regarding the proposed No Parking Restrictions for Egan Avenue for 2:00am to 5:30am which allow for more effective snow removal and street cleaning. Local business owners and apartment renters provided their comments. Per Commission direction, the City will proceed with the parking restriction with a target date of April 17, 2023.

Mayor Lindsay shared a Proclamation designating April 30th to May 6th as National Small Business Week.

Motion by Commissioner Corbin, seconded by Commissioner Dybdahl to Authorize Mayor to Sign Sodexo Concession Contract for Madison Aquatic Center.

Motion by Commissioner Corbin, seconded by Commissioner Dybdahl to Approve Flynn/Thue field usage agreement with DSU.

Motion by Commissioner Dybdahl, seconded by Commissioner Corbin to Award bid of Electric Distribution Conversion – 2023 project to Dakota Directional LLC.

Mayor Lindsay announced that city offices will be closed for the holiday on April 7th and 10th, 2023. Next Regular Meeting will be Monday, April 17, 2023.

Motion by Commissioner Wire, seconded by Commissioner Shaw, to Adjourn at 6:11 pm.

/s/Sonya Wilt
Finance Officer

Published once at the approximate cost of $__.

CITY OF MADISON

PERSONNEL

April 2023

NAME	EFFECTIVE DATE	PRESENT STATUS	RECOMMENDED STATUS	PRESENT RATE/SALARY	RECOMMENDED RATE/SALARY	POSITION
Donelan, Fiona	4/3/2023		PT<20		14.24	Water Safety Instructor
Hawkes, Aaron	4/3/2023		PT<20		14.24	Water Safety Instructor
Oftedal, Hayden	4/3/2023		PT<20		14.24	Water Safety Instructor
Wollmann, Mathew	4/21/2023	FT	TEMP	27.62	27.62	Police Officer
Hasleton, Nathan	4/3/2023		PT<20		14.24	Water Safety Instructor
Shawn, Daveny	4/9/2023		PT<20		11.14	After School Program
McGillivray, Mary	4/17/2023		FT		21.69	Administrative Assistant - Utilities

FY2022 Annual Survey of South Dakota Public Libraries

Shaded fields are prefilled in the online survey. Contact the SDSL Data Coordinator to make changes to these fields.

SECTION A. – GENERAL INFORMATION

Library Name	County
MADISON PUBLIC LIBRARY	LAKE

Mailing Address	Street Address
209 EAST CENTER	209 E CENTER
Mailing City	Zip Code
MADISON	57042

Contact

Library Director	Email address of director
Lisa Martin	lisa.martin@cityofmadisonsd.com
Library Phone	
6052567525	

Admin

Fiscal year reporting	Legal Service Area Boundary Change	Government unit under which library is legally established	Year legally established
Jan - Dec	No	City	1906

Population

Population of the Legal Service Area *Based on Census population estimates for your legal service area.*	6,388
Estimated population of total service area *Estimate the population you actually serve.*	10,851

What does the library charge for a nonresident library card?	$15

Outlets

Number of Central Libraries	Number of Branch Libraries	Number of Bookmobiles
1	0	0

Building/ remodeling of library	Building/remodeling explanation	Total square footage main library
No		12,000

Codes

Legal Basis Code	Geographic Code
Municipal Government (city, town or village)	(e.g., incorporated city or village, censusdesignated), e

Library Hours - *Public service hours of the main branch.*

	Open	Close	Total hours
Sunday			N/A
Monday	9:00	8:00	11.00
Tuesday	9:00	8:00	11.00
Wednesday	9:00	8:00	11.00
Thursday	9:00	8:00	11.00
Friday	9:00	5:00	8.00
Saturday	9:00	5:00	8.00

Total hours open per week	60.00

SECTION C. -- PERSONNEL

Head Librarian

Head Librarian	Current Annual Salary	Hours worked per week by head librarian	Highest education level achieved by head librarian	Total number of years head librarian has worked in the field
1	67,386.18	40	Masters of Library Science	7

Other Librarians

Total number of OTHER paid librarians	Total number of OTHER librarians worked per week	Total hours worked per week-ALL librarians	Total paid librarians FTE
1	39	79	1.98

All Other Paid Staff

Total number of all other paid staff	Total number of all other paid staff hours worked per week	All other paid staff FTE	Total paid employees FTE
6	103	2.58	4.56

Staff paid by non-library sources

Number of staff paid from other sources	Non-library pay sources	Average hours/week by staff paid by non-library source
0	N/A	0

Volunteers

Total number of volunteers	26	Average number of hours worked by volunteers per week	1.3

ALA-MLS Librarians

Total number of ALA-MLS librarians	Hours worked per week – ALA-MLS librarians	FTE librarians ALA-MLS librarians
2	79	1.98

SECTION D -- INCOME

Operating Income received during fiscal year

Operating income – City/Town	$592,562
Operating income – County	$19,000
Operating income – School District	$0
Operating income – Tribal Appropriation	$0
Operating income – College Appropriation	$0
Operating income – Other Contracts (other libraries or towns)	$0
Local Government Revenue	$611,562
State Appropriations	$0
Federal Income	$0
Other Operating Income	$3,300
Total Operating Income	$614,862

Capital Income

Local government capital income	$0
State government capital income	$0
Federal government capital income	$0
Other capital income	$0
Total capital income	$0

SECTION E -- EXPENDITURES

Staff Expenditures

Salaries and Wages for Library Staff	$256,943
Total employee benefits	$91,853
Total all salaries and benefits	$348,796

Collection Expenditures

Print materials expenditures	$67,000
Electronic materials expenditures	$17,000
Other materials expenditures	$20,000
Total expenditures for library materials	$104,000

Other Operating Expenditures

All other operating expenditures	$158,736

Total operating expenditures	$611,532

If there is a large difference between total operating income and total operating expenditures, please provide an explanation for the difference and what happens to unspent revenue.	

Capital Expenditures

Capital expenditures on facility	$0
Capital expenditures on technology	$0
Other capital expenditures	$0
Total Capital Expenditures	$0

SECTION F – LIBRARY HOLDINGS

Books

Books (print)	47,987
Ebooks accessed through SDTG	38,028
Other ebooks units* owned, leased, licensed	1,642
Total Ebooks	39,670

Subscriptions

Current print serial subscriptions	114

Audio, Video, Other

Audio – physical units*	4,359
Audio – downloadable units* accessed through SDTG	14,310
Other downloadable audio units* owned, leased, or licensed	644
Total downloadable audio	14,954
Video – physical units*	2,820
Video – downloadable units*	0
Other (films, multimedia kits, maps)	751

Electronic Collections (Databases)

Local/other licensed electronic collections (databases)	5
State licensed electronic collections (databases)	58
Total licensed electronic collections (databases)	63

Total Holdings	110,718
Total Physical Items in Collection	56,031

SECTION G – SERVICE ACTIVITIES

Supplemental COVID Questions - PLS FY2022 federal supplemental data elements regarding library operations during COVID-19 pandemic

510 Were any of the library's outlets physically closed to the public for any period of time due to the Coronavirus (COVID-19) pandemic?	No
511 Did library staff continue to provide services to the public during any portion of the period when the building was physically closed to the public due to the Coronavirus (COVID-19) pandemic?	No
514 Did the library allow users to complete registration for library cards online without having to come to the library during the Coronavirus (COVID-19) pandemic?	Yes
515 Did the library provide reference service via the Internet or telephone when the building was physically closed to the public during the Coronavirus (COVID-19) pandemic?	No
516 Did the library provide 'outside' service for circulation of physical materials at one or more outlets during the Coronavirus (COVID-19) pandemic?	Yes
520 Did the library intentionally provide Wi-Fi Internet access to users outside the building at one or more outlets during the Coronavirus (COVID-19) pandemic?	Yes
521 Did the library increase access to Wi-Fi Internet access to users outside the building at one or more outlets during the Coronavirus (COVID-19) pandemic?	Yes
522 Did library staff work for other government agencies or nonprofit organizations instead of, or in addition to, their normal duties during the Coronavirus (COVID-19) pandemic?	No

Library Service Indicators

Registered users	3,494
Annual total attendance in the library	33,800
Attendance reporting method	Annual Estimate Based on Typical Week(s)
Annual total reference transactions completed	1,447
Reference transactions reporting method	Annual Estimate Based on Typical Week(s)

Collection Use

Circulation of Physical Materials

Books	26,621
Magazines and other print items not included above	479
Non print physical items	5,651
Non print physical items, minus audio and video materials	1,221
Total Physical Item Circulation	32,751

Circulation of Electronic Materials

Ebooks	7,876
Audiobooks (and music)	9,098
Video	0
Use (circulation) of Electronic Materials	16,974

Electronic Collection (database) Use

SDSL-provided electronic collections use	10
Other electronic collection use	18,829
Successful Retrieval of Electronic Information	18,839

Total Circulation of Materials	49,725
How many of Total Circulation are children's materials?	20,168
Total Electronic Content Use	35,813
Total Collection Use	68,564

Library Programs

In-person Program Sessions Offered

Children ages 0-5	**Programs**	**Attendance**
Onsite	94	783
Offsite	28	501
Virtual	0	0
Total	122	1,284

Children ages 6-11	**Programs**	**Attendance**
Onsite	77	801
Offsite	17	524
Virtual	0	0
Total	94	1,325

Young Adults ages 12-18	**Programs**	**Attendance**
Onsite	33	382
Offsite	4	62
Virtual	0	0
Total	37	444

Adults ages 19+	**Programs**	**Attendance**
Onsite	27	344
Offsite	2	50
Virtual	0	0
Total	29	394

General Interest	**Programs**	**Attendance**
Onsite	8	253
Offsite	3	350
Virtual	0	0
Total	11	603

Total Live Programs

Total number of synchronous program sessions	293
Total attendance at synchronous programs	4,050

Recorded Programs (synchronous)

Total Number of Recorded (Asynchronous) Program Presentations	0
Total Views of Recorded (Asynchronous) Program Presentations (within 7 days)	0

One-to-One Programs / Summer Reading

How many one-to-one program sessions did the library conduct?	17

Self-directed Activities

How many passive activities were offered?	2
Approximately how many patrons took part in these activities?	155

Internet

Total number of Internet computers for use by general public	10
Annual number of public access/ internet use sessions	3,888
Reporting Method for Uses of Public Computers	Annual Count
Does the library offer public Wi-Fi service?	Yes
Annual wireless sessions	1,403
Reporting Method for Wireless Sessions	Annual Count
URL of the library's webpage	https://www.madisonpubliclibrarysd.com/
Annual Website Visits	6,309

Library Policies and Practices

Does the library charge overdue fines for any physical materials?	No
What automation system do you use?	TLC - The Library Corporation
If you have an automated system, is it connected to the internet?	Yes, available online

Resource Sharing / Interlibrary Loan

	Received from/ borrowed from other libraries	**Provided/sent/loaned to other libraries**
Out-of-state total	0	0
In-state total	257	227
Total ILLs	257	227

SECTION H. – TRUSTEES

Library Board Members

Name	Address	Office Held	Term Expires
John Nelson	1314 NE 3rd Street	President	2025
Carrie Studer	1004 Heatherwood; Madison, SD 57042	Vice President	2023
Laura Reed	113 N Catherine Avenue; Madison, SD 57042	Trustee	2025
Mike Trimble	1120 N West Avenue; Madison, SD 57042	Trustee	2025
Bhasker Rimal	209 West Ave; Madison, SD 57042	Trustee	2025
Kelli Wollmann	45660 230th Street; Madison, SD 57042	County Commission Rep.	
Kelly Dybdahl	1004 NE 11th Street; Madison, SD 57042	City Council Rep.	

Library Board Appointees

Trustees appointed by what governing body?	City Council
Trustees reside, own property, or own a business within the boundaries of the library's local governing unit.	Yes
Trustee terms are staggered so that all terms do not expire in the same year.	Yes
The library's governing body replaces or reappoints library trustees every three years upon expiration of their terms.	Yes
In addition to the appointees, the governing body appoints one of its own members to serve as a full voting member of the library board. (Optional:The governing body determines whether to appoint a representative to the library board.)	Yes

Library Board Meetings

Number of trustee meetings held per year	Monthly
Trustee meeting schedule	Tuesday of the month at 5:1
Date of last public library board meeting	2023-02-28
Are you aware of and do you comply with the SD Open Meetings law?	Yes

Friends of the Library / Library Foundation

Does your library have a Friends of the Library group?	Yes
President's name and address	Casualene Meyer, 1118 N. Olive Ave Madis
Does you library had a Library Foundation?	No
President's name and address	

SECTION I-J. – STANDARDS / POLICIES / EVENTS / SURVEY CONTACTS

Narrative listing any special events

Nancy Sabbe, Director of the Madison Public Library, retired in 2022 after 44 years of service to Madison, the library, and the community. Her work was celebrated in January with a party. Lisa Martin and Melanie Argo served as interim directors until March 1 2022 when Lisa Martin was hired as the Director. Martin's move into the Director position left the Children's Librarian position open. It was filled in May 2022. During the search, the MPL staff worked together to cover children's and teen services. Argo led the change in the physical library by moving book shelves and discounting a collection of art prints. The work was noted and appreciated by the community. In June, a new collection of Things was added. The collection was used by the community and will continue to have items added. Court Weck was hired as the Children's Librarian and did a wonderful job stepping into Summer Reading just as it was beginning. She served for 6 months but was forced to quit because of family needs. At about the same time, Pat Richardson, Library Assistant I, announced her retirement. She served MPL for over 15 years and was given a retirement party with much gratitude. 2022 ended with 2 job searches. The staff of MPL worked together to overcome many uncertainties: retirements, new hires, and more. Throughout all the change, the community only saw the commitment and improvements that were made on their behalf.

Certify the Annual Report

Certification by Library Director	
Library Director (name):	Lisa Martin
Librarian or staff member completing the survey (if not the director):	
Certification by Library Board	
Library board president (name):	John Nelson
Date the annual report was reviewed by the library board:	2023-03-21
Certification by Governing Body	
Name of City or County official who reviewed the annual report:	Kelly Dybdahl
Position held:	City Commissioner
Date the annual report was reviewed by the governing body:	2023-03-23

STATE NOTES (attached to individual questions on the annual report form)

Annual salary (excluding benefits)
Head librarian was hired March 2022.--2023-03-12

Library Visits (annual total attendance) (#501)
We created a formula with the use of reports from our software to calculate visit estimate for one week th
multiplied by 52.--2023-02-24
Name(s) of staff in charge of children's programming
Court Weck quick December 2022. Please direct any questions to
lisa.martin@cityofmadisonsd.com--2023-03-16

Date of most recent public library board meeting
rescheduled due to weather.--2023-02-22

SELECTED KEY RATIOS – FY 2022

These are key ratios and percentages generated by the survey tool. Per capita ratios are based on the population of the library's legal service area (LSA)--the population of the geographic area the library serves. *	Your library FY 2022	Your library FY 2021	Statewide average FY 2021
Population used for per capita ratios* *Per capita ratios: Divides the total monetary or service statistics by the population served. This ratio helps you compare values among libraries of different sizes.*	6,388	6,191	789,226
Financial Measures			
Local government operating revenue per capita *All income from local government sources divided by LSA.*	$95.74	$89.81	$36.39
Total operating revenue per capita *Includes income from state, federal, and miscellaneous sources.*	$96.25	$92.10	$38.14
Total operating expenditures per capita	$95.73	$87.63	$36.16
Collection expenditures per capita *This is the dollar amount spent per resident on new library materials.*	$16.28	$15.41	$4.54
Portion of the library's operating budget used for new materials	17.0%	17.6%	12.5%
Service Measures			
Registered borrowers per capita *The ratio of people registered to use library services. This can show what ratio of the community are active library users if the library regularly purges its files of inactive users. The library's registered borrower records should be purged of inactive users at least every three years.*	0.55	0.55	0.42
Library visits per capita *The average number of library visits per resident. It is an indicator of public awareness of library services.*	5.29	3.72	2.57
Computers and Internet *Public libraries address the digital divide by providing access to computers, internet and WiFi services.*			
Public internet uses per capita *The average number of uses per resident of the library's public computers.*	0.61	0.44	0.31
Public Wi-Fi network use per capita *The number of times per resident that a device connects to the library's public wireless network.*	0.22	0.13	0.74
Collection and Circulation Ratios			
Total circulation per capita *The average number of loans made to residents. Low circulation ratios may be a result of low collection expenditures or indicate that the library should evaluate the relevancy of its new materials purchases to community needs.*	7.78	7.56	6.36
Portion of the library's total circulation that is children's materials *Compares ratio of children's materials circulated to total circulation. It is useful to know when considering other services to children.*	40.6%	74.9%	40.7%
Portion of the library's total circulation that is digital materials *Includes ebooks, downloadable audiobooks and video.*	34.1%	30.1%	22.7%
Library Program Ratios and Totals *Programs require increased allocation of library resources such as staff, time, materials.*			
Total program attendance per capita *Number of people who attended library programs per resident.*	0.63	0.67	0.23
Total attendance per program *Ratio of program attendance (all ages) to the total number of live programs held.*	13.82	16.52	18.75

*For Lawrence, Meade & Pennington county libraries: We calculated your per capita population based on a formula that combines the library's local population and your library's ratio of total circulation for the county.

SECTION B. – OUTLET / BRANCH INFORMATION 2022

Location	MADISON PUBLIC LIBRARY

Address	City	Zip Code
209 E CENTER	MADISON	57042

County	Phone Number	Outlet Code
LAKE	6052567525	Central Library

Square footage of branch / outlet	Number of bookmobiles in outlet record
12,000	0

Total service hours OPEN to public per year	Total number of weeks branch open to public
2,921	52

Number of Weeks an Outlet was Closed to the Public Due to COVID-19	Number of Weeks an Outlet Had Limited Occupancy Due to COVID-19
0	0

Branch Librarian	Total Branch Staff paid
Lisa Martin	8

Total hours open during typical week	Total days open during typical week
60	6

March 2023 Building Permit Report

Date	Permit No.	Owner	Address	Use	Type of Construction	Contractor	Estimated Build Cost	Permit Fee
3/2	8262	Daniel Roeman	1115 Laura Lee Court	Res	Remodel kitchen, new cabinets	G&M LLC 107 N Chicago Avenue Madison, SD 57042	$5,500.00	$65.50
3/2	8261	Lake Area Improvement Corporation	535 NE 3rd Street	Com	Remove drop down ceiling, move bathroom location, new HVAC	Austin Kesteloot 914 N Liberty Avenue Madison, SD 57042	$170,000.00	-
3/6	8264	Amanda Hanson	419 N West Center Street	Res	12' garage addition	RH General Construction 1022 NW 3rd Street Madison, SD 57042	$20,000.00	$196.00
3/10	8265	Jason & Collette Stewart	919 NE 9th Street	Res	Finish section of basement	Baseline Construction 827 Heatherwood Avenue Madison, SD 57042	$48,000.00	$390.50
3/13	8260	Dick & Jeanne Simpson	416 NW 3rd Street	Res	New house with triple garage	Schwebach Construction LLC 45287 SD HWY 34 Madison, SD 57042	$375,000.00	$1,591.00
3/20	8266	Stephen Klekas	1194 Cyber Court	Res	Finish basement, framing completed.	Self	$6,000.00	$70.00
3/27	8359	David Martin	112 S Liberty Avenue	Res	Remove and replace 50' of fence	RW Fencing 123 Crystal Ridge Circle Brookings, SD 57006	$3,000.00	$43.00
3/29	8357	Dave and Nancy Gilbert	820 NE 5th Street	Res	Remove old and install new fence	American Fence Co 47061 Charlotte Court Sioux Falls, SD 57108	$23,000.00	$123.00
3/29	8358	Aubrey Graham	809 N Josephine Avenue	Res	Repair and replace sheetrock, damage due to storm 5/22	Self	$8,066.00	-
3/29	8360	Dawn Janssen	318 N Chicago Avenue	Res	Demolition, destroyed in fire	Reineke Construction 22945 453rd Avenue Madison, SD 57042		$10.00
	10					Total	$658,566.00	$2,479.00

Facility Use Agreement

Dakota State University and City of Madison – DSU Athletics Facilities

This agreement made on ______and effective as of July 1, 2023, by and between Dakota State University (DSU) and the City of Madison (City) for a 10-year period ending June 30, 2033.

DSU agrees to provide City usages of DSU's Football Field, Outdoor Track/Soccer Facility, and the Events Center – Hospitality Area as hereinafter provided. DSU may request payment from the City to be made to the DSU Foundation.

1) **<u>Games/Competitions.</u>** City shall have use of DSU's Football Field and Outdoor Track/Soccer Facility for up to 10 days per field with no rental fee. Scheduling is to be arranged by mutual agreement between the City and DSU. Included in the use of this facility are:
    i) Restroom facilities, bleachers, concessions, P.A. system, parking lot, track equipment and all electronic scoreboards/signage.
    ii) Press box area
    iii) Other areas as mutually agreed upon by City and DSU. Reasonable efforts will be used to accommodate requests.
    iv) If and when the baseball & softball complexes are constructed, the City of Madison will receive the same access for those facilities as listed above
2) **<u>Gate and Concession.</u>** Gate/admissions charged to individuals attending any events held by or through the City through the usage granted within this agreement shall be negotiated between the City and DSU. DSU shall have first right of refusal to operate any concessions on site.
3) **<u>Events Center – Hospitality Area.</u>** The City shall have access to host up to two events annually in the hospitality area with no rental fee for use of the facility. Dates must be reserved 30 days prior and are subject to availability. DSU's Food Service vendor (Sodexo) shall have first right of refusal on any catering/food service provided within the Events Center and hospitality area.
4) **<u>Suite.</u>** The City shall receive access to a suite in the new Events Center. The suite will include tickets for all DSU regular season athletics events held at this facility. The City will have access to the suite for all other events, but must purchase tickets, if applicable, to access that event and the suite.
5) **<u>Annual Usage Fee.</u>** City shall have the use of DSU's Football Field, Outdoor Track/Soccer Facility, and Events Center – Hospitality Area for an annual payment as per the schedule in Attachment A. DSU may request payment to be made to the DSU Foundation.

    a) No additional fees will be charged for field preparation, paint, or other general operating costs of the field. DSU will be responsible for field maintenance to include mowing, irrigation, aeration, over seeding and weed control on grass fields. Turf fields, track surface and field event areas will also be maintained by DSU with no additional fees to City for maintenance.
    b) Cleaning after City events will be the responsibility of the City unless otherwise discussed or agreed upon per the event.
    c) City is responsible for any damages caused from its usage of the facilities and must leave facilities in the same condition as prior to use. An hourly Custodial Fee will be assessed for cleanup if necessary.
    d) During City hosted events security staffing is the responsibility of City.

e) City will be responsible for all City event preparation/set up only. DSU staff will be available to provide access as needed.

6) **Indemnification.** City agrees to indemnify and hold the State of South Dakota/Dakota State University, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of City performing services hereunder. This section does not require City to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, likewise, to the extent provided by applicable law, the State/DSU agrees to indemnify and hold City, its officers, agents, board members, and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of the State/DSU performing services hereunder. This section does not require the State/DSU to be responsible for or defend against claims or damages arising solely from errors or omissions of City, its officers, agents board members or employees.
7) If any clause, sentence, section, paragraph, provision, or part of this Agreement is adjudged to be invalid or unenforceable, such adjudication shall not affect or invalidate the remainder of this Agreement. It being commonly understood that such invalid or unenforceable clause; sentence, paragraph, provision, or part is and shall be separable from the remainder of this Agreement.
8) This agreement is binding on the parties' successors and assigns.
9) **Termination.** This Agreement may be terminated by either party hereto upon thirty (30) days written notice.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and official seals on the day and year first above written.

DAKOTA STATE UNIVERSITY

SIGN: ____________________________

NAME: ___________________________

TITLE: ____________________________

DATE: ____________________________

CITY OF MADISON

SIGN: ____________________________

NAME: ___________________________

TITLE: ____________________________

DATE: ____________________________

DAKOTA STATE UNIVERSITY FOUNDATION

SIGN: ____________________________

NAME: ___________________________

TITLE: ____________________________

DATE: ____________________________

Attachment A – Payment Schedule

Payments for use of the DSU facilities as described in this agreement may be made to the Dakota State University Foundation upon request of DSU. Payment shall be made on an annual basis as per the following schedule. Payment shall be made no later than 30 days after the payment date in the following table.

Fiscal Year	Amount	Payment Date
FY24 (July 1, 2023, to June 30, 2024)	$100,000	7/1/2023
FY25 (July 1, 2024, to June 30, 2025)	$100,000	7/1/2024
FY26 (July 1, 2025, to June 30, 2026)	$100,000	7/1/2025
FY27 (July 1, 2026, to June 30, 2027)	$100,000	7/1/2026
FY28 (July 1, 2027, to June 30, 2028)	$100,000	7/1/2027
FY29 (July 1, 2028, to June 30, 2029)	$100,000	7/1/2028
FY30 (July 1, 2029, to June 30, 2030)	$100,000	7/1/2029
FY31 (July 1, 2030, to June 30, 2031)	$100,000	7/1/2030
FY32 (July 1, 2031, to June 30, 2032)	$100,000	7/1/2031
FY33 (July 1, 2032, to June 30, 2033)	$100,000	7/1/2032

RESOLUTION NO. 2023-13

A RESOLUTION APPROVING AND RECOMMENDING OF TAX INCREMENTAL DISTRICT PLAN NUMBER FIVE, CITY OF MADISON

WHEREAS, the Planning Commission of City of Madison, South Dakota, received an application to create a Tax Incremental District and thereafter prepared a Notice of Hearing held on April 11th, 2023, advising interested parties that they were being given a reasonable opportunity to express their views on the proposed creation of a Tax Incremental District on real property consisting of the following parcels:

District Legal Description:

ALL THAT PART OF KINNEY'S SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 106 NORTH, RANGE 52 WEST OF THE 5TH P.M., LAKE COUNTY, SOUTH DAKOTA, EXCEPT DEEDED AND PLATTED PORTIONS THEREOF AND EXCEPT THE EAST 404 FEET OF THE SOUTH 1473 FEET THEREOF, AND EXCEPT THE SOUTH 256 FEET OF THE NORTH 556 FEET OF THE WEST 409 FEET THEREOF, AND EXCEPT THE WEST 150 FEET OF THE EAST 1083 FEET OF THE NORTH 333 FEET THEREOF, AND EXCEPT THE WEST 600 FEET OF THE EAST 663 FEET OF THE NORTH 333 FEET THEREOF, AND EXCEPT LOTS 1 AND 2 OF SCHWEBACH ADDITION, AND EXCEPT ODENBRETT'S FIRST ADDITION, AND EXCEPT LOTS 1 AND 2 OF DSU FOUNDATION ADDITION, SUBJECT TO ANY RECORDED EASEMENTS AND ENCUMBERANCES CONTAINED THEREIN

AND LOT 3 IN BLOCK 1 OF DSU FOUNDATION ADDITION TO THE CITY OF MADISON, LAKE COUNTY, SOUTH DAKOTA

All Located in the City of Madison, Lake County, South Dakota including within and adjacent rights-of-ways.

WHEREAS, such Notice was published in the official newspapers in City of Madison not less than ten (10) nor more than thirty (30) days from the date of the hearing which was held on April 11th, 2023.

WHEREAS, a copy of the Notice was sent prior to publication by first-class mail to the Chief Executive Officers of the following taxing entities:

Lake County Commission
City of Madison
East Dakota Water Development District
Madison Central School District

WHEREAS, a hearing was held on April 11th, 2023, as provided in such Notice, and all interested parties were allowed a reasonable opportunity to be heard on the proposed Tax Incremental District Five plan;

NOW THEREFORE, BE IT RESOLVED by the City Commission of City of Madison, South Dakota:

Authority and declaration of necessity. Pursuant to SDCL §§ 11-9-4 & 11-9-13, City of Madison - City Commission hereby declares the necessity to form a tax incremental district in the City of Madison.

NOW THEREFORE, IT IS HEREBY RESOLVED:

1. **Authority and Declaration of Necessity.** The City Commission declares the necessity for the approval of Tax Incremental District Number Five plan, City of Madison, Lake County (hereinafter sometimes referred to as the "District"), pursuant to SDCL Chapter 11-9, and finds that the improvement of the area within the District are likely to enhance significantly the value of substantially all of the other real property in the District and is necessary for economic development within the County and the City of Madison.

2. **Findings.** The City Commission makes the following findings with regard to economic development:

   A. The proposed improvements will create new jobs and diversify the overall economic base of the City of Madison through commercial and housing opportunities.
   B. The South Dakota Department of Revenue has reviewed the TIF Plan and classified the Tax Increment District Five of City of Madison to be Economic Development.
   C. Not less than twenty-five percent, by area, of the real property within the district is a blighted area as defined under SDCL 11-9-11.
   D. At least fifty percent 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 development.
   E. The improvement of the area is likely to significantly enhance the value of substantially all other real property in the district;
   F. The aggregate assessed value of the District plus the tax incremental base of all other existing Districts in the City does not exceed Ten (10%) percent of the total assessed valuation in the City;

3. **Boundaries of District**. The Boundaries of the district are determined to be as follows:

   ALL THAT PART OF KINNEY'S SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 106 NORTH, RANGE 52 WEST OF THE 5TH P.M., LAKE COUNTY, SOUTH DAKOTA, EXCEPT DEEDED AND PLATTED PORTIONS THEREOF AND EXCEPT THE EAST 404 FEET OF THE SOUTH 1473 FEET THEREOF, AND EXCEPT THE SOUTH 256 FEET OF THE NORTH 556 FEET OF THE WEST 409 FEET THEREOF, AND EXCEPT THE WEST 150 FEET OF THE EAST 1083 FEET OF THE NORTH 333 FEET THEREOF, AND EXCEPT THE WEST 600 FEET OF THE EAST

663 FEET OF THE NORTH 333 FEET THEREOF, AND EXCEPT LOTS 1 AND 2 OF SCHWEBACH ADDITION, AND EXCEPT ODENBRETT'S FIRST ADDITION, AND EXCEPT LOTS 1 AND 2 OF DSU FOUNDATION ADDITION, SUBJECT TO ANY RECORDED EASEMENTS AND ENCUMBERANCES CONTAINED THEREIN

AND LOT 3 IN BLOCK 1 OF DSU FOUNDATION ADDITION TO THE CITY OF MADISON, LAKE COUNTY, SOUTH DAKOTA

All Located in the City of Madison, Lake County, South Dakota including within and adjacent rights-of-ways.

4. **Findings of Annual Appropriation TID**. Tax Increment District #5 will be designated as an Annual Appropriations TIF to ensure that it does NOT count against constitutional debt.

5. **Creation of Tax Incremental Fund.** There is hereby created, pursuant to SDCL 11-9-31, a Tax Incremental District Number Five Fund, which shall be a segregated asset account. All tax increments collected pursuant to Tax Incremental District Number Five shall be deposited into the Tax Incremental District Number Five Fund. All funds in the Tax Incremental District Number Five Fund shall be used solely for those purposes expressly stated and reasonably inferred in SDCL Chapter 11-9

6. **Approval of Tax Increment Project Plan.** The City Commission of the City of Madison does hereby approve the Tax Increment Plan Number Five, a copy of which is on file with the City Finance Officer.

Dated this 17th Day of April 2023.

CITY OF MADISON, SOUTH DAKOTA

BY:______________________________
Roy Lindsay, Mayor

ATTEST:

____
Sonya Wilt, City Finance Officer

TAX INCREMENT FINANCE DISTRICT #5

Submitted by:
Tobin J. Morris
Colliers Securities
On behalf of
The Trojan Village LLC

Created:
March 2023

Colliers Securities
124 West Dakota Ave| Pierre, SD 57501

Tobin.morris@colliers.com

Table of Contents

INTRODUCTION – THE PROJECT

Tax Increment Financing (TIF) is an incentive utilized by local governments to attract private development and investment. New investment equals new jobs, more customers, and in turn, more investment opportunity. The incentive can also help attract and retain existing businesses and workers that might otherwise find more attractive options elsewhere. The jobs and additional investment, both private and public, mean more money for the community. Tax Increment Financing helps to overcome costs that often prevent redevelopment and private investment from occurring in the community. As a result, the TIF area itself improves and property values increase.

Specifically, money for improvements and other incentives comes from the growth in property valuations and the corresponding property tax revenues — the tax increment. A tax increment is the difference between the amount of property valuation present within the TIF district before TIF district designation and the amount of property valuation increase due to the creation of a TIF district. Property taxes collected on the original valuation existing in the TIF at the time of its designation continue to be distributed to the city, school district, county and all other taxing districts in the same manner as if the TIF district did not exist. Only property taxes collected as a result of the incremental increase in the value of these properties after formation of the TIF district are available for use by the counties or cities to fund projects costs in the TIF district.

In addition to increasing property valuation, creating a Tax Increment District for the benefit of economic development can mean retaining and creating more jobs. Today's business climate allows corporations the flexibility to call any state in the union their home. It is up to local communities to attract and retain companies to their communities. Using Tax Increment Financing is one of the most powerful economic development tools to help communities achieve their goals.

A local government, per South Dakota Codified Law, Chapter 11-9, can designate a specific area within its boundaries as a redevelopment area appropriate for a TIF district and prepare a plan for development. TIF projects must be recommended for approval by the County or City Planning Commission and the County or City Commission..

The intention of this TIF Project is to attract new businesses, new tenants, and to help the City of Madison's economy grow. The Project will consist of increasing the availability of single family housing, multifamily housing, and commercial business space.

The City Madison has experienced tremendous growth over the past several years and it can reasonably be anticipated that Madison's population will continue to grow at an average or above average rate based on historical trends and current economic conditions. One result of this population growth will be the need for Madison to also grow physically in order in order to meet the needs of current and new residents for housing, business, transportation, recreation, and other services.

The addition of commercial/retail space allows for new job opportunities and retention of business in within the City of Madison. Additional housing opportunities such as single family and multifamily housing will allow for the residents to live within the City of Madison as opposed to a daily commute. The addition of multiple housing types also allows for the residents of the City of Madison to have multiple housing options.

Economic Development is an important component of the economic vitality, population growth and retention, as well as a new and modern outlook for the City. It is also a critical component that drives economic growth in an economy, creating new job opportunities and facilitating an improved quality of life that includes increased access to opportunities created by economic growth for existing and future residents.

The developer for the City of Madison TIF #5 project consists of two partners. The first being Randy Schaefer. Randy has extensive experience in property development in the City of Madison. Randy is responsible for the development of two commercial offices/ retail spaces. The spaces allowed for job expansion and retention in the City of Madison. Randy also successfully utilized Madison's first ever TIF of which was developed into 11 residential living units on 8 lots, a mix of single family and multi-family units. Much like now, TIF #1 was completed at a time when the City of Madison was in dire need of housing.

The other partner in the City of Madison TIF #5 is Eric Sinclair. Eric is vice president of Sinclair Land and Cattle Co. a land holding and development company. Sinclair Land and Cattle has $50,000,000 of real estate assets under management in rural Cities such as Aberdeen, Watertown, Madison, and Sioux Falls. Eric has also been a part of various building and renovation projects for commercial use of which have created over 100 jobs.

Purpose & General Definitions

The property upon which this Tax Incremental District (TID) is proposed to be implemented is located within City of Madison, South Dakota.

As such, the creation of City of Madison TIF #5 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 City Planning and Zoning Commission.

The purpose of this Plan, to be implemented by City of Madison, South Dakota is to satisfy the requirements for a Tax Increment District Number 5 as specified in SDCL Chapter 11-9. 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 City. The Plan will describe the boundary, estimated costs, feasibility and fiscal impact of the District.

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

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 by providing new and sustainable infrastructure for the City.

The intention of this TIF Project is to increase the availability of single family housing, multifamily housing, commercial/retail space, as well as improve community infrastructure. The project will be used to attract and retain residents to the area, add a variety of housing, and commercial/retail opportunities. Economic Development is important to fortify an economy.

The Proposed Trojan Village addition is located near future athletic fields for DSU sports and within walking distance from the college campus. The proposed development will be comprised a commercial/retail space and 35 single family lots, 48 multifamily apartment units, and 20 twin home units. The proposed development will help alleviate the need for housing in the City of Madison and surrounding area.

According to the 2022 Madison Housing Study, in 2020 compared to 2010, the City of Madison's population decreased by more than 4% or 283 permanent residents and 32 households. Assuming the City of Madison gains more housing options, it is reasonable to expect that the City can achieve annual household growth of between 20 and 25 households per year over the next five years.

Table 1 Population Trends - 1980 to 2020

	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Madison	6,257	6,540	4.5%	6,474	-1.0%	6,191
Lake County	10,550	11,276	6.9%	11,200	-0.7%	11,059

The shortage of housing options in the City of Madison has caused pent-up demand in various areas of the housing market. The 2022 Madison Housing Study refers to rental housing as 1% in general occupancy market rate units, vacancy rate. The vacancy rate is lower than the states average of more than 4%. The Housing Study emphasizes the need for an additional 40-50 general occupancy market rate units over the next 5 years. The additional rental units would help alleviate pent-up demand for workforce and student housing within the City of Madison.

▸ General Occupancy Market Rate	40-50 units
▸ Affordable/Conversions	6-8 units
▸ Subsidized/Tax Credit	26-30 units
▸ Senior with Services	0 units
Total	72-88 units

In most communities, expanding home ownership opportunities is one of the primary goals. High rates of home ownership can promote stable communities and strengthen the local tax base. The 2022 Madison Housing Study states that the City should have 48-66 residential lots available to meet expected demand. The study recommends continuing to coordinate efforts to promote lot development, lot sales and housing development within the City of Madison.

The proposed Trojan Village development will help address the demand for housing options within the City of Madison. The proposed development will consist of 48 general occupancy market rate units, 35 single family lots, and 20 twin home units. The abundance of new housing options will help attract and retain the resident of the City of Madison. Not only will it benefit the local workforce, but Dakota State University, as well. The proposed 48 unit apartment complex will bring additional housing options for students looking to live off-campus.

General Definitions

The following terms found in this Plan are defined as the following:

"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 or Economic Development" SDCL § 11-9-8.

(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.

"City Commission" means the City Commission of Madison, South Dakota

"Calendar Year" means the starting date of January 1 to an ending date of December 31st.

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

"Developer" means Trojan Village LLC

"Developer's Agreement" means the agreement between the Developer and City of Madison 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 for City of Madison

"Generally Applicable Taxes" Taxes attributable to the improvements to be constructed in the TID

"Governing body" means the City of Madison

"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.

"Planning Commission" means the City of Madison Planning Commission

"Plan" means this Project Plan.

"Project Costs" means any expenditure or monetary obligations by City of Madison, whether made, estimated to be made, incurred or estimated to be incurred, which are listed as Project Costs herein will include any costs incidental thereto but diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by City of Madison in connection with the implementation of this Plan.

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

"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 defined and created by resolution of the governing body and named City of Madison Tax Incremental District #5

"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 CITY OF MADISON TAX INCREMENT DISTRICT #5

Representatives of the Developer have approached officials of City of Madison regarding the possibility of creating a Tax Incremental Financing District ("TID") to assist in the Project Costs within the Plan on land located within the City of Madison, South Dakota.

The TID will consist of creating a commercial/retail space, single family, and multifamily housing development in the City of Madison and all necessary infrastructure needs.

Economic Development is important to the economic fortification of communities. It can be beneficial to a community in many ways such as industry diversification, business retention and expansion, strengthening the economy, increasing tax revenue, and improving quality of life in the community.

Economic Development is the creation of wealth from which community benefits are realized. A healthy mix of housing options and commercial/retail options ensures opportunities for all individuals to improve their economic situation and contribute to their communities.

Property Within Tax Increment #5

The real property to be located within the Tax Increment District is within the boundaries of the City of Madison and described as follows:

- ALL THAT PART OF KINNEY'S SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 106 NORTH, RANGE 52 WEST OF THE 5TH P.M., LAKE COUNTY, SOUTH DAKOTA, EXCEPT DEEDED AND PLATTED PORTIONS THEREOF AND EXCEPT THE EAST 404 FEET OF THE SOUTH 1473 FEET THEREOF, AND EXCEPT THE SOUTH 256 FEET OF THE NORTH 556 FEET OF THE WEST 409 FEET THEREOF, AND EXCEPT THE WEST 150 FEET OF THE EAST 1083 FEET OF THE NORTH 333 FEET THEREOF, AND EXCEPT THE WEST 600 FEET OF THE EAST 663 FEET OF THE NORTH 333 FEET THEREOF, AND EXCEPT LOTS 1 AND 2 OF SCHWEBACH ADDITION, AND EXCEPT ODENBRETT'S FIRST ADDITION, AND EXCEPT LOTS 1 AND 2 OF DSU FOUNDATION ADDITION, SUBJECT TO ANY RECORDED EASEMENTS AND ENCUMBERANCES CONTAINED THEREIN

  AND LOT 3 IN BLOCK 1 OF DSU FOUNDATION ADDITION TO THE CITY OF MADISON, LAKE COUNTY, SOUTH DAKOTA

All Located in the City of Madison, Lake County, South Dakota including within and adjacent rights-of-ways.

TAXABLE VALUE OF CITY OF MADISON

State law requires that tax increment districts cannot exceed ten percent of the taxable value of a municipality. The 2022 Taxes Payable value for City of Madison is $392,679,982. The base value of the taxable property for inclusion into this Tax Incremental District #5, as estimated but not yet verified by Lake County Director of Equalization, is $100,500.

11-9-7. Maximum percentage of taxable property in municipality permitted in districts. In order to implement the provisions of this chapter, the resolution required by § 11-9-5 shall contain a finding that the aggregate assessed value of the taxable property in the district plus the **tax incremental base of all other existing districts does not exceed ten percent** of the total assessed value of taxable property in the municipality.

There are currently three other active TIF districts in the City of Madison. Using the estimates provided for TID #5, the value of all existing Tax Increment Districts combined is less than 1.0% of the total 2023 Taxable Valuation.

City of Madison

Tax Increment District	Base Value	
1	$	630,630
2	$	28,438
3	$	28,200
4	TBD	
5	$	100,500
Total	**$**	**787,768**

City of Madison Current Taxable Value	$	392,679,982
All TIF Value must be less than 10%	$	39,267,998

KIND, NUMBER, LOCATION, AND DETAILED COSTS OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS SDCL § 11-9-13(1)

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. The 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.

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 City. The City exercises the powers expressly stated in and reasonably inferred by SDCL §11-9-15 and Chapter 9-54. The City shall enter into all contracts in accordance with South Dakota Law.

Costs of Public Works and 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.

The following are estimated costs of the Project:

Kind of Project	Location[1]	Amount	Reference[2]
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs)[2]	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	District	$5,856,702	11-9-15(8)
Eligible Project Costs		**$5,856,702**	

The above are estimates of the costs involved in the project; the final total may be greater or smaller. An itemized listing of the estimated costs is set forth on Schedule 1. Because the cost estimates are only projected expenditures, the total authorized TID costs is expected to be $5,856,702. This amount is the controlling value with respect to authorized TID Project Costs rather than the particular line item amounts contained in the above Chart and Schedule 1. The line item categories proposed are for guidance only, and actual costs will be determined upon completion of the improvements. The above total represents eligible Project Costs. Only such amounts as are feasible will be allowed by the City or by monetary obligation.

1District shall mean the Tax Increment District.

2SDCL §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.

Conditions of the Developer Agreement relating to Constitutional Debt

It is specifically a condition of the proposed Developer's Agreement that the City's obligation to pay is limited to the proceeds of the positive tax increment from the TID receipted into the TIF Fund. The obligation of the City to pay pursuant to the proposed Agreement does not constitute a general indebtedness of the City or a charge against the City's general taxing power. The provisions of SDCL 11-9-36 are specifically incorporated within the Agreement by reference. It is also to be specifically agreed that the City has made no representation that the proceeds from such Fund shall be sufficient to retire any indebtedness incurred by Developer. The parties further acknowledge that SDCL 11-9-25 limits the duration of allocation of the positive tax increment payments and the fund created by the TID.

Additionally, the City's obligations to make the payments set forth in the proposed Agreement shall be lawfully made from funds to be budgeted and appropriated on an ANNUAL BASIS for that purpose during the City's then current fiscal year, thus not counting towards Constitutional Debt. If at any time during the term of this Agreement, the governing body of the City shall fail or refuse to approve or authorize the funds due hereunder, then the Agreement shall terminate upon the end of the fiscal year for which funds were approved or authorized, without penalty to the City. The City's obligation hereunder shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. Notwithstanding anything to the contrary contained in the proposed Agreement, the City hereby acknowledges and agrees that the obligations of the City under this Agreement are a material inducement for Developer to incur various development and construct improvements upon the TID property and the failure to pay tax increment to Developer will be financially detrimental to future improvements on said property.

The Developer anticipates the project costs in acquiring, developing, financing and preparing the TIF Property for sale, lease and/or development will meet or exceed Five Million Eight Hundred Fifty Six Thousand Seven Hundred Two Dollars. Certain of these costs would be considered TIF-eligible costs within the meaning of SDCL § 11-9-14 and SDCL § 11-9-15. The Developer anticipates requesting reimbursement of those eligible reimbursement costs that relate to site work, street and utility build-out, and engineering, together with financing costs. It is anticipated the City will seek reimbursement of the TIF-eligible sewer project costs, and that the parties would allocate increment payments arising from the TIF.

It is further understood that the amount of $5,856,702 will be the maximum amount the City will ever pass on acting as a conduit for TIF #5. This amount will include any and all interest associated with the debt and the controlling value of the TIF will never pay more than $5,856,702. All TIF revenue will be passed onto the Developer until the full amount has been paid or 20 years from the year of creation, whichever happens first.

The payment of tax increment funds under this Agreement is a Grant under Chapter 11-9 of the South Dakota Codified Laws (the "Grant"). The Grant is a personal property right vested with the Developer on the effective date of this Agreement. The City will Grant this amount to the Developer and thus not have to account for any assets on the City's financial statement. The Developer will be responsible for obtaining their financing and the City will not be liable for any of the Developer's debt.

Upon completion of the construction of the infrastructure improvements, the Developer shall certify to the City's Finance Officer the costs of construction, including capital costs, Professional Fees, and contingency costs. The Developer shall provide contractor/supplier invoices or other supporting documentation upon request of the Finance Officer. Upon certification and verification of costs, the City shall pay all available tax increment fund revenues not to exceed $5,856,702.

Expenditures Exceeding Estimated Cost

Any expenditures, which in sum would exceed the total amount of the TID amount of $5,856,702 will require an amendment of this Plan. All amendments would be undertaken pursuant to SDCL §11-9-23.

When the expenditures within the Plan are increased in excess of more than 35 percent of the total above, the Department of Revenue will be required to reset the base, in accordance with SDCL §11-9-23.

If 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 re-determine the tax increment base when additional Project Costs are added to a plan. SDCL §11-9-23.

FEASIBILITY STUDY, ECONOMIC DEVELOPMENT STUDY, AND FISCAL IMPACT STATEMENT

Detailed List of Estimated Project Costs

Attached as Schedule 1 is a detailed list of estimated Project Costs for each of the phases of the project as per SDCL § 11-9-13(3). No expenditure for Project Costs is provided for more than five years after the District is created.

Feasibility Study

An economic feasibility study per SDCL § 11-9-13(2) is attached as Schedule 2.

Economic Development Study

Attached is Schedule 3 an Economic Development Study showing the impact of the Tax Increment District, until and after the bonds are repaid, upon all entities levying property taxes in the district. Required as per SDCL § 11-9-13(4).

Fiscal Impact Statement

Attached is Schedule 4 a Fiscal Impact Statement showing the impact of the Tax Increment District, until and after the bonds are repaid, upon all entities levying property taxes in the district. Required as per SDCL § 11-9-13(4).

METHOD OF FINANCING, TIMING OF COSTS AND MONETARY OBLIGATIONS

The payment of Project Costs is anticipated to be made by the City to Developer from the special fund of the Tax Incremental District. SDCL § 11-9-13(5). Pursuant to the Developer's Agreement, the City will pay to the Developer all available tax increment funds it receives from the District.

Maximum Amount of Tax Increment Revenue

The maximum amount of tax increment revenue bonds or monetary obligations to be paid through Tax Increment District #5 shall be the amount sufficient to reimburse the City for the payments made for Project Costs and pay all tax increment bonds or monetary obligations in an amount not to exceed $5,856,702 principal and interest or such lesser amount as may be feasible with the estimated revenue generated by the Tax Increment District. The final terms and conditions will be set forth in the Developer's Agreement.

Duration of Tax Increment Plan

The duration of the Plan will extend to the number of years it will take for the reimbursement of the City, the extinguishment of bonds and the monetary obligation except that the Plan duration **shall not exceed 20 calendar years** of revenue 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 the taxes from that base which will be the value set for 2022 taxes payable in 2023. The tax increment will be available to the taxing jurisdictions at or before twenty 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 and monetary obligations, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

Mechanisms are built within State Codified Law to ensure that school districts are held harmless by TIF districts for their General and Special Education Funds. For these purposes, law (SDCL 13-13-10.2) defines four classifications of TIFs:

- Economic Development - Any area where there is or will be one or more businesses engaged in any activity defined as commercial or industrial by the governing body that has zoning authority over the land contained within the tax incremental district
- Industrial – Any factory or any business engaged primarily in the manufacturing or assembly of goods, the processing of raw materials, and the wholesale distribution of products for resale
- Affordable Housing – Includes an area where: 1. The original selling price of any house in the district will be at or below the first-time homebuyer purchase price limit being used by the South Dakota Housing Development Authority as of the date the house is sold; OR 2. The monthly rental rate of all multifamily housing units in the district will be at or below the calculated rent for the state's eighty percent area median income as of the date the district is created, for a minimum of five years following the date of first occupancy.
- Local – Any tax incremental districts that do not fall under Economic Development or Industrial

All public school districts are funded through the State Aid to Education formula. The two primary channels of the formula are State Aid and Local Effort. Multiple agencies of the State of South Dakota calculate the amount of General Fund monies to be distributed to school districts each year through the State portion. Local effort is considered the amount of revenue that is generated by local property taxes at maximum levies.

If a TIF is classified as Economic Development, Industrial, or Affordable Housing, the school funding that would be generated by the increment valuation is considered lost local effort and is paid through the State Aid side of the formula. If a TIF is classified as Local, the affected school district funding must be recouped through local effort in the form of an additional levy added to the General and Special Education Funds. In either scenario, the school district receives the financial need associated with the increment valuation.

City of Madison TIF #5 will be classified as Economic Development; therefore, any lost local effort will be covered through the State Aid to Education Formula.

MAPS

The Conditions map, SDCL § 11-9-16(1), is included as Attachment 2.

The Improvements map, SDCL § 11-9-16(2), is included as Attachment 3.

The Zoning Change Map, SDCL § 11-9-16(3), is included as Attachment 4.

SUPPLEMENTARY FINDINGS

CHANGES TO CITY & COUNTY COMPREHENSIVE/MASTER PLAN MAP, BUILDING CODES & CITY ORDINANCES PER SDCL §11-9-16 (4)

No changes to neither City ordinances nor the City Master Plan are required.

LIST OF ESTIMATED NON-PROJECT COSTS

The following is a list of the non-Project Costs per SDCL § 11-9-16(5). All costs are listed as taxable value; actual non-project costs will exceed the following amounts.

Item	Amount
Construction of the homes	$ 21,456,400
Construction of Apartments	$3,480,000
TOTAL	$ 24,936,400

STATEMENT OF DISPLACEMENT AND RELOCATION PLAN

No residents or families will be displaced by the Project. SDCL § 11-9-16(6)

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.

LIST OF SCHEDULES

SCHEDULE 1

ESTIMATED PROJECT COSTS

Estimates TID Eligible of Project Costs Requested

The City of Madison has determined that this will be an Economic Development Tax Increment District, thus the eligible cost will be in the form of an infrastructure grant that will not exceed $5,856,702 This is a permitted use under SDCL 11-9-15.

11-9-15. Specific items included in project costs. Project costs include:

(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 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 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, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state.

The following table shows the total costs for the project:

Construction Estimate

PROJECT: Trojan Addition
LOCATION: Madison, South Dakota

BY: Ray Pierson, Sayre Associates
DATE: 12/9/22

Item No.	Item Description	Quantity	Units	Unit Price	Estimated Cost	Eligible Water Improvements	Eligible Storm Improvements	Eligible Sanitary Improvements	Non-Eligible Improvements
General Items									
1	Mobilization	1	LS	$100,000.00	$100,000.00	$15,000.00	$12,000.00	$20,000.00	$53,000.00
2	Traffic Control	1	LS	$2,000.00	$2,000.00	$0.00	$0.00	$0.00	$2,000.00
3	Construction Staking	1	LS	$42,500.00	$42,500.00	$0.00	$0.00	$0.00	$42,500.00
				Sub-Total =	**$102,000.00**	**$15,000.00**	**$12,000.00**	**$20,000.00**	**$55,000.00**
Erosion Control									
4	Concrete Washout Area	1	EA	$750.00	$750.00	$0.00	$0.00	$0.00	$750.00
5	Sediment Control (Silt Fence, Wattles, Etc.)	1,000	LF	$5.00	$5,000.00	$0.00	$0.00	$0.00	$5,000.00
6	Seeding, Fertilizing, Mulching	24	ACRE	$550.00	$13,200.00	$0.00	$0.00	$0.00	$13,200.00
				Sub-Total =	**$18,950.00**	**$0.00**	**$0.00**	**$0.00**	**$18,950.00**
Removals									
7	Remove Barbed Wire Fence	1	LS	$750.00	$750.00	$0.00	$0.00	$0.00	$750.00
8	Clearing and Grubbing	1	LS	$15,000.00	$15,000.00	$0.00	$0.00	$0.00	$15,000.00
				Sub-Total =	**$15,750.00**	**$0.00**	**$0.00**	**$0.00**	**$15,750.00**
Grading									
9	Unclassified Excavation (Incluces Topsoil Stripping)	31,766	CY	$3.00	$95,298.00	$0.00	$6,000.00	$0.00	$89,298.00
10	Offsite Borrow	6,000	CY	$9.00	$54,000.00	$0.00	$0.00	$0.00	$54,000.00
11	Scarify and Recompact Subgrade	16,888	SY	$1.00	$16,888.00	$0.00	$0.00	$0.00	$16,888.00
12	Topsoil, Stockpile and Place (4" Thickness)	12,750	CY	$5.00	$63,750.00	$0.00	$2,500.00	$0.00	$61,250.00
				Sub-Total =	**$229,936.00**	**$0.00**	**$8,500.00**	**$0.00**	**$221,436.00**
Storm Sewer									
13	18" RCP, Class 3 Storm Sewer	80	LF	$65.00	$5,200.00	$0.00	$5,200.00	$0.00	$0.00
14	24" RCP, Class 3 Storm Sewer	436	LF	$85.00	$37,060.00	$0.00	$37,060.00	$0.00	$0.00
15	30" RCP, Class 3 Storm Sewer	620	LF	$110.00	$68,200.00	$0.00	$68,200.00	$0.00	$0.00
16	24" RCP Flared End	2	EA	$850.00	$1,700.00	$0.00	$1,700.00	$0.00	$0.00
17	30" RCP Flared End	1	EA	$1,200.00	$1,200.00	$0.00	$1,200.00	$0.00	$0.00
18	Sioux Falls Type 5'x5' JB w/Frame and Grate	2	EA	$7,500.00	$15,000.00	$0.00	$15,000.00	$0.00	$0.00
19	Sioux Falls Type "B1" w/Frame and Grate	1	EA	$4,000.00	$4,000.00	$0.00	$4,000.00	$0.00	$0.00
20	Sioux Falls Type "B1" Special w/Frame and Grate	1	EA	$4,500.00	$4,500.00	$0.00	$4,500.00	$0.00	$0.00
21	Sioux Falls 6' Drop Inlet w/Lid and Manhole Cover	4	EA	$8,500.00	$34,000.00	$0.00	$34,000.00	$0.00	$0.00
				Sub-Total =	**$170,860.00**	**$0.00**	**$170,860.00**	**$0.00**	**$0.00**

Item No.	Item Description	Quantity	Units	Unit Price	Estimated Cost	Eligible Water Improvements	Eligible Storm Improvements	Eligible Sanitary Improvements	Non-Eligible Improvements
Water Main									
22	Connect to Existing 8" Water Main	1	EA	$1,000.00	$1,000.00	$1,000.00	$0.00	$0.00	$0.00
23	6" PVC Water Main, C-900, w/Bedding & Tracer Wire	1,012	LF	$42.00	$42,504.00	$42,504.00	$0.00	$0.00	$0.00
24	8" PVC Water Main, C-900, w/Bedding & Tracer Wire	3,247	LF	$47.00	$152,609.00	$152,609.00	$0.00	$0.00	$0.00
25	6"x6"x6" Tee	1	EA	$800.00	$800.00	$800.00	$0.00	$0.00	$0.00
26	8"x6"x8" Tee	9	EA	$850.00	$7,650.00	$7,650.00	$0.00	$0.00	$0.00
27	8"x8"x8" Tee	2	EA	$900.00	$1,800.00	$1,800.00	$0.00	$0.00	$0.00
28	8" to 6" Reducer	1	EA	$450.00	$450.00	$450.00	$0.00	$0.00	$0.00
29	6" Gate Valve & Box	11	EA	$1,500.00	$16,500.00	$16,500.00	$0.00	$0.00	$0.00
30	8" Gate Valve & Box	10	EA	$2,000.00	$20,000.00	$20,000.00	$0.00	$0.00	$0.00
31	6" 45 Degree Bend	4	EA	$450.00	$1,800.00	$1,800.00	$0.00	$0.00	$0.00
32	8" 22.5 Degree Bend	8	EA	$500.00	$4,000.00	$4,000.00	$0.00	$0.00	$0.00
33	6" Restrainer Devices	35	EA	$100.00	$3,500.00	$3,500.00	$0.00	$0.00	$0.00
34	8" Restrainer Devices	61	EA	$130.00	$7,930.00	$7,930.00	$0.00	$0.00	$0.00
35	Fire Hydrant and Lead	9	EA	$5,500.00	$49,500.00	$49,500.00	$0.00	$0.00	$0.00
36	Tracer Wire Box	5	EA	$200.00	$1,000.00	$1,000.00	$0.00	$0.00	$0.00
37	Service Connection for Multi-Family lots	5	EA	$5,000.00	$25,000.00	$25,000.00	$0.00	$0.00	$0.00
38	1" Curb Stop and Box w/tap & Marker	35	EA	$1,050.00	$36,750.00	$36,750.00	$0.00	$0.00	$0.00
39	1" Poly Water Service with Tracer Wire	1,400	LF	$25.00	$35,000.00	$35,000.00	$0.00	$0.00	$0.00
				Sub-Total =	**$407,793.00**	**$407,793.00**	**$0.00**	**$0.00**	**$0.00**
Sanitary Sewer									
40	Trench Stablizization Material	300	TON	$30.00	$9,000.00	$0.00	$0.00	$9,000.00	$0.00
41	Trench Select Backfill	300	TON	$20.00	$6,000.00	$0.00	$0.00	$6,000.00	$0.00
42	Connect to Existing Sanitary Sewer Manhole	1	EA	$1,500.00	$1,500.00	$0.00	$0.00	$1,500.00	$0.00
43	8" PVC Sewer Main w/Bedding and testing	3,559	LF	$50.00	$177,950.00	$0.00	$0.00	$177,950.00	$0.00
44	48" Dia. Manhole w/Frame and Lid and testing	17	EA	$5,200.00	$88,400.00	$0.00	$0.00	$88,400.00	$0.00
45	8" Boot	28	EA	$225.00	$6,300.00	$0.00	$0.00	$6,300.00	$0.00
46	10" Boot	3	EA	$275.00	$825.00	$0.00	$0.00	$825.00	$0.00
47	4" PVC Service Line w/Bedding	1,050	LF	$35.00	$36,750.00	$0.00	$0.00	$36,750.00	$0.00
48	8"x4"x8" PVC Service Wye	35	EA	$300.00	$10,500.00	$0.00	$0.00	$10,500.00	$0.00
49	Service Connection for Multi-Family lots	5	EA	$5,000.00	$25,000.00	$0.00	$0.00	$25,000.00	$0.00
50	4" Service Line Cap and Marker Post	35	EA	$100.00	$3,500.00	$0.00	$0.00	$3,500.00	$0.00
51	Lift Station Structure & Pumps - Including Electrical	1	LS	$145,000.00	$155,000.00	$0.00	$0.00	$155,000.00	$0.00
52	6" PVC Force Main	790	LF	$45.00	$35,550.00	$0.00	$0.00	$35,550.00	$0.00
				Sub-Total =	**$541,275.00**	**$0.00**	**$0.00**	**$541,275.00**	**$0.00**
Surfacing									
53	Aggregate Base Course (8" Thickness)	6,860	TON	$20.00	$137,200.00	$0.00	$0.00	$0.00	$137,200.00
54	Asphalt (4" Thickness)	2,977	TON	$115.00	$342,355.00	$0.00	$0.00	$0.00	$342,355.00
55	6" Fillet and Valley Gutter (6" Thickness)	110	SY	$100.00	$11,000.00	$0.00	$11,000.00	$0.00	$0.00
56	Concrete Curb and Gutter Type SF66	7,776	LF	$20.00	$155,520.00	$0.00	$155,520.00	$0.00	$0.00
				Sub-Total =	**$646,075.00**	**$0.00**	**$166,520.00**	**$0.00**	**$479,555.00**
Item No.	**Item Description**	**Quantity**	**Units**	**Unit Price**	**Estimated Cost**	**Eligible Water Improvements**	**Eligible Storm Improvements**	**Eligible Sanitary Improvements**	**Non-Eligible Improvements**
Traffic Signs/Other									
57	Stop Sign	2	EA	$150.00	$300.00	$0.00	$0.00	$0.00	$300.00
58	Street Name Sign	10	EA	$125.00	$1,250.00	$0.00	$0.00	$0.00	$1,250.00
59	Sign Post, 2"x2" Tube	5	EA	$125.00	$625.00	$0.00	$0.00	$0.00	$625.00
60	Red Diamond Sign w/Post	3	EA	$100.00	$300.00	$0.00	$0.00	$0.00	$300.00
61	Other Regulatory Signs w/Post	5	LS	$250.00	$1,250.00	$0.00	$0.00	$0.00	$1,250.00
				Sub-Total =	**$3,725.00**	**$0.00**	**$0.00**	**$0.00**	**$3,725.00**
				Construction Costs (Sub-Total) =	$2,136,364.00	$422,793.00	$357,880.00	$561,275.00	$794,416.00
				Contingencies (10%) =	$213,636.40	$42,279.30	$35,788.00	$56,127.50	$79,441.60
				Permits =					
				Opinion of Probable Construction Costs =	**$2,350,000.40**	**$465,072.30**	**$393,668.00**	**$617,402.50**	**$873,857.60**
				Land Acquisition =					
				Survey Fees =	$18,000.00				
				Engineering Design and Bidding Fees =	$112,000.00				
				Engineering Construction Inspection Fees =	$112,500.00				
				Financing Fees =					
				Opinion of Probable Total Project Costs =	**$2,592,500.40**				

- $500,000 for future road within the development.

TID Tax Revenue Estimates Available for City of Madison

This project will have properties that are classified as Non-Ag Owner-Occupied

The following projections are based on the number of twin homes, single family, and apartments built out over the course of the TIF.

Year		**2026**		
Twin Homes	Avg Price	Total	Mill Rate	TIF Revenue
10	$300,000.00	$3,000,000.00	0.015236	$41,137.20
Single Family	Avg Price	Total	Mill Rate	
10	$425,000.00	$4,250,000.00	0.015236	$58,277.70
Other	Avg Price	Total	Mill Rate	
0	$285,000.00	$0.00	0.015236	$0.00
Other	Avg Price	Total	Mill Rate	
0	$311,643.00	$0.00	0.015236	$0.00
Other	Avg Price	Total	Mill Rate	
0	$280,000.00	$0.00	0.015236	$0.00
Other	Avg Price	Total	Mill Rate	
0	$312,401.00	$0.00	0.015236	$0.00
		$7,250,000.00		
Year		**2027**		
Twin Homes	Avg Price	Total	Mill Rate	TIF Revenue
10	$300,000.00	$3,000,000.00	0.015236	$41,137.20
Single Family	Avg Price	Total	Mill Rate	
5	$437,750.00	$2,188,750.00	0.015236	$30,013.02
Apartments	Avg Price	Total	Mill Rate	
24	$145,000.00	$3,480,000.00	0.018575	$58,176.90
Other	Avg Price	Total	Mill Rate	
0	$320,992.29	$0.00	0.015236	$0.00
Other	Avg Price	Total	Mill Rate	
0	$288,400.00	$0.00	0.015236	$0.00
Other	Avg Price	Total	Mill Rate	
0	$321,773.03	$0.00	0.015236	$0.00
		$8,668,750.00		
Year		**2028**		
Twin Homes	Avg Price	Total	Mill Rate	TIF Revenue
0	$309,000.00	$0.00	0.015236	$0.00
Single Family	Avg Price	Total	Mill Rate	
20	$450,882.50	$9,017,650.00	0.015236	$123,653.62
Other	Avg Price	Total	Mill Rate	
0	$149,350.00	$0.00	0.015236	$0.00
Other	Avg Price	Total	Mill Rate	
0	$330,622.06	$0.00	0.015236	$0.00
	Avg Price	Total	Mill Rate	
0	$297,052.00	$0.00	0.015236	$0.00
Other	Avg Price	Total	Mill Rate	
0	$331,426.22	$0.00	0.015236	$0.00
		$9,017,650.00		

The following table shows the total amount of revenue the TIF would produce over the lifetime of a full 20 year TIF.

Year	New Amt Avail. For D/S	Total Amount Available for Debt Service		
			Annual	Semi
2026	$99,414.90	$ 99,414.90	$ 99,414.90	$ 49,707.45
2027	$228,742.02	$ 328,156.92	$ 228,742.02	$ 114,371.01
2028	$352,395.64	$ 680,552.55	$ 352,395.64	$ 176,197.82
2029	$352,395.64	$ 1,032,948.19	$ 352,395.64	$ 176,197.82
2030	$352,395.64	$ 1,385,343.83	$ 352,395.64	$ 176,197.82
2031	$352,395.64	$ 1,737,739.47	$ 352,395.64	$ 176,197.82
2032	$352,395.64	$ 2,090,135.11	$ 352,395.64	$ 176,197.82
2033	$352,395.64	$ 2,442,530.75	$ 352,395.64	$ 176,197.82
2034	$352,395.64	$ 2,794,926.39	$ 352,395.64	$ 176,197.82
2035	$352,395.64	$ 3,147,322.03	$ 352,395.64	$ 176,197.82
2036	$352,395.64	$ 3,499,717.67	$ 352,395.64	$ 176,197.82
2037	$352,395.64	$ 3,852,113.31	$ 352,395.64	$ 176,197.82
2038	$352,395.64	$ 4,204,508.95	$ 352,395.64	$ 176,197.82
2039	$352,395.64		$ 352,395.64	$ 176,197.82
2040	$352,395.64		$ 352,395.64	$ 176,197.82
2041	$352,395.64		$ 352,395.64	$ 176,197.82
2042	$352,395.64		$ 352,395.64	$ 176,197.82
2043	$352,395.64		$ 352,395.64	$ 176,197.82
2044				
			$ 5,966,487.15	$ 2,983,243.57

SCHEDULE 2

ECONOMIC FEASIBILITY STUDY & TAXABLE VALUE

The City has been asked to create a Tax Increment District to help offset the expansion associated with this project. This feasibility study provides that the Project Costs 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 City to the reimbursement of approved project costs.

Tax increment financing is permitted only in connection with a "Project Plan" duly adopted by the City. The property is currently estimated to have a taxable value of $100,500. The improvements to be made to the property are estimated to add to the assessed valuation. The estimated increment resulting from the improvements would be approximately $5,856,702 in new value once fully developed. 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. For purposes of this Project Plan, the Developer is projecting that the proposed development of commercial/retail space and various housing options will be built and fully developed by calendar year 2030.

The City's role is to simply act as a conduit for the revenue and pass on all positive increment to the Developer or to reimburse the Developer for their expenses, of which, will never exceed $5,856,702 in total payments, or 20 years, whichever comes first.

It is assumed that all obligations incurred would be adequately secured as to allow the payment of principal and interest when due, whether by means of a taxable bond or loan. The actual repayment schedule may change, but all principal and interest shall be paid within the life of the TID. 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.

City of Madison TID #5 is proven feasible based upon the projections made by the Developer, projecting a total in excess of $5,856,702 in tax revenue during the life of the TID can be found in the following tables. For purposes of this Project Plan, it is anticipated no increment generated by City TID #5 will be available until the earliest of calendar year 2026 and thereafter.

The following shows the financial feasibility of the City of Madison TIF #5 based on the projections above:

Note Date:	06/01/23
Note Rate:	7.00%
Proceeds:	$3,100,000
Cap Interest	$660,085
Net Proceeds	$2,439,915

NOTE AMORTIZATION

Date	Principle	Interest	P & I	Semi-Annual Net Revenue	Capitalized Interest	Loan Balance Outstanding
						3,100,000.00
06/01/23	0.00	0.00	0.00	0.00	0.00	3,100,000.00
12/01/23	0.00	0.00	0.00	0.00	108,500.00	3,100,000.00
06/01/24	0.00	0.00	0.00	0.00	108,500.00	3,100,000.00
12/01/24	0.00	0.00	0.00	0.00	108,500.00	3,100,000.00
06/01/25	0.00	0.00	0.00	0.00	108,500.00	3,100,000.00
12/01/25	0.00	0.00	0.00	0.00	108,500.00	3,100,000.00
06/01/26	0.00	49,707.45	49,707.45	49,707.45	58,792.55	3,100,000.00
12/01/26	0.00	49,707.45	49,707.45	49,707.45	58,792.55	3,100,000.00
06/01/27	5,871.01	108,500.00	114,371.01	114,371.01	0.00	3,094,128.99
12/01/27	6,076.50	108,294.51	114,371.01	114,371.01	0.00	3,088,052.49
06/01/28	68,115.98	108,081.84	176,197.82	176,197.82	0.00	3,019,936.51
12/01/28	70,500.04	105,697.78	176,197.82	176,197.82	0.00	2,949,436.47
06/01/29	72,967.54	103,230.28	176,197.82	176,197.82	0.00	2,876,468.93
12/01/29	75,521.41	100,676.41	176,197.82	176,197.82	0.00	2,800,947.52
06/01/30	78,164.66	98,033.16	176,197.82	176,197.82	0.00	2,722,782.86
12/01/30	80,900.42	95,297.40	176,197.82	176,197.82	0.00	2,641,882.44
06/01/31	83,731.93	92,465.89	176,197.82	176,197.82	0.00	2,558,150.51
12/01/31	86,662.55	89,535.27	176,197.82	176,197.82	0.00	2,471,487.96
06/01/32	89,695.74	86,502.08	176,197.82	176,197.82	0.00	2,381,792.22
12/01/32	92,835.09	83,362.73	176,197.82	176,197.82	0.00	2,288,957.13
06/01/33	96,084.32	80,113.50	176,197.82	176,197.82	0.00	2,192,872.81
12/01/33	99,447.27	76,750.55	176,197.82	176,197.82	0.00	2,093,425.54
06/01/34	102,927.93	73,269.89	176,197.82	176,197.82	0.00	1,990,497.61
12/01/34	106,530.40	69,667.42	176,197.82	176,197.82	0.00	1,883,967.21
06/01/35	110,258.97	65,938.85	176,197.82	176,197.82	0.00	1,773,708.24
12/01/35	114,118.03	62,079.79	176,197.82	176,197.82	0.00	1,659,590.21
06/01/36	118,112.16	58,085.66	176,197.82	176,197.82	0.00	1,541,478.05
12/01/36	122,246.09	53,951.73	176,197.82	176,197.82	0.00	1,419,231.96
06/01/37	126,524.70	49,673.12	176,197.82	176,197.82	0.00	1,292,707.26
12/01/37	130,953.07	45,244.75	176,197.82	176,197.82	0.00	1,161,754.19
06/01/38	135,536.42	40,661.40	176,197.82	176,197.82	0.00	1,026,217.77
12/01/38	140,280.20	35,917.62	176,197.82	176,197.82	0.00	885,937.57
06/01/39	145,190.01	31,007.81	176,197.82	176,197.82	0.00	740,747.56
12/01/39	150,271.66	25,926.16	176,197.82	176,197.82	0.00	590,475.90
06/01/40	155,531.16	20,666.66	176,197.82	176,197.82	0.00	434,944.74
12/01/40	160,974.75	15,223.07	176,197.82	176,197.82	0.00	273,969.99
06/01/41	166,608.87	9,588.95	176,197.82	176,197.82	0.00	107,361.12
12/01/41	107,361.12	3,757.64	111,118.76	111,118.76	0.00	0.00
06/01/42	0.00	0.00	0.00	0.00	0.00	0.00
12/01/42	0.00	0.00	0.00	0.00	0.00	0.00
06/01/43	0.00	0.00	0.00	0.00	0.00	0.00
	3,100,000.00	2,096,616.82	5,196,616.82	5,196,616.82	660,085.10	
			Total Interest	2,756,701.92	**5,856,701.92**	

SCHEDULE 3

ECONOMIC DEVELOPMENT STUDY

Introduction

City of Madison has been approached concerning the creation of a tax increment district (TID). Per South Dakota Codified Law 11-9-8, 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.

Study Area Boundary

The Project boundaries are described and depicted on the maps in Attachments 1 and 2 of this Plan.

Establishing Economic Development

South Dakota law describes 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 definition of Economic Development for State Aid to Education Formula purpose is any area where there is or will be one or more businesses engaged in any activity defined as commercial or industrial by the governing body that has zoning authority over the land contained within the tax incremental district. The proposed City of Madison TID #5 meets these criteria.

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 definitively found that once the improvements set forth within the Project Plan are initiated, the improvements will enhance significantly the value of substantially all of the other real property in the district. The City of Madison TID #5 will have a tremendous economic impact on the region’s infrastructure advancement.

Conditions Within The Study Area; Land Use And Planning Land Use, Planning And Comprehensive Plan

The City of Madison Comprehensive Plan is consistent with the proposed use of the District.

Findings within the Project Area Analysis

It is found 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 of South Dakota through the promotion and advancement of economic development. It is also 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 accordance with SDCL 11-9-8.

The Project area is 28.348-acre tract of land in the City of Madison. It is to be used for an expansion of commercial/retail space, single family homes, multi-family housing, and the necessary infrastructure, improvements to the water and sewer service. The Developer will offer 35 single family lots, 48 multifamily apartment units, and 20 twin home units to the area

The investment in the Project area will stimulate and develop the general economic welfare and prosperity of the region through the promotion of business space and housing available within the City of Madison.

SCHEDULE 4

FISCAL IMPACT STATEMENT FOR CITY OF MADISON TID #5

Introduction

A fiscal impact statement shows the impact of the TID, both until and after the bonds or obligations are repaid, upon all entities levying taxes upon property in the District. The following fiscal impact statement is intended to provide only a brief 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 challenge a more detailed, complete financial analysis.

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 Revenue*s"** 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 City of Madison Tax Increment District Number 5

"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 is estimated at taxable purposes at $24,936,400
2. The average tax levy of all taxing districts will be $15.236 per thousand dollars of taxable valuation.
3. Tax increment will start to be collected in 2026 and end prior to 2043.
4. The discretionary formula will be waived by Developer.

SCHEDULE 5

ESTIMATED CAPTURED TAXABLE VALUES

For purposes of this Project Plan, it is assumed that the **Developer will elect not to use the real property tax discretionary formula** currently utilized in the City of Madison, 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.)

* Actual valuation shall depend upon the value determined by the Lake 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 is estimated to be at the maximum range of $5,856,702 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2026, 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 for “Owner Occupied” and “Other” property types:

2022 Payable in 2023	2023 Property Tax Rate $ per $1,000 assessed "OO"	$ Per $1,000 assessed "Other"
City of Madison	5.495	5.495
Lake County	2.475	2.475
School District "OO"	7.244	
School District "Other"		10.583
Water District	0.022	0.022
Total	**15.236**	**18.575**

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.

LIST OF ATTACHMENTS

ATTACHMENT 1

DESCRIPTIONS OF REAL PROPERTY:

- ALL THAT PART OF KINNEY'S SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 106 NORTH, RANGE 52 WEST OF THE 5TH P.M., LAKE COUNTY, SOUTH DAKOTA, EXCEPT DEEDED AND PLATTED PORTIONS THEREOF AND EXCEPT THE EAST 404 FEET OF THE SOUTH 1473 FEET THEREOF, AND EXCEPT THE SOUTH 256 FEET OF THE NORTH 556 FEET OF THE WEST 409 FEET THEREOF, AND EXCEPT THE WEST 150 FEET OF THE EAST 1083 FEET OF THE NORTH 333 FEET THEREOF, AND EXCEPT THE WEST 600 FEET OF THE EAST 663 FEET OF THE NORTH 333 FEET THEREOF, AND EXCEPT LOTS 1 AND 2 OF SCHWEBACH ADDITION, AND EXCEPT ODENBRETT'S FIRST ADDITION, AND EXCEPT LOTS 1 AND 2 OF DSU FOUNDATION ADDITION, SUBJECT TO ANY RECORDED EASEMENTS AND ENCUMBERANCES CONTAINED THEREIN

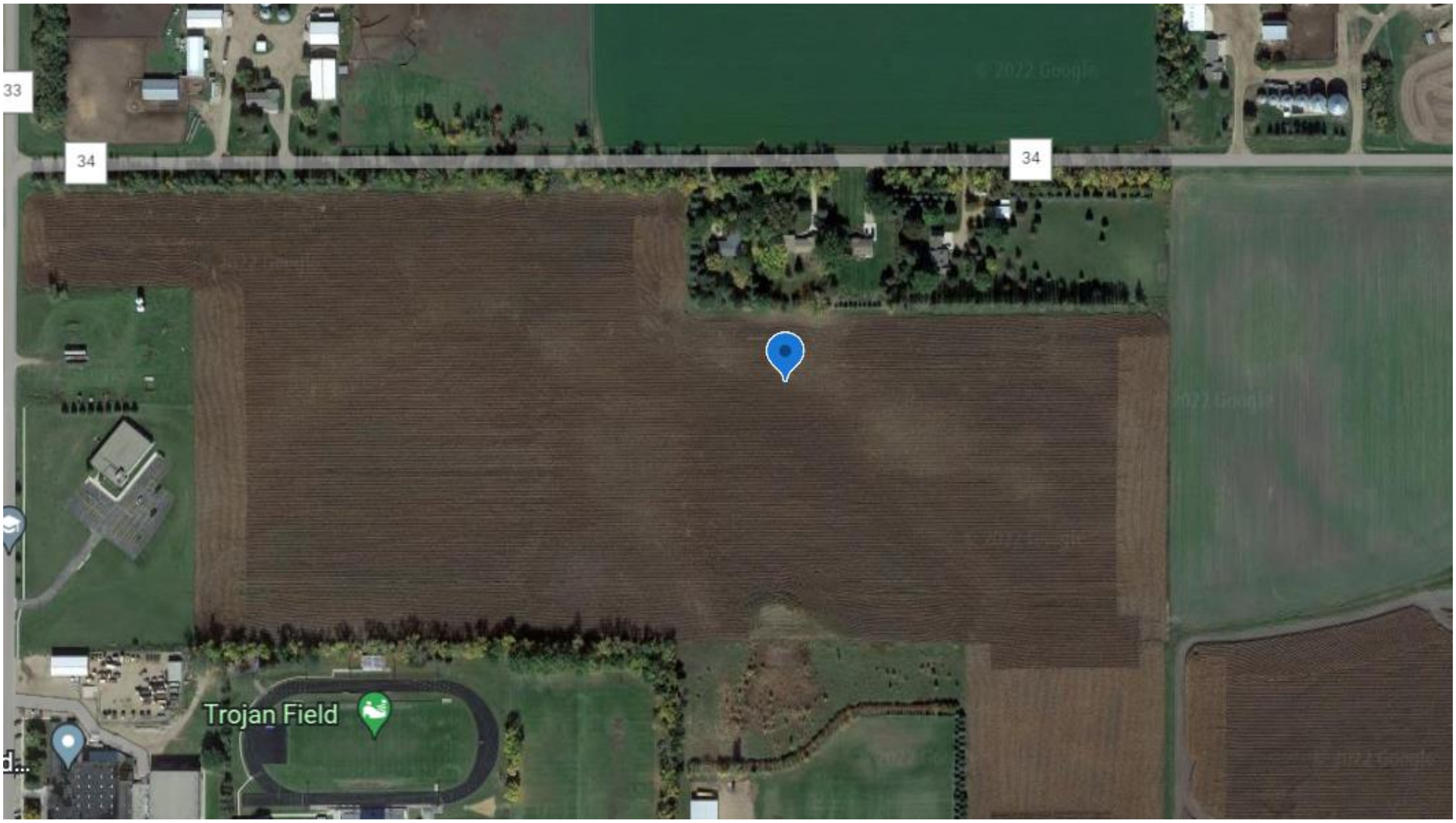
  AND LOT 3 IN BLOCK 1 OF DSU FOUNDATION ADDITION TO THE CITY OF MADISON, LAKE COUNTY, SOUTH DAKOTA

All Located in the City of Madison, Lake County, South Dakota including within and adjacent rights-of-ways.

ATTACHMENT 2

Conditions picture for City of Madison Tax Incremental District #5, SDCL § 11-9-16(1)

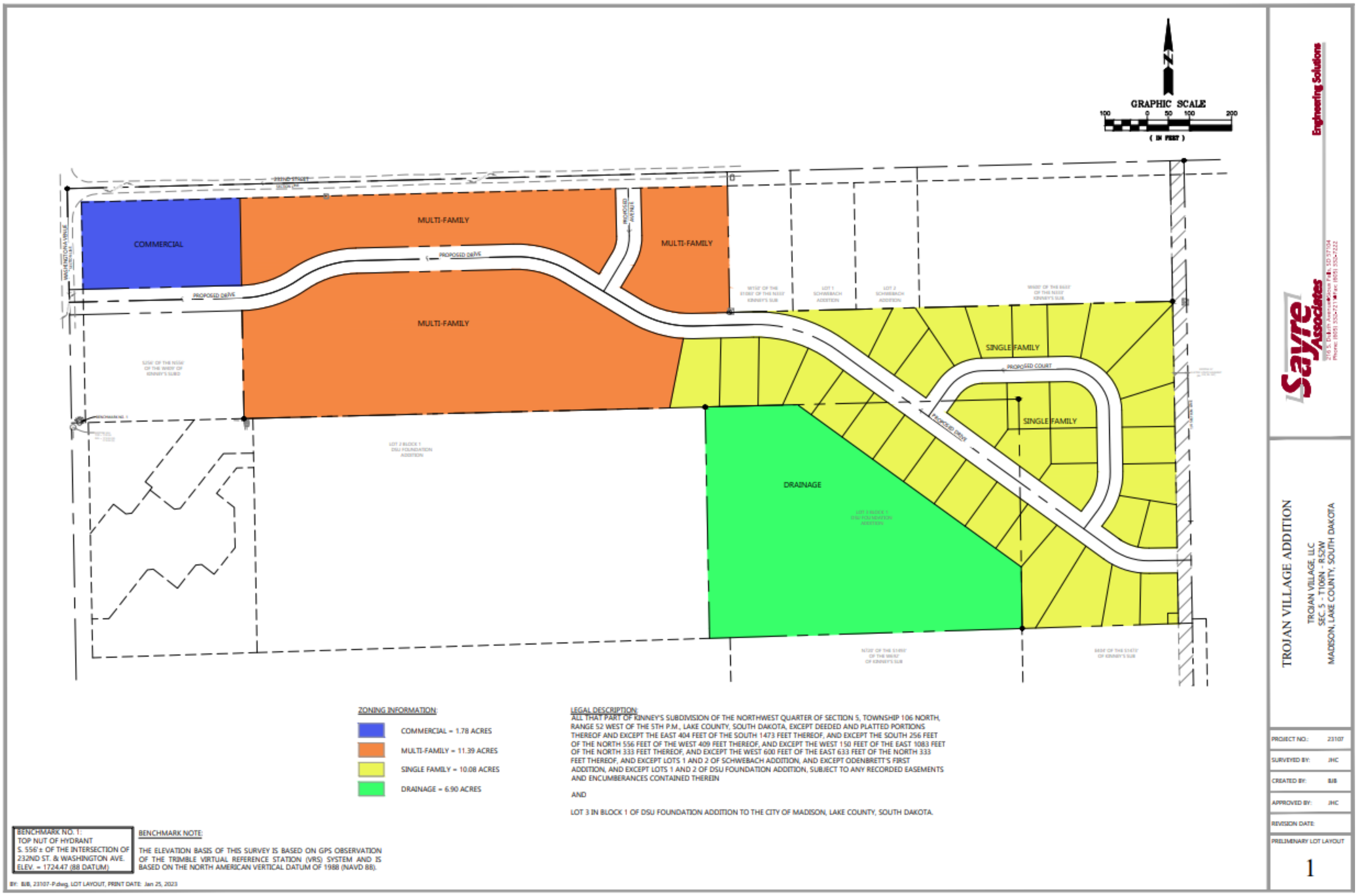
The following are pictures showing the current conditions of the proposed location of TIF #5



ATTACHMENT 3

Improvements map for City of Madison Tax Incremental District #5, SDCL § 11-9-16(2).

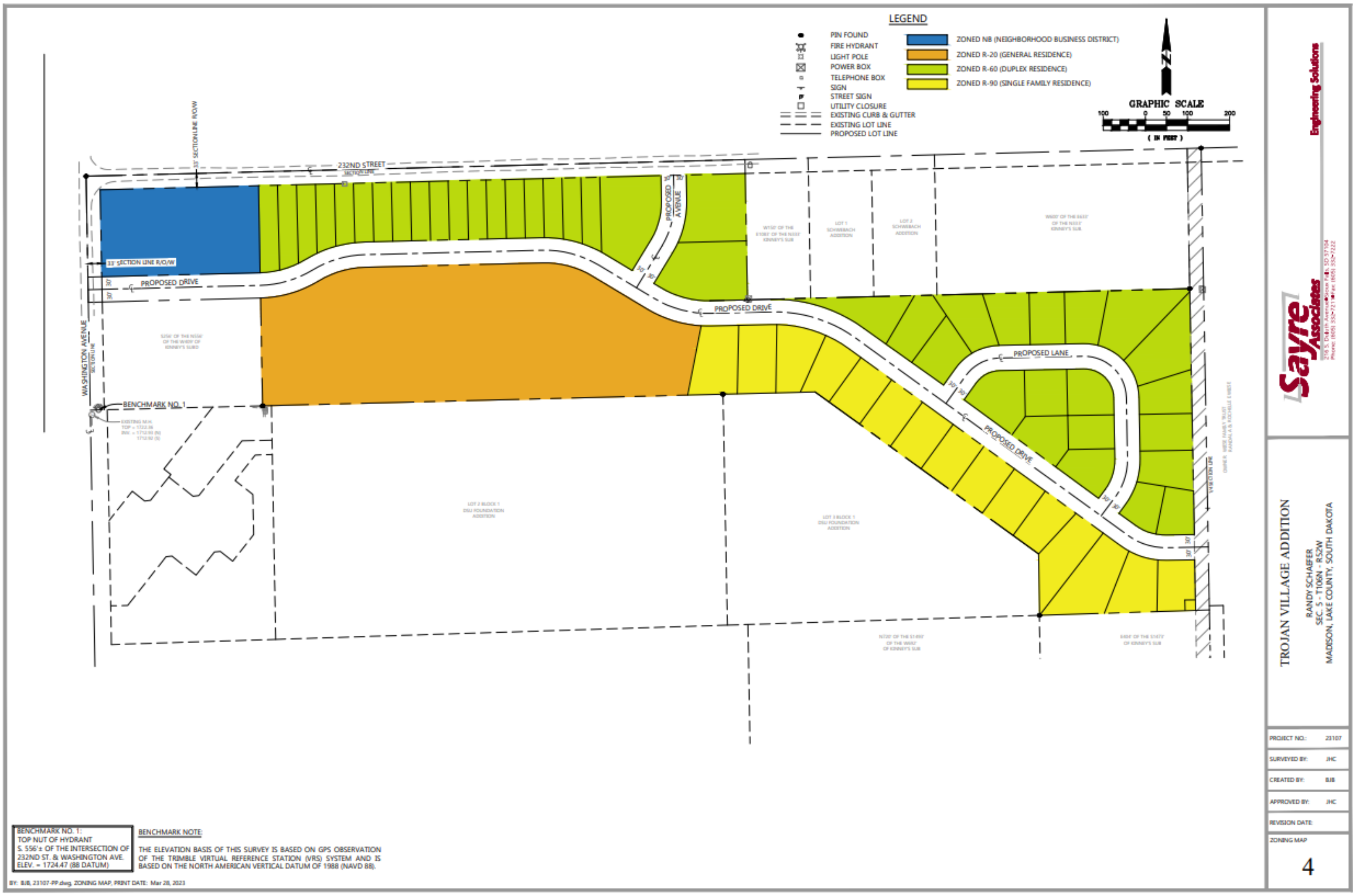
The following is a plat map of the Tax Increment District:



ATTACHMENT 4

Zoning Map for City of Madison Tax Incremental District #5 SDCL § 11-9-16(2).

A map showing the proposed changes of zoning ordinances:



ATTACHMENT 5

Department of Revenue Classification Letter:

SOUTH DAKOTA DEPARTMENT OF REVENUE
445 East Capitol Avenue • Pierre, SD 57501
(605) 773-3311 • dor.sd.gov

March 6, 2023

City Finance Office
116 W Center Street
Madison SD 57042

RE: Preliminary Classification of City of Madison # 5

Dear Jameson Berreth:

The Department of Revenue hereby acknowledges receipt of your request for Preliminary Classification of Tax Increment Financing District submitted on 03/06/2023.

Upon review of the provided information, the Department has determined the preliminary classification for the TIF District "City of Madison # 5" to be Economic Development for the purposes of the State Aid to Education formula.

If you have any questions or concerns, please do not hesitate to contact this office.

Sincerely,

Wendy Semmler, Director
Property Tax Division

BID TABULATION SHEET

BID NO. 922

Hay Ground Bid

Madison, South Dakota

2:00 PM 4/12/2023

NAME OF BIDDER	BID SURETY	Bid Total (80 Acres)
John Doblar 23572 451 St. Madison SD, 57042 605-270-1458	5% CC	$1,500.00

DATE: **April 12th, 2023**

TO: **Cities of: Beresford, Burke, Kimball, Madison, & Tyndall**

RE: **2023(01) Multi-Community Asphalt Surface Treatment Project**
Bid Results & Recommendation Letter

Beresford, Burke, Kimball, Madison, & Tyndall;

Bids were received for the subject referenced Asphalt Surface Treatment Project on April 11th at the Brosz Engineering Mitchell Office. Three contractors submitted bids: ASTECH Corp., Bituminous Paving Inc., and The Road Guy Construction Co. Inc. Upon review of the submittal packages all bids shall be considered accepted, competitive, and checked correct as submitted. See attached BID SUBMITTALS and BID ABSTRACT.

Following review of bids it is recommended that 2023 Multi-Community Asphalt Surface Treatment Project be awarded to the low, responsible bidder ASTECH Corp. for your respective contract value amount.

To initiate the contract award process the following shall be completed:

1. Upcoming business meeting:
   a. Motion and approve to "Award 2023 Asphalt Surface Treatment Project to (***Contractor***) for (***Value***)."
2. Following award approval:
   a. Please ***DATE*** and complete with ***SIGNATURE*** the NOTICE OF AWARD form.
   b. Retain the original notice in your project file and return to me a copy immediately following (scan email is fine).
   c. I will send NOTICE OF AWARD to the Contractor w/ further Agreement instructions.

DOCUMENTS ATTACHED:

1. BID SUBMITTALS; ASTECH, Bituminous Paving, Road Guy Const.
2. BID ABSTRACT
3. CONTRACT SCHEDULE
4. NOTICE OF AWARD

Let me know if you have any questions or concerns. Thank you.

Blake Harms

BLAKE HARMS, PROJECT ENGINEER
BROSZ ENGINEERING, INC.

Multi-Community 2023(01) Asphalt Surface Treatment
Abstract of Bids; April 11, 2023

				Engineer's Estimate		Astech Corp.		Bituminous Paving Inc.		Road Guy Construction Co.	
Bid Item No.	Item	Quantity	Unit	Unit Cost, $	Extended Cost, $	Unit Cost, $	Extended Cost, $	Unit Cost, $	Extended Cost, $	Unit Cost, $	Extended Cost, $
009E0010	Mobilization - Beresford	1	LS	$ 7,500.00	$ 7,500.00	$ 11,000.00	$ 11,000.00	$ 20,000.00	$ 20,000.00	$ 3,000.00	$ 3,000.00
009E0010	Mobilization - Burke	1	LS	$ 7,500.00	$ 7,500.00	$ 11,000.00	$ 11,000.00	$ 20,000.00	$ 20,000.00	$ 2,000.00	$ 2,000.00
009E0010	Mobilization - Kimball	1	LS	$ 7,500.00	$ 7,500.00	$ 11,000.00	$ 11,000.00	$ 20,000.00	$ 20,000.00	$ 2,000.00	$ 2,000.00
009E0010	Mobilization - Madison	1	LS	$ 8,500.00	$ 8,500.00	$ 11,000.00	$ 11,000.00	$ 20,000.00	$ 20,000.00	$ 5,000.00	$ 5,000.00
009E0010	Mobilization - Tyndall	1	LS	$ 7,500.00	$ 7,500.00	$ 11,000.00	$ 11,000.00	$ 20,000.00	$ 20,000.00	$ 2,000.00	$ 2,000.00
330E0300	SS-1h or CSS-1h Asphalt for Fog Seal	52.0	Ton	$ 1,380.00	$ 71,760.00	$ 900.00	$ 46,800.00	$ 1,500.00	$ 78,000.00	$ 2,820.00	$ 146,640.00
330E3000	Sand for Fog Seal or Prime Coat	25.0	Ton	$ 50.00	$ 1,250.00	$ 10.00	$ 250.00	$ 10.00	$ 250.00	$ 200.00	$ 5,000.00
360E0042	CRS-2P Asphalt for Surface Treatment	286.8	Ton	$ 1,100.00	$ 315,480.00	$ 873.00	$ 250,376.40	$ 950.00	$ 272,460.00	$ 1,050.00	$ 301,140.00
360E1030	Cover Aggregate, Type 2A (modified)	2379.3	Ton	$ 73.00	$ 173,688.90	$ 89.00	$ 211,757.70	$ 105.00	$ 249,826.50	$ 51.50	$ 122,533.95
634E0120	Traffic Control, Miscellaneous - Beresford	1	LS	$ 3,500.00	$ 3,500.00	$ 5,000.00	$ 5,000.00	$ 6,000.00	$ 6,000.00	$ 6,000.00	$ 6,000.00
634E0120	Traffic Control, Miscellaneous - Burke	1	LS	$ 3,500.00	$ 3,500.00	$ 5,000.00	$ 5,000.00	$ 6,000.00	$ 6,000.00	$ 4,000.00	$ 4,000.00
634E0120	Traffic Control, Miscellaneous - Kimball	1	LS	$ 3,500.00	$ 3,500.00	$ 5,000.00	$ 5,000.00	$ 6,000.00	$ 6,000.00	$ 4,000.00	$ 4,000.00
634E0120	Traffic Control, Miscellaneous - Madison	1	LS	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 6,000.00	$ 6,000.00	$ 8,000.00	$ 8,000.00
634E0120	Traffic Control, Miscellaneous - Tyndall	1	LS	$ 3,500.00	$ 3,500.00	$ 5,000.00	$ 5,000.00	$ 6,000.00	$ 6,000.00	$ 4,000.00	$ 4,000.00
				Engineer's Estimate:	$ 619,678.90	Bid Total:	$ 589,184.10	Bid Total:	$ 730,536.50	Bid Total:	$ 615,313.95

Multi-Community 2023(01) Asphalt Surface Treatment

City of Madison

				ASTECH Corp.	
Bid Item No.	Item	Quantity	Unit	Unit Cost, $	Extended Cost, $
009E0010	Mobilization - Madison	1	LS	$ 11,000.00	$ 11,000.00
330E0300	SS-1h or CSS-1h Asphalt for Fog Seal	21.8	Ton	$ 900.00	$ 19,620.00
330E3000	Sand for Fog Seal or Prime Coat	5.0	Ton	$ 10.00	$ 50.00
360E0042	CRS-2P Asphalt for Surface Treatment	120.2	Ton	$ 873.00	$ 104,934.60
360E1030	Cover Aggregate, Type 2A (modified)	997.0	Ton	$ 89.00	$ 88,733.00
634E0120	Traffic Control, Miscellaneous - Madison	1	LS	$ 5,000.00	$ 5,000.00
				Bid Total, $	$ 229,337.60

Demolition Permit filed by Opel Properties

RECEIPT NO. ________ PERMIT NO. ________

BUILDING PERMIT APPLICATION

JURISDICTION OF CITY OF MADISON

APPLICANT TO COMPLETE NUMBERED SPACES ONLY

JOB ADDRESS 715 N Egan Ave			
1 LEGAL DESCR. lot 1 and the North 10 ft of lot 2 in Olstad's Subdivision of Block 23 of Kennedy's			
2 OWNER Opel Properties	MAIL ADDRESS Second Extension to Madison, Lake County, South Dakota	ZIP	PHONE
3 CONTRACTOR Brookings Built Green, Inc	MAIL ADDRESS		PHONE
4 SIDEWALK CONTRACTOR NA	MAIL ADDRESS		PHONE
5 PLUMBER NA	MAIL ADDRESS		PHONE
6 ELECTRICIAN NA	MAIL ADDRESS		PHONE
7 ARCHITECT OR DESIGNER NA	MAIL ADDRESS		PHONE
8 ENGINEER NA	MAIL ADDRESS		PHONE
9 USE OF BUILDING Multi family	MAIL ADDRESS		PHONE

10 **CLASS OF WORK:** ☐ NEW ☐ ADDITION ☐ ALTERATION ☐ REPAIR ☐ MOVE ☒ REMOVE

11 **DESCRIBE WORK:** Remove all structures and fill with dirt

12 VALUATION OF WORK $ 20,000.00 | PERMIT FEE $

SPECIAL CONDITIONS					
			TYPE OF CONST.	OCCUPANCY GROUP	FLOOD AREA
			SIZE OF BLDG. (TOTAL) SQ. FT.	NO. OF STORIES	OCC. LOAD
APPLICATION ACCEPTED BY	PLANS CHECKED BY	DATE OF APPROVAL	FIRE ZONE	USE ZONE	FIRE SPRINKLERS REQUIRED ☐ YES ☐ NO
			NO. OF DWELLING UNITS	OFFSTREET PARKING SPACES COVERED	UNCOVERED

NOTICE

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

Dusten Hendrickson

PRINTED NAME OF APPLICANT

SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT (DATE)

SIGNATURE OF OWNER (IF OWNER BUILDER) (DATE)

south dakota
STATE HISTORICAL SOCIETY
DEPARTMENT OF EDUCATION

August 19, 2021

Case Study Filed with SHPO by City in response to Opel Properties intent to demolish structures.

Ryan Hegg
City of Madison
116 W Center St
Madison SD 57042

RE: SDCL 1-19A-11.1 Consultation
Project: 210503005S – 715 N Egan Avenue– Demolition of House and Converted Garage
Location: Lake County
(COM)

Dear Mr. Hegg:

Thank you for the opportunity to comment on the above referenced project pursuant to South Dakota Codified Law, SDCL 1-19A-11.1. The South Dakota Office of the State Historic Preservation Officer (SHPO) would like to provide the following comments concerning effect of the proposed undertaking on the non-renewable cultural resources of South Dakota.

On August 11, 2021, the South Dakota SHPO received notification of a project to demolish the home and converted garage at 715 N Egan Avenue in Madison. The house at 715 N Egan is a contributing resource in the Madison Historic District, which is listed in the National Register of Historic Places. SDCL 1-19A-11.1 outlines a specific process that must be followed prior to any governmental action that may harm any historic property that is included in the National or State Registers of Historic Places.

Demolition of a historic property will encroach upon, damage, or destroy a historic property National and State Registers of Historic Places. Therefore, our office has initiated an investigation to determine whether the proposed project has considered all feasible and prudent alternatives to demolition of the historic property. To expedite our review, please provide an abbreviated Case Report consisting of items 1, 2, 5, and 7 consistent with ARSD Article 24:52:07:03.

If you have any questions or concerns, please contact Heather Mulliner at Heather.Mulliner@state.sd.us or at (605) 773-6005. Your concern for the non-renewable cultural heritage of our state is appreciated.

Ted M Spencer
State Historic Preservation Officer

Heather Mulliner

Heather Mulliner
Historic Preservation Specialist

Opel Properties response to the Case Study Letter from SHPO dated August 19, 2021

(1) A description of any impending project which may adversely affect historic property;

The proposed project includes the following:

1. Removal of the current house and maids quarters at 715 Egan Ave. including out of date additions.
2. Build a new house with similar historical shape and meaning on the lot.
3. WIll be using the same exterior plan as 705 and 709 Eagan Ave N.

(2) Photographs, maps, or drawings showing the existing project site, the extent of projects, and details of the proposed projects, which may include three-dimensional models or accurate computer-generated representations of proposed new construction. Models or representations must clearly show the visual impacts of new construction on surrounding neighborhood or landscapes;

(5) A description of potentially affected historic property with any relevant physical, economic, or situational information on the property;

715 N Egan Ave, Madison, SD is a 1.5 story Victorian style home with very little detail. with a front entry surrounded by parking on the rear, and side yards. Has a detached maids quarters in the rear. The roof is roughly a 8/12 pitch. Window configurations are tall and narrow with most of them being triples complimented by rotting wood trim details.The shingles are deteriorated and need to be replaced. The siding is all stucco with repairs needed almost everywhere. small places of siding repairs also need repairs or replacement. Entrances are located all around the house. One chimney appears to be in good shape, the other needs repairs.

The Inside has a small foyer leading into the main floor hallway with stairs that take you to the 2nd floor. Next to the stairs you can go down the hallway where there are adjacent rooms. A few feet from these rooms are where you access the basement. That wouldn't be inhabitable for multiple reasons including it sitting in a flood plain. The walls are cracked, hallways are narrow and the floors are uneven. The Rooms are inconsistent in size and most of the bathrooms would not have met building standards for the last 20 years. The spontaneous clicks, pops, creaks, and whistles mixed with the cobwebs, busted plaster, dusty walls, and cramped spaces can only be described as a building struggling to survive, its next breath more painful than the last.

This building is dilapidated and unmaintained. It has many of the historical traits removed and was remodeled into 4 different units. We do not plan to re rent this unit.

(7) A historic preservation plan or description and evaluation of all feasible and prudent alternatives which a state entity or political subdivision proposes in order to minimize adverse effects of a project on historic property and alternatives which the state entity or political subdivision has examined and rejected. The reasons for rejection must be included. This section of the case report must clearly substantiate that all possible efforts to minimize harm to the historic property have been undertaken. Alternatives to aspects of the project which may adversely affect the historic property must:

(a) Receive consideration based on factual reports, research, tried methods, and professional and lay preservation advice;

(b) Explore alternatives beyond the immediate project, taking into account broad community or regional issues in which the historic resources may play a contributing role;

(c) Take into account the impact of potential adverse effects on surrounding historic resources, community preservation plans, and long-range community opportunities;

(d) Be based on professional assessments of the value and basic structural condition of the affected property and estimates of a range of rehabilitation or mitigative options prepared by people experienced in historical preservation work; and

(e) Provide adequate periods of time for information to be prepared and for preservation options to be attempted;

The home could be moved elsewhere and we will advertise it for free to anyone who wants to move it. Otherwise we have salvagers ready to remove all the valuable items. The items worthy of salvaging are the millwork, hardwood floors, a few stained glass windows, the stairwell (best part of the home IMO), possibly some of the exterior details that aren't destroyed, and some of the appliances.

The cost to rehab this building back to original would be $600,000 -800,000 and it would be valued around $250,000. Demolition would be under $20,000. We looked into rehabbing but the structure won't pass codes as a rental property and it is located in the flood way/flood plain so it would be too expensive to insure. It also would have been a negative investment without any way to make the payments, similar to the current structure. It has been added on to multiple times and it's in the flood way/ flood plain so it would be very hard to obtain a permit to do an addition. The only viable solution is to remove the structure. Attached is a statement to show where we found these numbers.

Steps undertaken to minimize harm:

1. This project will be placed on similar setbacks to the existing property to keep the historic feel of the neighborhood.

2. This project is placing all the parking in the rear yard to restore the historic feel of the neighborhood.

3. Every attempt was made to:

    a. Not destroy historic materials that characterize the property(standard 9)

        i. Character defining features are already destroyed due to years of neglect.

    b. Be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment(standard 9).

        i. The massing, size, scale and lot layout are all compatible with the surrounding properties. The architectural features will be up to date as its very difficult to replicate the same materials as they no longer are being built affordably.

    c. Ensure if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired(standard 10)

        i. The existing structure will be removed. If the new structure is removed in the future it would go back to a bare lot and could be built on using the historic preservation guidelines.

Before requesting to remove the current house at 715 N Egan Ave, Madison, SD; we did a preliminary run down on alternative measures besides demolition. What we found was that it could cost roughly $500,000-$700,000 to restore the current home, without considering other probable scenarios that could set back the restoration process. Especially with today's labor shortage and increased shipping and supply chain difficulty. The layout of the current house would make it difficult to create an efficient layout to today's standards. A list of things that would need to be removed and replaced include windows, siding, paint, drywall, shingles (roof probable), electrical, plumbing, and hvac as well as major reconstruction to the foundation it is all sitting on. The tunnel is deteriorating from the house to the maids quarters that houses utilities. The labor alone in restoring the current house would greatly outweigh that of demoing the current property. A restoration on a house like this would also cause difficulties finding craftsman to want to bid on such a time consuming and gentle project. We have searched for a craftsman and no one is willing to take on this project to our knowledge. If the house were to be restored it would still be difficult to configure it in a way to pass most codes today. The current house also sits in a floodplain which poses risk of damage as soon as we start restoring. The house is also only suitable for one family as it stands and could benefit the University by being a multi-family domicile.

The design and compatibility of the proposed building will directly resemble but not mimic other properties in the historic neighborhood. It will have similar setbacks in terms of depth away from the sidewalk at roughly 25 feet. It will be two stories to not exceed any height restrictions. The building is 10 feet from the proposed lot line we have 8' of space on the outsides of the lots containing the structure adequately on roughly 100 foot wide, narrow lot.

The new building will be of contemporary design having street facing gables similar to that of the rest of the houses on the block. The cornices will be less obvious while maintaining a bold and sleek modern touch. Standard windows all around the new construction will be similar to other windows in all of the other homes at an estimated 2'x4' narrow look with one picture window near the entry at an estimated 5'x5'. The neighboring houses have concrete stoop entrances or a type of porch. The proposed new building will have the entry located in a similar spot as the other houses, but featuring a zero entry to eliminate steps and make it more handicaps accessible. It will be a covered porch entry with similar function of the wrap around porches and be on a concrete pad like the stoops. The roof will be a 9/12 to 12/12 pitch similar to the existing steep roof pitch with asphalt shingles mimicking what's on the existing house. Siding will be 4' to 7' lap siding with natural wood accents, staying very much in context of the rest of the neighborhood. The details of the proposed buildings will be very basic and similar to other houses in neighborhood to make up keep simple and still fit well in the historic neighborhood. The landscaping will be very similar to surrounding houses with trees planted.

The proposed new house will be a two story home to make sure not to be outside of the 10% variance in the rest of the neighborhood. Here is a list of all of the houses located on North Egan Ave. Estimated with a Bosch Compact Laser Distance Measure.

-705 ; 33'
-709; 33'
-715; (current house) 25'
-717; 25'
-725; 32'
-735; 36'
-Karl E Mundt Library 28'
-602; 33'

-608; 26’
-609; 41’
-614; 27’
-615; 39’
-621; 45’
-622; 31’

Making the tallest building in the neighborhood 621 North Egan ave. at an estimated 45’ and the shortest being 715 North Egan ave. at an estimated 25’. The average height of the combined estimated totals would be 32’. The estimated height of the proposed buildings would be just over 33’, putting it just over a foot over our estimated average and a little more than 8’ taller than the current building. Well within the 10% variance.

The proposed dimensions of the new building are roughly 50’x50’ making the width of the individual building 50’ on roughly 100’ wide lots. Here is a list of other local houses and their estimated widths using beacon.schniedercorp website for lot sizes and dimensions on North Egan Ave.

-705 ; 50’
-709; 50’
-715; (current building) 45’
-717; 32’
-725; 33’
-735; 63’
-602; 50’
-608; 34’
-609; 54’
-614; 36’
-615; 50’
-621; 48’
-622; 45’

That would make the widest house 735 north Egan 63’ and the shortest 717 North Egan at 32’ with an average width in the neighborhood 47.7’ wide. There isn't anything substantially different in the proposed buildings than any other house in the neighborhood. The height and width of the new buildings is in direct correlation of the rest of the historic neighborhood staying well within a few feet of averages. Gable face, window placement, and entry way are all similar to neighboring houses. The scale is almost identical to houses of similar size and stature in the neighborhood. The entrances are 25’ from the boulevard and have space between lot lines on the side with a driveway going in between buildings for off street parking in the back, matching a lot of other houses that have off street garages. The gables face the same way with very similar heights to other two story houses. The windows appear to be a mixture of casements and double hung, as well as the small porch which are not prevalent in the district.

Memo from Building Official Gary Zay post inspection of 715 N. Egan Avenue

THE CITY OF MADISON
Engineering and
Community Development
- Code Enforcement-

MEMO

To: Ryan Hegg

Date: April 5, 2023

Re: Inspection
715 N Egan Avenue

Ryan,

I inspected the building at 715 North Egan Avenue starting at 1:00 PM today to ascertain it's necessity for a Demolition Permit. The existing residence is in the Historic District and is of a Historic Spanish Style and being the only one of this type that I know of in the city. The Owner stated that they have owned it for three years and have performed no maintenance on it except that necessary for the eight tenants living there.

The exterior is in fair condition for a residence of its age and needs new roof shingles, although there were no signs of ceiling water damage on the second floor. Windows need replacement and wood trim needs paint and brick needs repointing. Stucco is in reasonable shape with few cracks and only one area needing repair. A good cleaning and Painting would make it last for many years. Some of the trim pieces need to be replaced but they are few compared to all that are in good shape. Overall, the exterior is in stable condition just needing maintenance along with the landscaping.

I was expecting the interior to be in poor shape but was pleasantly surprised at the beautiful period woodwork in almost pristine condition. Much of the detailing was still in place and in good condition. The first floor ceilings had a few water spots or repairs but these seemed to come from the kitchens or bathrooms above on the second floor. Several of the rooms have not been subdivided and are exceptionally large. Some updates to the kitchens and bathrooms are needed.

The Basement was crowded with unused appliances and other things but was dry and the exterior showed no water damage.

The second floor as been subdivided into at least five living units of various sizes some very small. Exterior wall and the ceilings showed no water damage but several of the windows did not completely close. Only one stairwell serves the second floor that I noticed. Also did not see any fire extinguishers throughout the structure and did not pay any attention to see if there were any smoke or CO2 detectors.

I did not go into the two apartments in the rear building as the exterior is in very poor condition and does not match the style of the main residence.

It is my considered opinion that this structure is sound and with a remodel could be brought back to a single family residence or possibly be a reasonable two family residence without spending more than approximately $250,000. I have seen many of the half million dollar houses in town and this would be better than all of them. I, with over 40 years of experience as an Architect and as Madison's Building Official can not approve a demolition permit for this residence.

Sincerely,

Gary N Zay
Building Official/Code Enforcement Officer

VELDCO

3rd Party Cost Analysis

October 25,2022

Veldhouse Construction has been asked to prepare a cost analysis on the renovation of 715 N Egan, Madison, SD. The work required and the associated costs are shown below.

Roof replacement	$32,600
Stucco replacement and repair	$58,215
Painting Exterior	$17,300
Exterior miscellaneuos carpentry and trim repair	$19,870
Exterior paint removal	$14,500
Sidewalk/concrete removal - perimeter of home	$4,400
Grading for drainage	$3,450
Brick and foundation repair and tuck pointing	$18,640
Remove tree and plant material growing in the foundation	$1,600
New sidewalks where needed	$8,660
Electrical to city code?	$19,500
Remove asbesthos on exposed pipes	$23,900
Add A/C units where needed	$13,000
Interior plumbing maintenance	$6,500
New windows/ Wood to match	$36,190
Contingency	$21,675
Total	$300,000
City code egress issues, if any	$15,000

Veldhouse Construction

DocuSigned by:

Caleb Veldhouse

0344D7008FDD497...

Caleb Veldhouse
President

Opel Properties
Feasibility Study

Historic and Structure Report Feasibility Study

Table of Contents

HISTORICAL EVALUATION

Building Construction

Built in 1921, 715 N Egan Ave is a grand example of the Tudor Revival style that was prevalent in the 1920s. The use of vertical trims, steep pitches, multi-gabled rooflines, and decorative half-timbers was typical in this era. Key elements included decorative entryways, massive chimneys, brick, stucco, stone or slate, and windows in rows or groups of 2,3, or 4.

Tudor Revival and Craftsman share the same interior design style most commonly known as the Mission style.

Art & Decorative Finishes

The exterior of the building has trim and brick integrated into the stucco facade. The building's exterior is a composition of stucco and brick and the combination of these materials gives the building its distinctive Tudor Revival style. There is also an array of wood trim that cascades across the facade of the building. Aside from the stucco having an integral part in the aesthetics of the exterior, the trim and brick have their own playful expression with subtle changes in banding, detail, and color.

Initial indications find no paintings or other decorative artwork on the interior. There is a beautiful wood coffered ceiling, which is the only bright spot in the entire residence.

Structural Investigation

In summary, this building is in very poor condition structurally. Modifications have been made but they have not seriously impacted the structural integrity of the building. The water damage that has occurred appears to be excessive and expensive to repair. All of the wood trim needs to be stripped and repainted, and any areas with rot will need to be replaced. The front entry door and opening are not original and impact the historical integrity in a negative way. The stucco must be completely removed on at least 25% of the building and the rest of the structure will need extensive repairs. The brick needs to be tuck-pointed and there are structural brick repairs at the foundation level that are imperative. There are many areas in which pests will infiltrate as the cladding is rotting. It has resulted in bats, rats, mice, termites, and bees also making this their home. The roof needs to be completely replaced. The concrete slopes into the house and that has caused drainage issues which will require new concrete work and grading. There is enough tree root and foliage infiltration to the foundation which will need to be eradicated before it compromises the foundation even more.. The framing is intact and structurally sound but the original single-family home design and use have been converted into a boarding house with poor flow and numerous code issues, including fire safety. There are additions or renovations that have occurred on the north, east, south, and west elevations of the building that have reduced the historical impact. Overall the structure is solid but requires all of the exterior cladding to be repaired or replaced and many modifications to ensure further damage does not ensue.

M.E.P. Analysis

All of the proposed work would be sensitive to the historical ramifications of the structure. The level of upgrade or renovation will depend on the long-term plan for the building. It is possible to phase some of the MEP work, but at a higher cost than doing it at one time. We are bidding to do the work all at once.

Upgrading the MEP systems, as described in the low-end option, would allow for the building to be occupied, but there would be several drawbacks. Zoning and temperature control are poor by using the existing heating and air conditioning equipment. The anticipated life of these systems is relatively short, so replacement or upgrade in the near future is inevitable. The combination of the existing HVAC and lighting systems is not energy efficient, so this option would be the least desirable from that perspective. The current system is high maintenance and has a high cost of operation but requires the cheapest upfront cost.

Under the moderate upgrade option, the lighting systems would be upgraded to LED and the building would have central air conditioning. The central heating and cooling system will further degrade the historical status of the home as there will be ductwork installed throughout the home.

The last option considered deals with all anticipated upgrades for a building occupancy of at least 40 years. This is the most energy-efficient option and would provide the most flexible use of the spaces. If this scope of work were performed, it would result in the least life cycle cost for MEP upgrade but the most upfront cost. The boiler system would be refurbished and upgraded to eliminate the baseboard heaters that are currently used.

Statement of Significance

This building does not carry a namesake or nickname that is known. There was nothing found on the internet that would substantiate a claim to consider this building historic. There were no news clippings, old photos, celebrations of the architecture, or any sign of historical significance regarding N Egan Ave. The only item of the literature uncovered was a study done in May of 2017 stating that there were no buildings downtown that would be nominated to go on the National Register of Historic Places. This structure is five blocks north of downtown. This building has no statement of significance.

ARCHITECTURAL EVALUATION

Building Interior Condition Assessment

The best part of this house is when one notices the coffered wood beam ceiling from the front entry point. There is a very old, dingy kitchen and dining room attached to the living room. All of the other rooms have been turned into bedrooms and hallways. The building is close to unlivable, only the most desperate renters will live there. The comments received from contractors are atrocious. There were complaints of bats and rats in the living space making it impossible for the tenant to be comfortable enough to fall asleep. Pest control is currently helping with this issue. There are numerous exposed asbestos pipes in the unfinished basement which is used for laundry, exercise, and storage. The overall interior condition is poor to fair. A full interior remodel is appropriate if continuing to lease to students long term.

Accessibility Evaluation and Overview

This building is very inaccessible. There is no consideration for the disabled. The front entry is narrow and has five steps to grade. The driveway is gravel and the sidewalks are rough. The rear entry is not accessible and has stairs to each level with no handicap rails or systems.

PRESERVATION PLAN

List of Preservation Issues Related to Removal of Elements, Mitigation of Intrusions, and Missing Elements

The following preservation issues will determine the extent of renovation and therefore expenditure required:

- **Windows:** The wood windows are single pane and have no thermal break which causes mold, mildew and moisture damage to the window and the interior plaster. Before the plaster is repaired, the window issue will have to be resolved. All new windows are in order. This will help with astronomical utility bills and usage.

- **Damaged Brick/Stone:** Due to the rough texture of the stucco and brick, much masonry work is to be done. The entirety of the stucco needs to be repaired with the removal of bowed stucco in certain areas, most notably the NW corner of the building. Tuckpointing of the brink and foundation repair are needed. The degree of removal and repair will have to be determined. The stucco is real stucco and therefore highly unlikely to match as we have no stucco tradesman in the area.

- **HVAC System:** There are options available and described in the MEP report. Decisions regarding the extent of renovation will need to be made.

- **Partitions and Finishes:** Partitions have been added to the building over the years as well as carpet and tile. To regain the original intent, the degree of removal and repair will have to be resolved. There is no reason to get this back to the original intent of a single-family home.

- **Additions**: There have been numerous additions made over the years that have reduced the historical impact of this home.

- **Exterior Concrete:** The driveway is currently gravel and should be concrete. The sidewalks are a nuisance and need to be replaced so that we aren't liable for an injury. The concrete around the building needs to be removed and drainage improved as it slopes toward the foundation.

Code Compliance Issues

- **Construction Type:** With the materials used for constructing this building, it should be a single-family home only. Wood framing construction with no fire suppression system is very dangerous in multifamily applications.

- **ADA Access to Basement First and Second Floors:** Access cannot be achieved without the renovation of the building and further historic degradation.

- **Guardrails:** Based on the 1997 Uniform Code for Building Conservation; which states any guardrail under 36 inches in height shall be augmented or corrected to raise its effective height to 36 inches.

- **Rated Corridors:** Based on the 1997 Uniform Code for Building Conservation; One-hour fire-resistive construction throughout need not be required regardless of construction or occupancy. There are no rated corridors in this building.

- **Flood zone:** This home is located in the floodway. Building permits are nearly impossible when a structure is under the grade of the floodway - this building is. If the scope of the renovation gets too high, a permit may be denied. The impact would be unknown until the project is further.

- **Egress:** There are numerous rooms with windows that do not meet egress requirements.

- **Unknown Issues:** More code issues that I am not aware of until further progress of the project.

We are currently grandfathered in, but if the renovations were large enough, it could trigger code compliance.

DESIGN PARAMETERS

Summary of Preservation and Restoration Objectives

715 N Egan Ave is considered a “contributing” property to the historical district. I am hoping to change it to non-contributing so it can be removed from the site. Currently to the south are two apartments built in 2020, to the west is a drainage creek and trees with no view of the adjoining property, to the north is a run-down “noncontributing” rental home and a new apartment, to the east, is the brand new Cyber Labs building on campus. All the surrounding buildings are run down or have new construction.

The Secretary of Interior’s Standards recommends working with what exists and preserving those elements, features, or spaces that are identified as “character-defining.” These standards do not require that the building be “restored.” Restoration typically involves returning the building back to a specific historic period of time. The Secretary of Interior’s Standards acknowledges the fact that some changes will be required in order for the building to be used for today’s purposes. They recommend, however, that those changes be compatible with the historic building.

As with most buildings, changes have been made to 715 N Egan Ave over time. There are spaces and architectural elements in and around the building that are considered significant and these spaces and elements could have been preserved, except that this structure and the neighborhood were neglected for far too long. There are also spaces and features that have been modified in the past or are not considered significant. The combination of neglect and changes made renders this building unacceptable to renovate.

We have marketed this building for sale to the public for the low price of $169,900. We had no offers because of the economics of the situation. The price to remodel this to a single-family home was much too expensive for anyone to justify. The utility and maintenance cost was too high to justify for any investor. We had the property on the market during the hottest real estate market that I’ve ever seen. We had a fully occupied apartment for sale and nor one-taker. Because this building has such little significance to anyone and such little history exists of this building it is unfair to handicap this property with the designation of “contributing”.

In summary, the building is a prime candidate to receive “non-contributing” status as none of the renovations are feasible and it has zero demand as a single-family residence. This is a highly undesirable property and we have exhausted all options except vacating the property and letting it fall further into ill regard.

MASTER PLAN

Vision and Mission

The mission of the developers at 715 n Egan Ave is:
To Provide comfortable, financially free market sustainable, smart housing in the best location in which students desire to live.
DSU has a lack of high-quality housing and we would like to contribute to solving this problem. Madison does not have a lack of old historic homes that are in disrepair.

Cost Estimate - *Complete Restoration*

The option described would allow for occupancy of the building but does not reflect a complete renovation and restoration. This option will include a full exterior restoration of the building and site to preserve the exterior and prevent any more damage.

This option would involve all the minimum work to renovate the MEP systems to serve the space. New window AC is to be provided along with the removal of asbestos and bringing the electrical to code. We did not include any work for fire alarm or fire suppression systems, deeming this structure extremely unsafe compared to new construction. The utilities will remain high and inefficient. No upgrades were considered for the kitchen, flooring, or bathrooms, so desirability will remain low or unchanged. The utilities in the winter months are higher than the rental income and projected to be higher this year than ever before.

The total price of the renovations are $300,000 as long as there are no additional code or egress issues. given the nature of remodels, the project is likely to have cost overruns of anywhere between 10 and 20 percent. This additional risk is not included in the estimates. This is economically unfeasible and is highly unlikely to ever happen, given the surrounding neighborhood and homes are worth less than $200,000 on average. The cost estimate from a third party contractor is attached. I've reached out to many contractors that were simply not interested in doing this type of work or giving any type of estimate. Some contractors were interested, but would only commit to a time and material job, which is out of the question as the owner assumes all risk.

The value of this property as is, is far less than $160,000. We listed it with Signature Realty for over six months during the highest priced real estate market in history and received no offers. There was lots of interest initially and it was shown over 50 times (the realtor mentioned that every investor in Madison looked at.), but due to the condition, historical designation and floodway designation (this building requires flood insurance which is ~10X compared to a standard homeowners policy) it was deemed to be of no value. The only serious lookers wanted to demo the structures and build new construction.

We have made the decision to abandon this home after the leases expire because it is not economical to continue to operate. The leases end in May and our plans are to winterize it and board up the windows, which would be detrimental to the neighborhood.

In conclusion, we would recommend the historical designation of “contributing” get removed from this home so it can be removed from the site.

south dakota
STATE HISTORICAL SOCIETY
DEPARTMENT OF EDUCATION

State Historical Society Determination Letter

Ryan Hegg
City of Madison
116 W Center Street
Madison, SD 57042

SDCL 1-19A-11.1 Consultation
Project: 210811001S – 715 N. Egan
Location: Lake
COM - City of Madison

Dear Ryan,

Thank you for the opportunity to comment on the above referenced project pursuant to SDCL 1-19A-11.1. SDCL 1-19A-11.1 outlines a specific process that must be followed prior to any governmental action, including the issuance of permits, that may harm any historic property that is included in the National or State Registers of Historic Places. The South Dakota Office of the State Historic Preservation Officer (SHPO) would like to provide the following comments concerning effect of the proposed project on the non-renewable cultural resources of South Dakota.

On December 21, 2022, the SHPO received additional information regarding the above-referenced project located at 715 N. Egan in Madison, SD. The proposed scope of work involves demolishing the structure at 715 N. Egan. This property is a contributing resource to the Madison Historic District, which is listed in the National Register of Historic Places. SDCL 1-19A-11.1 outlines a specific process that must be followed prior to any governmental action that may harm any historic property that is included in the National or State Registers of Historic Places.

Based upon the information provided, the SHPO has determined that the proposed project will encroach upon, damage, or destroy historic property included in the National and State Register of Historic Places. However, feasible and prudent alternatives were explored and relevant factors were considered.

Please note that, pursuant to SDCL 1-19A-11.1, if the City of Madison proceeds with the project, ten days notice by certified mail is required prior to proceeding with the project. Such notice must include a written determination, based on the consideration of all relevant factors, that there is no feasible and prudent alternative to the proposal and that all possible planning to minimize harm to the historic property has been considered. A complete record of factors considered shall be included with such notice.

Should you require any additional information, please contact Duncan Trau at Duncan.Trau@state.sd.us or at (605)773-6005. Your concern for the non-renewable cultural heritage of our state is appreciated.

Sincerely,
Ted M. Spencer
State Historic Preservation Officer

Duncan Trau
Historic Preservation Specialist