



BOARD OF COMMISSIONERS AGENDA
Monday, May 15, 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/83733303519>

CALL TO ORDER

Meeting ID: 837 3330 3519

PLEDGE OF ALLEGIANCE

You can also dial in using your phone.

+1 312 626 6799

ROLL CALL

ADOPT AGENDA

APPEARANCES/ACKNOWLEDGEMENTS

CONSENT CALENDAR

- 1) Minutes – May 1, 2023
- 2) Bills for Approval – May 17, 2023
- 3) Bills for Ratification – May 4-May 12, 2023
- 4) Payroll Bills for Ratification – May 12, 2023
- 5) Personnel
- 6) April Building Permit Report
- 7) Acknowledge Bid Date – Bid No. 925 – City of Madison - City Administration Building - June 9, 2023 at 2:00 pm
- 8) 2023 - 2024 Retail (On-off sale) Malt Beverage & SD Farm Wine License Renewals
- 9) Approve engine rebuild for Motorgrader at a cost estimate of \$45,640 for parts & labor to DSR, Inc.
- 10) Authorize Mayor to sign Verizon Wireless SD08 MADISON CENTER / 185117 consent for modification agreement
- 11) Authorize Mayor to sign & execute Grant Agreement for Airport Improvement Program (AIP) Project No. 3-46-0029-024-2023
- 12) Authorize Mayor to sign & execute Grant Agreement for Bipartisan Infrastructure Law (BIL) - Airport Infrastructure Grant (AIG) Project No. 3-46-0029-025-2023 at Madison Municipal Airport
- 13) Authorize Mayor to sign Law Enforcement Officer Certification Agreement

UNFINISHED BUSINESS

- 1) Approve Second Reading Ordinance No. 1657 – Amend Appendix B – Zoning Section 17.02

NEW BUSINESS

- 1) Adopt Resolution 2023-16 – Provide for the Creation of Tax Increment District Number Six
- 2) Approve Agreement with PE Group for services related to Street Department Shop Renovation project
- 3) Discuss draft of 2023-2026 City Strategic Plan
- 4) Update on 2023 infrastructure improvement projects

PUBLIC COMMENT

ANNOUNCEMENTS

- 1) Next Regular Commission Meeting – Monday, June 5 at 5:30 pm
- 2) Board openings
 - a. Madison Housing & Redevelopment Commission vacancy – completing a five-year term expiring in February 2028
 - b. Planning Commission openings – two positions with three-year terms

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**

May 1, 2023
Regular

The Board of Commissioners of the City of Madison met in regular session at 5:30pm on the 1st day of May with the following members present on roll call: Commissioners Jerae Wire, Kelly Dybdahl, Jeremiah Corbin, Adam Shaw, and Mayor Lindsay.

The Pledge of Allegiance was recited.

Finance Officer Wilt administered the Oath of Office for Commissioner Wire and Commissioner Shaw.

Motion by Commissioner Dybdahl, seconded by Commissioner Wire to adopt the amended May 1, 2023, agenda to include Ordinance 1657. Motion carried unanimously.

Motion by Commissioner Wire, seconded by Commissioner Dybdahl, to approve the following items on the consent calendar: Minutes April 17, 2023, Bills for Approval – May 3, 2023, Bills for Ratification – April 20-28, 2023, Payroll Bills for Ratification – April 28, 2023, Adopt Resolution 2023-15 – Approve a Plat – Tract B of Windsor Estates Second Addition, 2023-2024 Retail (on-off sale) Malt Beverage & SD Farm Wine License Renewals, Authorization for Release for Sidewalk Resolutions: 2735, 2736, 2737, 2761, 2762, 2763, 2764, 2792, 2793, 2794, 2795, 2013-1, 2013-2, 2013-3, 2013-36, 2014-25, 2014-27, 2015-13, 2015-16, 2016-24, 2016-25, 2017-17, 2017-19, 2018-31, 2019-32, 2020-31, 2020-34, 2021-30, 2021-31.

Bills for Approval – May 3, 2023

AIRPORT LIGHTING CO OF NY INC, Runway Lighting, \$4,654.58, AMAZON CAPITAL SERVICES INC, Computer Accessories, \$519.94, APPEARA, Services, \$157.70, ARGUS LEADER MEDIA #1085, Yearly Subscription - Acct# AL2225768, \$632.16, AT & T MOBILITY, Service for Phone & Tablets, \$2,325.95, AUTOMATIC BUILDING CONTROLS, Annual Monitor Contract (Duress System), \$240.00, AVERA MEDICAL GROUP, Drug Testing/Collection Fee, \$74.00, BAKER & TAYLOR, Books - Acct# Automatically Yours, \$74.55, BANNER ASSOCIATES INC, ARPA Project Segment 3 - Design & Bidding, \$114,434.50, BARTELS CLEANING SERVICE, MMU Cleaning Services, \$500.00, BERGERSEN/CARSTEN, Classes at Community Center 3/27 - 4/7, \$183.00, BLUEPEAK, Phone & Internet - Acct# 000485901, \$3,809.15, BUTLER MACHINERY CO, Parts, \$1,590.72, CENTURY BUSINESS PRODUCTS INC, Copier Contract #MD0052, \$162.55, CLASSIC CONVENIENCE INC, Fuel - Rural Tender 3, \$499.04, ECONO WASH, Reissue Check - Armory Mops/Rags, \$67.20, EMERALD TRANSFORMER PPM LLC, High PCB Transform Disposal, \$10,709.68, ENDRESS & HAUSER INC, Memosens, \$750.81, FOX PROMO LLC, Embroidery, \$70.00, GALE CENGAGE LEARNING, Books Acct# 155269, \$126.36, GREAT AMERICA FINANCIAL SVCS, HR Copier Lease #025-1686092-000, \$226.56, GREATER MADISON AREA CHAMBER, BID Tax Funding Jan - Mar 2023, \$2,131.00, HACH CO, Glass Tubes, \$163.49, HASLETON/JARED, Classes at Community Center 3/13 - 3/25, \$330.00, HEIMAN INC, Gas Leak Detector, \$3,325.66, HILLYARD INC, Air Freshener, \$63.40, HUNTER PUBLISHING INC, Notice to Maintain Lawn, \$10.30, INTERLAKES COMM ACTION INC, Nutrition Program Support 2023, \$2,750.00, J H LARSON ELECTRICAL CO, Light, \$2,572.08, JENCKS & JENCKS PC, May Services/Contract, \$5,500.00, KARLS TV & APPLIANCE INC, Service Charge - Acct# 192870902, \$2.62, KIMBALL MIDWEST, Supplies, \$94.86, LASER CUT INC, Steel Plates, \$1,331.55, LEADER PRINTING, City Wide Clean Up, \$473.00, LEWIS DRUGS INC, Dog & Cat Food, \$89.43, LYLE SIGNS INC, Sign Stickers, \$70.80, MADISON ACE HARDWARE, Hardware, \$173.32, MADISON GROCERY STORE INC, ASP Groceries, \$116.31, MARCO TECHNOLOGIES, Lease Agreement #016-1571453-000, \$285.47, MICROMARKETING LLC, Books, \$563.61, MUSTANG SEEDS INC, Endurance Lawn Mix, \$425.00, O REILLY AUTOMOTIVE INC, AFR Sensor, \$123.24, OFFICE PEEPS INC, Hand Towels, \$513.39, OMNI PRO SOFTWARE INC, SCADA 2023-2024, \$3,203.20, OVERDRIVE, Ebooks/Audiobooks, \$2,258.34, PARACLETE PRESS INC, Books, \$128.11, PEREZ LOPEZ/ANAHI, Interpreter Services, \$110.00, PORTA PROS INC DBA A-1 PORTABLE TOILETS, Toilet Rental - Totland Park, \$152.00, RESYKLE LLC, Iron, \$128.00, RUNNINGS SUPPLY INC, Batteries, \$247.51, SD PUBLIC HEALTH LABORATORY, Water Samples, \$146.00, STURDEVANTS MADISON INC, Battery/Extension Cord, \$167.37, THE BUG GUY LLC, Exterior/Interior of Community Center 3 Times, \$525.00, TIMMER SUPPLY CO, Parts, \$292.29, WELLMARK BCBS OF SD, Admin Fees - Flex Acct - Company Code 35265, \$831.60, WHEALY/MARK, Spin Classes 4/12 - 4/21, \$57.00.

Bills for Ratification – April 28, 2023

ALPHA MEDIA USA LLC, Community Center Annual, \$388.00, AMERT CONSTRUCTION CO, Building Rep & Mat, \$12,320.00, AT & T MOBILITY, ACCT# 287305209498, \$2,100.72, BIG SIOUX COMMUNITY WATER SYS, Bulk Water, \$9,604.16, BORDER STATES ELECTRIC SUPPLY, E-TE103 - Terminations, \$5,397.67, CIVIC PLUS LLC, Munidocs Renewal/Online Code Hosting, \$1,545.00, CLASSIC CONVENIENCE INC, Jumbo Pizzas, \$223.91, CORE & MAIN GP LLC, End Caps, \$466.73, DAKOTA STATE UNIVERSITY, February 2023 Utilities, \$14,471.58, DAKOTA SUPPLY GROUP INC, 3" Interduct Couplings and Bell Ends, \$1,727.00, DGR ENGINEERING, 2022 Electric Distribution Conversion, \$16,300.00, DLT SOLUTIONS LLC, AutoCAD Subscription Renewal, \$1,728.85, EAST DAKOTA TRANSIT INC, 2023 Annual Contribution, \$30,000.00, ELITE CARD PAYMENT CENTER, Credit Card Purchases through 4/17/23, \$14,150.96, ESRI, ArcGIS Subscription Renewal, \$2,680.53, ETTERMAN ENTERPRISES INC, Treaded Adapter, Dry Slide Lube, \$186.35, F & M COOP OIL CO, Tire Repair, \$75.47, FASTENAL CO, Marking Paint, \$1,680.19, G & R CONTROLS INC, Actuator Repairs, \$2,812.72, GPAC LLC, N. Zimmerman - Recruit, \$32,376.80, GWORKS OR GIS WORKSHOP LLC, Reissue Check - Annual Fee PubWorks, \$3,974.00, HAUFF MID AMERICA SPORTS INC, Field Paint, \$699.50, HAWKINS INC, Chemicals - Madison Community Center, \$1,884.99, HUNTER PUBLISHING INC, Color Ads - 11/8, 11/9, 11/10, 11/14, 11/15, 11/22, \$1,609.15, J H LARSON ELECTRICAL CO, Ground Rods & Clamps, \$561.00, JOSH'S TOOLS LLC, 12 PT Unv Socket, \$94.00, KARLS TV & APPLIANCE INC, 75" TV - Library, \$916.56, LAKE AREA IMPROVEMENT CORP, 2nd Qtr Allotment, \$65,000.00, LAKE STATES EVERGREEN COMPANY LLC dba THE GREENWORLD PROJECT, Arbor Day Trees, \$378.95, LEWIS DRUGS INC, Toys/Games - ASP, \$143.28, MADISON ACE HARDWARE, Tools, \$459.56, MADISON AREA ARTS COUNCIL, 2023 Annual Contribution, \$12,500.00, MADISON GROCERY STORE INC, ASP Groceries, \$459.77, MADISON LAWN CARE INC, Spring Rock Bed Weed Control, \$140.02, MC&R POOLS INC, Cleaner, \$1,071.90, MEYER/JUSTIN, Travel Reimbursement - Deadwood, \$88.00, NORTHWESTERN ENERGY, Utilities-WWTP-2544362-3, \$5,081.63, O REILLY AUTOMOTIVE INC, Automotive Parts, \$183.21, OFFICE PEEPS INC, Services, \$492.58, PITNEY BOWES INC RESERVE ACCOUNT, Red Ink - Brush & Wick, \$113.69, PRO GARAGE DOOR, Parts, \$86.00, PROSTROLLO AUTO PLAZA CO, Mirror/Antenna Mast/Cable - Fire Dept, \$538.50, RASMUSSEN/AUTUMN, P90X Classes, \$42.00, RED HORSE SEED PRODUCTION INC, Convey Repairs damaged by Snow Plow, \$600.23, RESYKLE LLC, Iron, \$23.03, RUNNINGS SUPPLY INC, Igloo Cooler, \$886.34, RURAL ELECTRIC SUPPLY COOP, E-TE400 - 1/0 Elbows, \$2,249.00, SMITH ZIMMERMANN MUSEUM, 2023 Annual Contribution, \$11,500.00, STATE STEEL OF SOUTH DAKOTA, Bridge Railings, \$1,369.92, STREICHERS INC, Trousers/Tactical Pouch, \$229.97, STURDEVANTS MADISON INC, Interstate Battery, \$395.51, TEN EYCK/MICHELLE, Lifeguard Recertification, \$250.00, TIMMER SUPPLY CO, Union, Adapters, \$243.88, USA BLUE BOOK, Chemicals, \$237.81, UTILISMART CORPORATION, Utility Data/Device Manager and SmartMAP, \$3,893.00, WESCO DISTRIBUTION INC, Okonite Wire, \$33,030.78, WHEELCO BRAKE & SUPPLY INC, Firetruck Parts, \$700.83.

Payroll Bills for Ratification – April 28, 2023

ACCOUNTS MANAGEMENT INC, \$310.41, HEALTH POOL OF SOUTH DAKOTA, \$40,440.96, IRS-EFTPS, \$47,203.01, OFFICE-CHILD SUPPORT ENFORCE, \$1,610.32, SD RETIREMENT SYSTEM, \$23,954.58, SD RETIREMENT SYSTEM, \$3,470.00.

Motion by Commissioner Dybdahl, seconded by Commissioner Wire to Adopt Ordinance No. 1657 – Amend Appendix B – Zoning – Section 17.02 Adopted by Ordinance No. 1481 on 8-24-2009 of the Zoning Ordinance of the City of Madison, which will rezone the Flower Shop property from Single Family Residence to Agricultural District. Motion carried unanimously.

Motion by Commissioner Wire, seconded by Commissioner Dybdahl to Adopt Resolution 2023-14 – Power and Duties of the Mayor and Commissioners. Motion carried unanimously.

Motion by Commissioner Wire, seconded by Commissioner Dybdahl to Award Bid No. 920 – Airport Improvements AIP No. 3-46-0029-024-2023; BIL/AIG No. 3-46-0029-025-2023 to Asphalt Pros. Motion carried unanimously.

Motion by Commissioner Dybdahl, seconded by Commissioner Wire to Award Bid No. 923 – Water Department Building Renovation Project to Hegg Construction for \$528,300 with the remainder to be budgeted for 2024. Motion carried unanimously.

City Administrator Berreth provided an update on the 2023 operations for the Madison Aquatic Center, including an overview of hours, staffing, concessions, and upkeep. The Madison Aquatic Center will open on May 27th.

Commissioner Shaw announced the following:

- Next Regular Commission Meeting – Monday, May 15 at 5:30 pm
- City Finance & Utility Billing Offices Closed May 8th- May 10th – Employee Training

Motion by Commissioner Wire, seconded by Commissioner Dybdahl to move to executive session at 5:55 pm. Motion carried unanimously.

Commissioner Shaw declared commission out of executive session at 6:42 pm.

Motion by Commissioner Wire, seconded by Commissioner Dybdahl, to Adjourn at 6:43 pm. Motion carried unanimously.

/s/Sonya Wilt
Finance Officer

Published once at the approximate cost of \$__.

CITY OF MADISON
PERSONNEL
May 2023

NAME	EFFECTIVE DATE	PRESENT STATUS	RECOMMENDED STATUS	PRESENT RATE/SALARY	RECOMMENDED RATE/SALARY	POSITION
DeBoer, Jacob	4/11/2023		PT<20		\$25/meeting	Planning & Zoning Board
Solus, Christine	4/12/2023		TEMP		10.81	Service Desk Assistant
Lentsch, Melody	4/17/2023		TEMP		14.13	Park Mainenance I
Christianson, Christian	4/17/2023		TEMP		15.21	Park Mainenance I
Mathison, Scott	4/17/2023		TEMP		17.11	Park Mainenance II
Swanson, Maxine	4/17/2023		TEMP		16.85	Park Mainenance I
Kahler, Greg	4/19/2023		TEMP		14.13	Park Mainenance I
Yost, Jennifer	4/22/2023		TEMP		10.81	Service Desk Assistant
Simpson, Reece	5/1/2023		TEMP		14.13	Park Maintenance I
Boecker, Samuel	5/1/2023	FT	FT	23.94	25.14	Lead Heavy Equipment Operator
Coenen, Jason	5/7/2023	FT	FT		28.19	Senior Police Officer
Kaylee Melhum	5/8/2023		FT		25.66	Police Officer
Wochnick, Lorri	5/11/2023		FT		21.80	Service Desk Representative
Engebretson, Margaret	5/15/2023		TEMP		13.19	MAC Lifeguard
Engebretson, Molly	5/15/2023		TEMP		12.66	MAC Lifeguard
Mallett, Brookelynn	5/15/2023		TEMP		10.81	MAC Cashier
Schamber, Avery	5/15/2023		TEMP		10.81	MAC Cashier
TenEyck, Karlie	5/15/2023		TEMP		19.56	MAC Manager
Krusemark, Kaden	5/15/2023		TEMP		19.56	MAC Manager
Krusemark, Kaden	5/15/2023		TEMP		14.51	MAC Lead Lifeguard
TenEyck, Karlie	5/15/2023		TEMP		14.51	MAC Lead Lifeguard
Allen, Ainsley	5/15/2023		TEMP		10.81	MAC Cashier
Oftedal, Hayden	5/15/2023		TEMP		13.72	MAC Lifeguard/WSI
Meyer, Adelia	5/15/2023		TEMP		13.19	MAC Lifeguard
Rhode, Abigail	5/15/2023		TEMP		13.19	MAC Lifeguard
Matson, Emily	5/15/2023		TEMP		13.19	MAC Lifeguard
Wills, Ellie	5/15/2023		TEMP		13.19	MAC Lifeguard
Anderson, Rylee	5/15/2023		TEMP		12.66	MAC Lifeguard
Donelan, Fiona	5/15/2023		TEMP		13.72	MAC Lifeguard/WSI
Lee, Daniela	5/15/2023		TEMP		14.51	MAC Lead Lifeguard
Shipley, Savannah	5/15/2023		TEMP		13.19	MAC Lifeguard
Hasleton, Nathan	5/15/2023		TEMP		13.72	MAC Lifeguard/WSI
Bryant, Kennedy	5/15/2023		TEMP		12.66	MAC Lifeguard
Olverson, Channing	5/15/2023		TEMP		12.66	MAC Lifeguard
Dossett, Julia	5/15/2023		TEMP		13.19	MAC Lifeguard
Hawkes, Aaron	5/15/2023		TEMP		13.72	MAC Lifeguard/WSI
Du Rant, Eden	5/15/2023		TEMP		10.81	MAC Cashier
Oines, Kylee	5/15/2023		TEMP		10.81	MAC Cashier
Gonyo, Miranda	5/15/2023		TEMP		10.81	MAC Cashier
Olson, Elijah	5/15/2023		TEMP		13.19	MAC Lifeguard
King, Lindsey	5/15/2023		TEMP		10.81	MAC Cashier
Sad, Amy	5/15/2023	FT	FT	54,974.40	75,046.40	Community Center Director
Hazlett, Rebecca	5/19/2023		TEMP		10.81	Service Desk
Barger, Autumn	5/10/2023		PT<20		11.63	After School Program
Rhode, Elaina	5/15/2023		TEMP		10.81	MAC Cashier
Brooks, Benjamin	5/15/2023		TEMP		13.19	MAC Lifeguard
Henry, Isabelle	5/15/2023		TEMP		13.19	MAC Lifeguard

April 2023 Building Permit Report

Date	Permit No.	Owner	Address	Use	Type of Construction	Contractor	Estimated Build Cost	Permit Fee
4/3	8269	Scott Shewey	1105 Twin Oaks Drive	Res	Remodel bathroom	Harold Devries 813 N 8th Street Madison, SD 57042	\$10,000.00	\$106.00
4/11	8274	Arleen Weerheim	945 NE 6th Street	Res	Remove current deck and replace with new cedar deck	Paul Alan Construction 501 N West Avenue Madison, SD 57042	\$4,372.00	\$55.00
4/11	8271	Marlin & Linda Brozik	823 Heatherwood Avenue	Res	New single family home	Baseline Construction 827 Heatherwood Avenue Madison, SD 57042	\$501,000.00	\$2,031.50
4/11	8272	Marcus & Becca Palli	810 NW 11th Street	Res	New siding and windows	Baseline Construction 827 Heatherwood Avenue Madison, SD 57042	\$19,750.00	\$193.00
4/14	8267	Julie-Lauren Dykema	1106 Cypress Avenue	Res	Move in 12x16 wood storage shed	Self	\$1,500.00	\$29.00
4/14	8275	Austin Lund	322 N Kansas Avenue	Res	Entryway/ covered porch addition	Self	\$4,000.00	\$52.00
4/17	8276	Sara McGaffee	600 NW 3rd Street	Res	Installing 4' chain link fence to existing chain link fence	Self	\$500.00	\$25.00
4/18	8278	Gaylen Backus	120 E Center Street	Res	Replace portion of exterior wall and roof. Damage caused by May 2022 storm	Guarentee Roofing 600 N Ebenezer Avenue Sioux Falls, SD 57107	\$45,000.00	-
4/20	8273	Tyler Steele	724 NE 7th Street	Res	Install 12x16 barn style shed on gravel foundation	Self	\$9,000.00	\$97.00
4/24	8380	John Berry	106 N Egan Avenue	Com	Remove wall. Install metal sign on store front	Outlaw Graphics 321 3rd Avenue Brookings, SD 57006		\$40.00
4/24	8382	Teresa Mallett	1103 NE 8th Street	Res	Replace fence damaged from May 2022 storm. White vinyl privacy	American Fence 47061 Charlotte Court Sioux Fall, SD 57108	\$16,000.00	-
	11					Total	\$611,122.00	\$2,628.50



**2023-2024 Retail (on-off sale) Malt Beverage & SD Farm Wine
License Renewals**

OWNER

EL PINO LLC
PAR FOUR TAVERN LLC
PLAYERS OF MADISON INC
SODEXO AMERICA LLC

BUSINESS NAME

EL VAQUERO
THE OFFICE BAR & GRILL
PLAYERS OF MADISON
SODEXO AMERICA #10344

ADDRESS

222 NW 2ND ST
201 S EGAN AVE
726 N HIGHLAND AVE
1205 N WASHINGTON AVE

February 9, 2023

VIA USPS Certified Mail

City of Madison
401 South Highland Ave
Madison, SD 57042
Attention Public Works Director

RE: Water Tower Lease Agreement (the "Lease"), dated, March 15, 2012, by and between City of Madison ("Landlord") and Cellular Inc Network Corporation d/b/a Verizon Wireless ("Verizon Wireless"), covering the leased site located at 504 NW 4th Street (the "Premises") – **Verizon Wireless SD08 MADISON CENTER / 185117**

Dear City of Madison:

My company represents Verizon Wireless in relation to this proposed project. The purpose of this letter is to obtain Landlord's written consent, pursuant to Section 8 of the Lease, to certain proposed modifications by Verizon Wireless to its equipment located on the water tank on the Premises as described herein below. Verizon Wireless hereby requests your consent to the following equipment modifications:

Project Description:

Remove: (3) Antennas · (6) Coax Cables · (3) Couplers

Proposed: (6) Antennas · Powershift Equipment

Retained: (6) Antennas · (6) RRUs · (3) Hybrid cables · (3) distribution boxes

A structural analysis has been performed based on the proposed equipment modifications, and such analysis reflects that the existing structure is adequate to support the existing and proposed equipment loading.

Please indicate Landlord's consent to the proposed modifications by signing in the space provided below. Then, please return a copy to me.

Thank you for your cooperation in connection with this matter. If you have any questions or concerns regarding this request, please feel free to contact me at 612-242-3673.

Sincerely,


Julie Plante
Authorized agent for Verizon Wireless
jplante@jplanteconsulting.com

Consent City of Madison

By: _____

Name: _____

Title: _____

Date: _____



U.S. Department
of Transportation
Federal Aviation
Administration

Airports Division
Great Lakes Region
Minnesota, North Dakota, South Dakota

Bismarck Office
2301 University Dr, Bldg 23B
Bismarck, ND 58504-7595

May 12, 2023

The Honorable Roy Lindsay
City of Madison
116 W Center St.
Madison, SD 57042

Dear Mayor Lindsay:

The Grant Offer for Airport Improvement Program (AIP) Project No. **3-46-0029-024-2023** at Madison Municipal Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

You may not make any modification to the text, terms or conditions of the grant offer.

Steps You Must Take to Enter Into Agreement.

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **June 9, 2023**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

Payment. Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

Project Timing. The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these Federal funds. We

expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in “inactive” status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

Reporting. Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31st of each year this grant is open:
 1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
 2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit [FAA Form 5100-140, Performance Report](#) within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit [FAA Form 5370-1, Construction Progress and Inspection Report](#), within 30 days of the end of each Federal fiscal quarter.

Audit Requirements. As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR Part 200. Subpart F requires non-Federal entities that expend \$750,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

Closeout. Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

FAA Contact Information. Kyle Sebesta, (701) 323-7390, Kyle.E.Sebesta@faa.gov is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,



David P. Anderson
Deputy Manager



U.S. Department
of Transportation
Federal Aviation
Administration

FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM

FY 2023 Airport Improvement Program (AIP)

GRANT AGREEMENT

Part I - Offer

Federal Award Offer Date May 12, 2023

Airport/Planning Area Madison Municipal Airport

FY2023 AIP Grant Number 3-46-0029-024-2023

Unique Entity Identifier MTC8CUH8MNQ6

TO: City of Madison

(herein called the "Sponsor")
Channeling through the State of South Dakota

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated March 27, 2023, for a grant of Federal funds for a project at or associated with the Madison Municipal Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Madison Municipal Airport (herein called the "Project") consisting of the following:

Reconstruct Taxilane (430' x 25', asphalt) - Phase 2: Construction

which is more fully described in the Project Application.

NOW THEREFORE, Pursuant to and for the purpose of carrying out the Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018 (Public Law Number 115-254); the Department of Transportation Appropriations Act, 2021 (Public Law 116-260, Division L); the Consolidated Appropriations Act, 2022 (Public Law 117-103); Consolidated Appropriations Act, 2023 (Public Law 117-328); and the representations contained in the Project

Application; and in consideration of: (a) the Sponsor's adoption and ratification of the Grant Assurances attached hereto; (b) the Sponsor's acceptance of this Offer; and (c) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurance and conditions as herein provided;

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

Assistance Listings Number (Formerly CFDA Number): 20.106

This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is ~~\$304,000~~ **\$408,600**.
 The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):
 \$ 0 for planning;
\$408,600 airport development or noise program implementation; and,
 \$ 0 for land acquisition.
2. **Grant Performance.** This Grant Agreement is subject to the following Federal award requirements:
 - a. Period of Performance:
 1. Shall start on the date the Sponsor formally accepts this Agreement and is the date signed by the last Sponsor signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
 2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods. (2 Code of Federal Regulations (CFR) § 200.1).
 - b. Budget Period:
 1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the Period of Performance provided in paragraph (2)(a)(1). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the Budget Period.
 2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.

c. Close Out and Termination

1. Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the period of performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the Period of Performance end date with the information available at the end of 120 days. (2 CFR § 200.344).
2. The FAA may terminate this Grant, in whole or in part, in accordance with the conditions set forth in 2 CFR § 200.340, or other Federal regulatory or statutory authorities as applicable.
3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this Agreement, 49 U.S.C. Chapters 471 and 475, the regulations, and the Secretary's policies and procedures. Per 2 CFR § 200.308, the Sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months or a 25 percent reduction in time devoted to the project. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the grant assurances, which are part of this Agreement.
7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before **June 9, 2023**, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request,

all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this Grant Agreement.
11. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**
 - a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR § 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
 - b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/content/entity-registration>.
12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this Agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
13. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.
14. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.
15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

16. **Buy American.** Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this Grant. The Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.
17. **Build America, Buy America.** The Sponsor must comply with the requirements under the Build America, Buy America Act (Public Law 117-58).
18. **Maximum Obligation Increase.** In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant Offer:
 - a. May not be increased for a planning project;
 - b. May be increased by not more than 15 percent for development projects if funds are available;
 - c. May be increased by not more than the greater of the following for a land project, if funds are available:
 1. 15 percent; or
 2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the Sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in 49 U.S.C. § 47110, or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided herein for any amount increased over the initial grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

19. **Audits for Sponsors.**

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than \$750,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

20. **Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:
 - a. Verify the non-Federal entity is eligible to participate in this Federal program by:
 1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-Federal entity is excluded or disqualified; or
 2. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or

3. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions with their contractors and sub-contractors.
- c. Immediately disclose in writing to the FAA whenever (1) the Sponsor learns they have entered into a covered transaction with an ineligible entity or (2) the Public Sponsor suspends or debars a contractor, person, or entity.

21. Ban on Texting While Driving.

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - i. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - ii. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this Grant.

22. Trafficking in Persons.

- a. *Posting of contact information.*
 1. The Sponsor must post the contact information of the national human trafficking hotline (including options to reach out to the hotline such as through phone, text, or TTY) in all public airport restrooms.
- b. *Provisions applicable to a recipient that is a private entity.*
 1. You as the recipient, your employees, subrecipients under this Grant, and subrecipients' employees may not:
 - i. Engage in severe forms of trafficking in persons during the period of time that the Grant and applicable conditions are in effect;
 - ii. Procure a commercial sex act during the period of time that the Grant and applicable conditions are in effect; or
 - iii. Use forced labor in the performance of the Grant or any subgrants under this Grant.
 2. We as the Federal awarding agency, may unilaterally terminate this Grant, without penalty, if you or a subrecipient that is a private entity –

- i. Is determined to have violated a prohibition in paragraph (a) of this Grant Condition; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the Grant to have violated a prohibition in paragraph (a) of this Grant Condition through conduct that is either –
 - a) Associated with performance under this Grant; or
 - b) Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR Part 1200.
- c. *Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this Grant, without penalty, if a subrecipient that is a private entity –
 - 1. Is determined to have violated an applicable prohibition in paragraph (a) of this Grant Condition; or
 - 2. Has an employee who is determined by the agency official authorized to terminate the Grant to have violated an applicable prohibition in paragraph (a) of this Grant Condition through conduct that is either –
 - i. Associated with performance under this Grant; or
 - ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR Part 1200.
- d. *Provisions applicable to any recipient.*
 - 1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (a) of this Grant Condition.
 - 2. Our right to terminate unilaterally that is described in paragraph (a) or (b) of this Grant Condition:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended [22 U.S.C. § 7104(g)], and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this Grant.
 - 3. You must include the requirements of paragraph (a) of this Grant Condition in any subgrant you make to a private entity.
- e. *Definitions.* For purposes of this Grant Condition:
 - 1. “Employee” means either:

- i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this Grant; or
 - ii. Another person engaged in the performance of the project or program under this Grant and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
 - 2. "Force labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
 - 3. "Private entity":
 - i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR § 175.25.
 - ii. Includes:
 - a) A nonprofit organization, including any nonprofit institute of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR § 175.25(b).
 - b) A for-profit organization.
 - 4. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).
23. **AIP Funded Work Included in a PFC Application.** Within 90 days of acceptance of this Grant Agreement, the Sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The airport sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.
24. **Exhibit "A" Property Map.** The Exhibit "A" Property Map dated 11/04/2010 is incorporated herein by reference or is submitted with the project application and made part of this Grant Agreement.
25. **Employee Protection from Reprisal.**
- a. Prohibition of Reprisals
 - 1. In accordance with 41 U.S.C. § 4712, an employee of a Sponsor, grantee, subgrantee, contractor, or subcontractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (a)(2) below, information that the employee reasonably believes is evidence of:
 - i. Gross mismanagement of a Federal grant;
 - ii. Gross waste of Federal funds;
 - iii. An abuse of authority relating to implementation or use of Federal funds;
 - iv. A substantial and specific danger to public health or safety; or

- v. A violation of law, rule, or regulation related to a Federal grant.
- 2. Persons and bodies covered. The persons and bodies to which a disclosure by an employee is covered are as follows:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Federal employee responsible for contract or grant oversight or management at the relevant agency;
 - v. A court or grand jury;
 - vi. A management official or other employee of the Sponsor, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct; or
 - vii. An authorized official of the Department of Justice or other law enforcement agency.
- b. Investigation of Complaints.
 - 1. Submission of Complaint. A person who believes that they have been subjected to a reprisal prohibited by paragraph (a) of this Condition may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.
 - 2. Time Limitation for Submittal of a Complaint. A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
 - 3. Required Actions of the Inspector General. Actions, limitations, and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b).
- c. Remedy and Enforcement Authority.
 - 1. Assumption of Rights to Civil Remedy. Upon receipt of an explanation of a decision not to conduct or continue an investigation by the OIG, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c)(2).
- 26. **Prohibited Telecommunications and Video Surveillance Services and Equipment.** The Sponsor agrees to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [Public Law 115-232 § 889(f)(1)] and 2 CFR § 200.216.
- 27. **Critical Infrastructure Security and Resilience.** The Sponsor acknowledges that it has considered and addressed physical and cybersecurity and resilience in their project planning, design, and oversight, as determined by the DOT and the Department of Homeland Security (DHS). For airports that do not have specific DOT or DHS cybersecurity requirements, the FAA encourages the voluntary adoption of the cybersecurity requirements from the Transportation Security Administration and Federal Security Director identified for security risk Category X airports.

SPECIAL CONDITIONS

28. **State Highway Specifications.** The Sponsor agrees that because State highway specifications will be used for airfield pavement construction instead of FAA standard specifications, it will not seek AIP grant funds for the rehabilitation or reconstruction of airfield pavement included in this Grant Agreement for a period of 10 years after construction is completed unless the FAA determines that the rehabilitation or reconstruction is required for safety reasons, per 49 U.S.C §§ 47105(c) or 47114(d)(5).
29. **Non-AIP Work in Application.** The Sponsor understands and agrees that:
- a. The Project Application includes the planning and/or construction of Hangar Taxilane Approaches (Bid Schedule 2) that is not being funded with any Federal funding in this project;
 - b. Although the Sponsor has estimated a total project cost of \$505,242.10, the total allowable cost for purposes of determining Federal participation equals \$454,000;
 - c. It must maintain separate accounting of cost records for AIP and non-AIP work;
 - d. All pertinent records supporting project costs must be made available for inspection and audit by the FAA when requested; and
 - e. All non-AIP work is the sole responsibility of the Sponsor.
30. **Buy American Executive Orders.** The Sponsor agrees to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.¹

**UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION**



(Signature)

David P. Anderson

(Typed Name)

Deputy Manager

(Title of FAA Official)

¹ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the Project Application.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.²

Dated

City of Madison

(Name of Sponsor)

(Signature of Sponsor's Authorized Official)

By:

(Typed Name of Sponsor's Authorized Official)

Title:

(Title of Sponsor's Authorized Official)

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U.S. Department
of Transportation
Federal Aviation
Administration

Airports Division
Great Lakes Region
Minnesota, North Dakota, South Dakota

Bismarck Office
2301 University Dr, Bldg 23B
Bismarck, ND 58504-7595

May 1, 2023

The Honorable Roy Lindsay
City of Madison
116 W. Center Street
Madison, SD 57042

Dear Mayor Lindsay:

The Grant Offer for the Bipartisan Infrastructure Law (BIL) - Airport Infrastructure Grant (AIG) Project **No. 3-46-0029-025-2023** at Madison Municipal Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

You may not make any modification to the text, terms or conditions of the grant offer.

Steps You Must Take to Enter Into Agreement.

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **May 26, 2023**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

Payment. Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

Project Timing. The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these Federal funds.

We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in “inactive” status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

Reporting. Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31st of each year this grant is open:
 1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
 2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit [FAA Form 5100-140, Performance Report](#) within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit [FAA Form 5370-1, Construction Progress and Inspection Report](#), within 30 days of the end of each Federal fiscal quarter.

Audit Requirements. As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR part 200. Subpart F requires non-Federal entities that expend \$750,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

Closeout. Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

FAA Contact Information. Kyle Sebesta, (701) 323-7390, Kyle.E.Sebesta@faa.gov is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,



David P. Anderson
Deputy Manager



U.S. Department
of Transportation
Federal Aviation
Administration

FY 2023 AIRPORT INFRASTRUCTURE GRANT

GRANT AGREEMENT

Part I - Offer

Federal Award Offer Date	May 1, 2023
Airport/Planning Area	Madison Municipal Airport
Airport Infrastructure Grant Number	3-46-0029-025-2023
Unique Entity Identifier	MTC8CUH8MNQ6
TO:	City of Madison
	(herein called the "Sponsor")
	Channeling through the State of South Dakota

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated March 27, 2023, for a grant of Federal funds for a project at or associated with the Madison Municipal Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Madison Municipal Airport (herein called the "Project") consisting of the following:

Reconstruct Access Road (644'x24', asphalt) and Reconstruct Parking Lot (Approx. 2,270 SY, asphalt) - Phase 2: Construction

which is more fully described in the Project Application.

NOW THEREFORE, Pursuant to and for the purpose of carrying out the Infrastructure Investment and Jobs Act (Public Law 117-58) of 2021 referred to as the Bipartisan Infrastructure Law (BIL); and the representations contained in the Project Application; and in consideration of: (a) the Sponsor's adoption and ratification of the Grant Assurances attached hereto; (b) the Sponsor's acceptance of this Offer; and (c) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurance and conditions as herein provided;

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay ninety (90) % of the allowable costs incurred accomplishing the Project as the United States share of the Project.

Assistance Listings Number (Formerly CFDA Number): 20.106

This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is **\$304,000.**

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$ 0 for planning

\$304,000 airport development or noise program implementation; and,

\$ 0 for land acquisition.

2. **Grant Performance.** This Grant Agreement is subject to the following Federal award requirements:

- a. Period of Performance:

1. Shall start on the date the Sponsor formally accepts this Agreement and is the date signed by the last Sponsor signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods. (2 Code of Federal Regulations (CFR) § 200.1).

- b. Budget Period:

1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the Period of Performance provided in paragraph (2)(a)(1). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the Budget Period.
2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.

- c. Close Out and Termination

1. Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the Period of Performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the period of performance end date with the information available at the end of 120 days. (2 CFR § 200.344).

2. The FAA may terminate this Grant, in whole or in part, in accordance with the conditions set forth in 2 CFR § 200.340, or other Federal regulatory or statutory authorities as applicable.
3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary, and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this Agreement, BIL (Public Law 117-58), the regulations, and the Secretary of Transportation's ("Secretary's") policies and procedures. Per 2 CFR § 200.308, the Sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months or a 25 percent reduction in time devoted to the project. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the grant assurances, which are part of this Agreement.
7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before **May 26, 2023**, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this Grant Agreement.

11. System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).

- a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR § 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
- b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/content/entity-registration>.

12. Electronic Grant Payment(s). Unless otherwise directed by the FAA, the Sponsor must make each payment request under this Agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. Informal Letter Amendment of BIL Projects. If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can, subject to the availability of Federal funds, also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.

14. Air and Water Quality. The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.

15. Financial Reporting and Payment Requirements. The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

16. Buy American. Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this Grant. The Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.

17. Build America, Buy American. The sponsor must comply with the requirements under the Build America, Buy America Act (Public Law 117-58).

18. **Maximum Obligation Increase.** In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant Offer:

- a. May not be increased for a planning project;
- b. May be increased by not more than 15 percent for development projects if funds are available;
- c. May be increased by not more than the greater of the following for a land project, if funds are available:
 1. 15 percent; or
 2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in BIL (Public Law 117-58), or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided herein for any amount increased over the initial grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

19. **Audits for Sponsors.**

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than \$750,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

20. **Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:

- a. Verify the non-Federal entity is eligible to participate in this Federal program by:
 1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-Federal entity is excluded or disqualified; or
 2. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or
 3. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions with their contractors and sub-contractors.
- c. Immediately disclose in writing to the FAA whenever (1) the Sponsor learns they have entered into a covered transaction with an ineligible entity or (2) the Public Sponsor suspends or debars a contractor, person, or entity.

21. Ban on Texting While Driving.

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
 - 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
 - 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - i. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - ii. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this Grant.

22. Trafficking in Persons.

- a. *Posting of contact information.*
 - 1. The Sponsor must post the contact information of the national human trafficking hotline (including options to reach out to the hotline such as through phone, text, or TTY) in all public airport restrooms.
- b. *Provisions applicable to a recipient that is a private entity.*
 - 1. You as the recipient, your employees, subrecipients under this Grant, and subrecipients' employees may not:
 - i. Engage in severe forms of trafficking in persons during the period of time that the Grant and applicable conditions are in effect;
 - ii. Procure a commercial sex act during the period of time that the Grant and applicable conditions are in effect; or
 - iii. Use forced labor in the performance of the Grant or any subgrants under this Grant.
 - 2. We as the Federal awarding agency, may unilaterally terminate this Grant, without penalty, if you or a subrecipient that is a private entity –
 - i. Is determined to have violated a prohibition in paragraph (a) of this Grant Condition; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the Grant to have violated a prohibition in paragraph (a) of this Grant Condition through conduct that is either –
 - a) Associated with performance under this Grant; or
 - b) Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are

provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR Part 1200.

- c. *Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this Grant, without penalty, if a subrecipient that is a private entity –
 - 1. Is determined to have violated an applicable prohibition in paragraph (a) of this Grant Condition; or
 - 2. Has an employee who is determined by the agency official authorized to terminate the Grant to have violated an applicable prohibition in paragraph (a) of this Grant Condition through conduct that is either –
 - i. Associated with performance under this Grant; or
 - ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR Part 1200.
- d. *Provisions applicable to any recipient.*
 - 1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (a) of this Grant Condition.
 - 2. Our right to terminate unilaterally that is described in paragraph (a) or (b) of this Grant Condition:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended [22 U.S.C. § 7104(g)], and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this Grant.
 - 3. You must include the requirements of paragraph (a) of this Grant Condition in any subgrant you make to a private entity.
- e. *Definitions.* For purposes of this Grant Condition:
 - 1. “Employee” means either:
 - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this Grant; or
 - ii. Another person engaged in the performance of the project or program under this Grant and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
 - 2. “Force labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. "Private entity":

- i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR § 175.25.
- ii. Includes:
 - a) A nonprofit organization, including any nonprofit institute of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR § 175.25(b).
 - b) A for-profit organization.

4. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).

23. **BIL Funded Work Included in a PFC Application.** Within 120 days of acceptance of this Grant Agreement, the Sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The airport sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.

24. **Exhibit "A" Property Map.** The Exhibit "A" Property Map dated November 4, 2010 is incorporated herein by reference or is submitted with the project application and made part of this Grant Agreement.

25. **Employee Protection from Reprisal.**

a. Prohibition of Reprisals

- 1. In accordance with 41 U.S.C. § 4712, an employee of a Sponsor, grantee, subgrantee, contractor, or subcontractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in subparagraph (a)(2) below, information that the employee reasonably believes is evidence of:
 - i. Gross mismanagement of a Federal grant;
 - ii. Gross waste of Federal funds;
 - iii. An abuse of authority relating to implementation or use of Federal funds;
 - iv. A substantial and specific danger to public health or safety; or
 - v. A violation of law, rule, or regulation related to a Federal grant.
- 2. Persons and bodies covered. The persons and bodies to which a disclosure by an employee is covered are as follows:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Federal employee responsible for contract or grant oversight or management at the relevant agency;
 - v. A court or grand jury;
 - vi. A management official or other employee of the Sponsor, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct; or

- vii. An authorized official of the Department of Justice or other law enforcement agency.
 - b. Investigation of Complaints.
 - 1. Submission of Complaint. A person who believes that they have been subjected to a reprisal prohibited by paragraph (a) of this Condition may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.
 - 2. Time Limitation for Submittal of a Complaint. A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
 - 3. Required Actions of the Inspector General. Actions, limitations, and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b).
 - c. Remedy and Enforcement Authority.
 - 1. Assumption of Rights to Civil Remedy. Upon receipt of an explanation of a decision not to conduct or continue an investigation by the OIG, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c)(2).
26. **Prohibited Telecommunications.** Sponsor agrees to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [Public Law 115-232 § 889(f)(1)] and 2 CFR § 200.216.

SPECIAL CONDITIONS

27. **Utility Relocation in Project.** The Sponsor understands and agrees that:
- a. The United States will not participate in the cost of any utility relocation unless and until the Sponsor has submitted evidence satisfactory to the FAA that the Sponsor is legally responsible for payment of such costs;
 - b. FAA participation is limited to those utilities located on-airport or off-airport only where the Sponsor has an easement for the utility, which easement is perpetual or valid for the term of the project, and which includes a right of access; and
 - c. The utilities exclusively serve the Airport.
28. **State Highway Specifications.** The Sponsor agrees that because State highway specifications will be used for airfield pavement construction instead of FAA standard specifications, it will not seek Airport Improvement Program (AIP) or AIG grant funds or supplemental appropriation funds for the rehabilitation or reconstruction of airfield pavement included in this Grant Agreement for a period of 10 years after construction is completed unless the FAA determines that the rehabilitation or reconstruction is required for safety reasons, per 49 U.S.C §§ 47105(c) or 47114(d)(5).
29. **Non-Federally Funded Work in Application.** The Sponsor understands and agrees that:
- a. The Project Application includes the planning and/or construction of miscellaneous driveway and sidewalk work (Bid Schedule 4) that is not being funded with any Federal funding in this project;

- b. Although the Sponsor has estimated a total project cost of \$391,782.92, the total allowable cost for purposes of determining Federal participation equals \$379,125.17;
 - c. It must maintain separate accounting of cost records for Federally and non-Federally funded work;
 - d. All pertinent records supporting project costs must be made available for inspection and audit by the FAA when requested; and
 - e. All non-Federally funded work is the sole responsibility of the Sponsor.
30. **Buy American Executive Orders.** The Sponsor agrees to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.

LAW ENFORCEMENT OFFICER CERTIFICATION AGREEMENT

THIS AGREEMENT, made and entered into this 15th day of May, 2023, by and between the City of Madison, South Dakota of, 116 W Center St, Madison, South Dakota, 57042, a municipal corporation, hereinafter for convenience referred to as "City" and Kaylee Mehlum, hereinafter for convenience referred to as "Officer".

RECITALS

WHEREAS, the City of Madison is a municipal corporation operating under the laws of the State of South Dakota; and

WHEREAS, the City operates a police force to provide for the safety and welfare of its residents by enforcing the City ordinances and laws of the State of South Dakota, within its corporate boundaries; and

WHEREAS, the City is required from time to time to retain a Chief of Police and law Officers to enforce the City ordinances and State laws within its corporate boundaries; and

WHEREAS, the Officer has been employed on a probationary basis by the City as an uncertified Law Enforcement Officer; and

WHEREAS, the City desires to sponsor said Officer in the Law Enforcement Basic Certification Course; and

WHEREAS, the City has caused the Officer to be enrolled in the Law Enforcement Basic Certification Course commencing in March, 2024.

AGREEMENT

NOW, THEREFORE, in consideration of mutual covenants herein contained, the parties hereto agree as follows:

1. The City of Madison has agreed to employ and the Officer has agreed to be employed as a probationary Law Officer for the City of Madison at a rate of \$25.66 per hour for all hours worked during a normal, 40 hour work week.
2. The Officer shall be eligible for consideration for pay increases from the City according to the normal pay policies of the City of Madison.

3. The City of Madison hereby agrees to sponsor said Officer in the South Dakota Law Enforcement Officer's Training Academy and the Officer agrees to enroll and use his best efforts in successfully completing said training program.

4. Officer acknowledges that he meets the minimum requirements of the South Dakota Administrative Rules Section 2.01.02.01 and upon successfully completing the Law Enforcement Basic Certification Course, will be eligible for certification as a law enforcement Officer in the State of South Dakota.

5. In exchange for the City sponsoring the Officer in the South Dakota Law Enforcement Basic Certification Course, the Officer agrees to work as a certified police Officer for the City of Madison for a minimum of three (3) years after successful completion of the Law Enforcement Basic Certification Course and certification by the State of South Dakota.

6. The City agrees to pay the Officer the sum of \$25.66 per hour for 40 hours per week for the Officer attending the Law Enforcement Basic Certification Course in Pierre, South Dakota.

7. The Officer agrees that if he does not work as a certified Law Officer for the City of Madison for at least three (3) full years after obtaining certification and his employment is terminated for any reason, the Officer agrees to reimburse the City for 100% of the wages paid to him during the Officer's attendance at the Law Enforcement Basic Certification Course in excess of that amount earned above the federal minimum wage then in effect. It is agreed and understood by the parties hereto that the reimbursement in this paragraph is a specific inducement to employing the Officer and the City is relying on such inducement.

8. It is agreed that there will be no refund of wages paid during the Law Enforcement Basic Certification Course period if the Officer works in excess of three years after certification or if his position is reduced by the City at any time for budgetary reasons.

9. It is further agreed that 100% of any wages, in excess of the federal minimum wage, paid to Officer will be repaid by the Officer to the City in the event the Officer does not successfully pass and complete all of the requirements of the Law Enforcement Basic Certification Course for any number of weeks the Officer attends such training.

10. Nothing herein shall change the "at will" employment status of the Officer.

CITY OF MADISON

By: _____
Roy Lindsey, Mayor

Attest: _____



Probationary Law Enforcement Officer

ORDINANCE NO. 1657

**AN ORDINANCE TO AMEND APPENDIX B – ZONING – SECTION 17.02 ADOPTED BY
ORDINANCE NO. 1481 ON 8-24-2009 OF THE ZONING ORDINANCE OF THE CITY OF MADISON**

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the revised ordinances of the City of Madison, also known as the Code of Ordinances, be amended to change the zoning of the following real property located within the City of Madison by changing the zoning district from Single Family Residence, 9,000 Square Foot District (R-90) to Agricultural District (AG):

The West 208.71 feet of the East 868.29 feet of the South 208.71 feet of the North 325.71 feet of the Northeast Quarter (NE ¼) of Section Eighteen (18), Township One Hundred Six (106) North, Range Fifty Two (52), West of the 5th PM, Lake County, SD.

Dated this ___ day of May, 2022.

CITY OF MADISON

Mayor

ATTEST: _____
Finance Officer

1st Reading:

2nd Reading:

Published:

Effective:

RESOLUTION NO. 2023-16

A RESOLUTION APPROVING AND RECOMMENDING OF TAX INCREMENTAL DISTRICT PLAN NUMBER SIX, 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 May 15th, 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:

- Lot 1, Block 6, Lakeview Industrial Park 16th Addition to the City of Madison, Lake County, South Dakota.
- Lot 2, Block 6, Lakeview Industrial Park Addition to the City of Madison, Lake County, South Dakota.
- Lot 7, Block 8, Lakeview Industrial Park Addition to the City of Madison, Lake County, South Dakota.
- TRACT 2 BERTHERS 2ND ADD EXC LAKEVIEW IND PARK AND EXC LOT H-1 & EXC DEDICATED R/O/W

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 May 15th, 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 May 15th, 2023, as provided in such Notice, and all interested parties were allowed a reasonable opportunity to be heard on the proposed Tax Incremental District Six 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 Six 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 economic development.
 - B. The South Dakota Department of Revenue has reviewed the TIF Plan and classified the Tax Increment District Six 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:
 - Lot 1, Block 6, Lakeview Industrial Park 16th Addition to the City of Madison, Lake County, South Dakota.
 - Lot 2, Block 6, Lakeview Industrial Park Addition to the City of Madison, Lake County, South Dakota.
 - Lot 7, Block 8, Lakeview Industrial Park Addition to the City of Madison, Lake County, South Dakota.
 - TRACT 2 BERTHERS 2ND ADD EXC LAKEVIEW IND PARK AND EXC LOT H-1 & EXC DEDICATED R/O/W

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 #6 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 Six Fund, which shall be a segregated asset account. All tax increments collected pursuant to Tax Incremental District Number Six shall be deposited into the Tax Incremental District Number Six Fund. All funds in the Tax Incremental District Number Six 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 Six, a copy of which is on file with the City Finance Officer.

Dated this 15th Day of May 2023.

CITY OF MADISON, SOUTH DAKOTA

BY: _____
Roy Lindsay, Mayor

ATTEST:

Sonya Wilt, City Finance Officer

TAX INCREMENT FINANCE DISTRICT #6



**Submitted by:
Tobin J. Morris
Colliers Securities
On behalf of
Lake Area Improvement Corporation**

**Created:
May 2023**

**Colliers Securities
124 West Dakota Ave| Pierre, SD 57501**

Tobin.morris@colliers.com

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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 driving interest in the establishment of this TIF is the expansion of FoxPromo, Madison Physical Therapy, Global Polymer, and the development of Contractor's Condos. The three business expansion and development of the Contractor's Condos will be the increment value that will be used to offset the costs incurred by Lake Area Improvement Corporation in the Lake View Industrial Park. For more than a decade, Lake Area Improvement Corporation has assisted with various projects including land purchases for development expansion, engineering costs, business expansion, maintenance, and more. To continue an effort to accommodate continued progress of the City of Madison, a childcare facility has been deemed necessary to support workforce growth.

FoxPromo is currently located in downtown Madison and specializes in promotional merchandise including screen printing, embroidery, promotional items and more. Madison Physical Therapy provides physical therapy services for athletic injuries, post-surgical rehab, neck and back pain, among others. The two businesses will expand into a 10,600 square foot facility which is planned to take place on the corner of Industry Avenue and 12th Street SE in the Lakeview Industrial Park.

The third business expansion will include Global Polymer. The company specializes in products made from Ultra High Molecular Weight Polyethylene, or UHMW-PE. While other manufacturers use the material to create a range of products due to its impact resistance, wide temperature tolerance,

chemical resistance and more, Global adapts the material to a much broader scope of applications. Global Polymer has been in business nearly 30 years, but first began operating in the City of Madison

in 2014, after relocating from Arlington, SD. The company will be investing over \$10 million into their Madison plant which will increase their floor space by over 32,000 square feet. The state-of-art facility will add 3 phases of new equipment and is expected to add up to 120 employees with its expansion.

The last addition to the proposed Tax Increment District #6 is construction of contractor's condos. The City of Madison continues to struggle with adequate sub-contractors. It's common to seek out various contractors and sub-contractors from Sioux Falls, Brookings, or Watertown to complete projects including housing. The City of Madison has had multiple housing projects fall flat due to the significant cost of mobilization of the said sub-contractors. To better accommodate development and growth, the Lake Area Improvement Corporation has pivoted the mindset on what makes sense to occupy the Lakeview Industrial Park. The contractor's condos will allow for contractors to stay near a worksite within the City of Madison and the surrounding area.

The tax increment derived from the 4 proposed properties will allow for LAIC to develop a much needed childcare facility.

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 #6 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 6 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 growth throughout the District.

The intention of this TIF Project is to enhance the Lakeview Industrial Park within the City of Madison, not only for the three businesses, Global Polymer, FoxPromo, and Madison Physical Therapy, but for the reimbursement of various project costs incurred by Lake Area Improvement Corporation within the Lakeview Industrial Park. This TIF is to ensure future development and expansion in the Lakeview Industrial Park, promoting economic development through the development of a childcare facility and the necessary infrastructure needed to complete the project.

The Developer, Lake Area Improvement Corporation, incorporated in 1975, is a nonprofit economic development organization dedicated to the growth and prosperity of Madison and the communities that reside within Lake County, South Dakota. LAIC aspires to create an economic atmosphere that will benefit current and future businesses in the City of Madison and Lake County. LAIC has been of tremendous assistance in the Lake View Industrial Park. Lake Area Improvement Corporation has helped Lake County and the City of Madison in a variety of different ways such as workforce development, industrial park growth, business retention and recruitment, entrepreneurship, community engagement and attraction, and retail development. Some of the most recent accomplishments of LAIC include:

- Developing new Cyber Estates residential area.
- Bring new businesses to Lakeview Industrial Park
- Identifying and laying the groundwork for future areas of growth for housing and business.
- LAIC Loan Fund, 1.55MM in lending since 2007 to local expanding and new businesses.
- Refreshing downtown Madison's look with the Façade Improvement Program.

The nonprofit organization has assisted various business entities with the expansion of their business as well as maintenance and engineering expenses within the Lake View Industrial Park. The reimbursement

of LAIC will be used to build childcare facility, deemed necessary workforce infrastructure within the City of Madison. Childcare infrastructure is a critical need for working parents, enabling them to participate in the workforce and contribute to the economy. As a basic necessity similar to roads, water, sewer, and electricity, safe and healthy childcare facilities are vital for families. In South Dakota, where 84% of both mothers and fathers work outside of the home, and in Lake County, where that number is even higher at 94%, childcare facilities are the backbone of the workforce.

However, the economic impact of the infant-and-toddler childcare crisis is significant, with South Dakota missing out on an estimated \$329 million in revenue. ReadyNation analyzed the proportion of the US Gross Domestic Product (GDP) and population each state represents to arrive at this estimate. Investing in childcare can have significant economic benefits, leading to more income for families to spend on quality food, education, and savings, while also creating more jobs and promoting inclusive economic growth. Ultimately, supporting childcare initiatives means better futures for children and more productive working adults, resulting in a positive impact on the economy. Therefore, childcare facilities are not only essential for the well-being of families, but also for the overall economic health of communities and regions.

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 Lake Area Improvement Corporation

“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 #6.

“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

#6

Representatives of the Developer have approached officials of City of Madison regarding the possibility of creating a Tax Incremental Financing District (“TID”) to assist with past and future expenses incurred in the Lakeview Industrial Park located within the City of Madison, South Dakota.

Property Within Tax Increment #6

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

- Lot 1, Block 6, Lakeview Industrial Park 16th Addition to the City of Madison, Lake County, South Dakota.
- Lot 2, Block 6, Lakeview Industrial Park Addition to the City of Madison, Lake County, South Dakota.
- Lot 7, Block 8, Lakeview Industrial Park Addition to the City of Madison, Lake County, South Dakota.
- TRACT 2 BERTHERS 2ND ADD EXC LAKEVIEW IND PARK AND EXC LOT H-1 & EXC DEDICATED R/O/W

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 #6, as estimated but not yet verified by Lake County Director of Equalization, is \$3,463,100.

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 #6, the value of all existing Tax Increment Districts combined is less than 1.5% 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
6	\$ 3,463,100
Total	\$ 4,250,868

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	\$2,950,000	11-9-15(8)
Eligible Project Costs		\$2,950,000	

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 \$2,950,000. 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 Two Million Nine Hundred Fifty Thousand 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 \$2,950,000 will be the maximum amount the City will ever pass on acting as a conduit for TIF #6. This amount will include any and all interest associated with the debt and the controlling value of the TIF will never pay more than \$2,950,000. 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 Developer 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 \$2,950,000.

Expenditures Exceeding Estimated Cost

Any expenditures, which in sum would exceed the total amount of the TID amount of \$2,950,000 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 #6 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 \$2,950,000 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 #6 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 Global Polymer	\$10,000,000
Construction of Fox Holdings	\$1,300,000
Construction of Contractor Condos	\$2,000,000
TOTAL	\$13,300,000

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 Cost

SCHEDULE 2 - Economic Feasibility Study & Estimated Captured Taxable Values

SCHEDULE 3 - Economic Development Study

SCHEDULE 4 – Fiscal Impact Statement

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 Incremental District, thus the eligible cost will be in the form of an infrastructure grant that will not exceed \$2,950,000 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 shows the costs incurred by Lake Area Improvement Corporation in the Lakeview Industrial Park:

12:33 PM

03/09/23

Accrual Basis

LAKE AREA IMPROVEMENT CORPORATION

Account QuickReport

All Transactions

Type	Date	Num	Name	Memo	Amount	Balance
15600 · LAKEVIEW INDUSTRIAL PK						
15600.1 · LAKEVIEW INDUST PK ASSESSED						
General Journal	12/31/2007			BALANCE TO FMV	1,125,000.00	1,125,000.00
General Journal	12/31/2007	Per A...		to adjust to assessed value	-1,125,000.00	0.00
General Journal	12/31/2007	Per A...		to adjust to assessed value	590,065.00	590,065.00
General Journal	08/31/2008	KB		3.5 acres sold record cost of sale (per acre \$...	-12,907.69	577,157.31
General Journal	09/30/2008	56 KB		sale 15 acres times (per acre 3687.91)	-55,318.65	521,838.66
General Journal	04/10/2009	KB		Sale to Heartland, Value per appraisal from Ci...	-14,751.64	507,087.02
General Journal	12/31/2010	kb		sale 3.643 acres times (per acre 3687.91)	-13,435.06	493,651.96
General Journal	10/31/2012	kb		sale global polymer 10.54 acres	-45,251.36	448,400.60
General Journal	06/30/2013	kb		P cost of Custom Touch Homes 3.88 acres	-12,833.18	435,567.42
General Journal	04/29/2014	kb		Integra price of 10.28 acres had own value; ...		435,567.42
General Journal	04/29/2015	kb		P for 2.3 ac sold to FB&T	-8,038.30	427,529.12
General Journal	11/30/2016	kb		P for 3 ac sold to SlyDog	-10,181.70	417,347.42
General Journal	11/15/2017	kb		\$3,393.90/acre for 4.5 acres (assessed value)	-15,272.55	402,074.87
General Journal	12/31/2019	kb		\$3,393.90/acre for 0.8 acres (assessed value)	-2,715.12	399,359.75
General Journal	02/28/2020	kb		\$3,393.90/acre for 0.7 acres (assessed value)	-2,375.73	396,984.02
General Journal	06/30/2020	KB		P- ASSESSED LAND COSTS ON 8.994 AC...	-30,516.64	366,467.38
General Journal	06/30/2020	KB		ASSESSED TO FIXED ASSET 3.55 ACRE...	-12,048.35	354,419.03
General Journal	10/21/2020	KB		ASSESSED TO FIXED ASSET 7.82 ACRE...	-26,540.30	327,878.73
General Journal	03/19/2021	kb		Assessed set at \$3,393.90/acre, @ 5 acres ...	-16,969.50	310,909.23
General Journal	11/04/2021	kb		Assessed set at \$3,393.90/acre, @ 2.297 ac...	-7,795.79	303,113.44
Total 15600.1 · LAKEVIEW INDUST PK ASSESSED					303,113.44	303,113.44
15600.2 · LAKEVIEW INDUST PK ENGINEER						
General Journal	01/01/2008	Rever...		reverse AP-SAYRE	-11,683.62	-11,683.62
Bill	01/22/2008	Inv# 7...	Sayre Associates, Inc.	Engineering/Survey costs for 12/13/06-1/12/...	11,683.62	0.00
Bill	05/07/2008	INV 4/...	Sayre Associates, Inc.	prepare development plans for Lakeview Ind...	28,367.30	28,367.30
Bill	06/06/2008	Inv 78...	Sayre Associates, Inc.	April 13, 2008-May 31, 2008, prepare dev. pl...	22,118.74	50,486.04
Check	06/13/2008	6137	Quest	relocation of fiber cable facilities	40,995.75	91,481.79
Bill	07/15/2008	File# ...	Weber Abstract Company	Industrial Park title work LAIC/City of Madison	61.00	91,542.79
Bill	08/18/2008	INV 8...	Sayre Associates, Inc.	Engineering Indust. PK June 1, 2008 - Aug. ...	20,785.64	112,328.43
Bill	08/18/2008	INV 8...	Sayre Associates, Inc.	Engineering July11, 2008-Aug. 2, 2008 topo/...	3,469.73	115,798.16
Check	08/29/2008	6256	Blom, Kari	record easment(\$12.00)/plat(\$10.00) James ...	22.00	115,820.16
Bill	09/12/2008	INV 8/...	Sayre Associates, Inc.	8/13 prepare development plans on LIP	0.00	115,820.16
Bill	09/12/2008	INV 8/...	Sayre Associates, Inc.	8/6 provide topo & platting services for Lot 1...	0.00	115,820.16
Bill	09/29/2008	INV 8...	Sayre Associates, Inc.	Lakeview Industrial Park Aug 10-30, 2008	15,033.44	130,853.60
General Journal	09/30/2008	60 KB		Record additional costs for sale	-23,706.90	107,146.70
Bill	09/30/2008	INV 1...	Sayre Associates, Inc.	Service for Aug 31 to Sept 27	5,524.24	112,670.94
Deposit	10/02/2008	5133	City of Madison	1/2 cost to relocate Quest line Lakeview Ind. ...	-20,497.82	92,173.12
Bill	11/14/2008	don't ...	Sayre Associates, Inc.	services from Sept 28/08-Nov 1/08: prepare ...	6,975.44	99,148.56
Bill	12/12/2008	INV 8...	Sayre Associates, Inc.	Lakeview Industrial Park Nov. 2 2008-Dec 6...	4,341.88	103,490.44
Bill	12/31/2008	INV 8...	Sayre Associates, Inc.	Dec 23-27, 2008 locate property corners	736.69	104,227.13
Bill	01/14/2009	INV 8...	Sayre Associates, Inc.	Dec 7, 08-Jan 3, 09 provide project administr...	1,926.02	106,153.15
Bill	01/14/2009	INV 8...	Sayre Associates, Inc.	Aug 8, 08-Jan 3, 09 provide topo/platting ser...	2,862.64	109,015.79
Bill	03/16/2009		Sayre Associates, Inc.	services regarding Lakeview Industrial Park	1,113.00	110,128.79
Check	04/08/2009	6587	Quest	Advance payment in full for relocate cable in ...	0.00	110,128.79
Check	04/08/2009	6588	Quest	Advanced full payment to relocate fiber cabl...	44,090.40	154,219.19
Bill	04/16/2009	INV 8...	Sayre Associates, Inc.	Services rendered regarding Lakeview Industr...	1,937.68	156,156.87
Bill	05/28/2009		Sayre Associates, Inc.	Lakeview Industrial Park	16,576.31	172,733.18
Bill	07/15/2009		Sayre Associates, Inc.	prof. serv. rendered as of June 20, 2009 for ...	10,577.26	183,310.44
Bill	08/28/2009	8859	Sayre Associates, Inc.	professional services as of 8/22/09 for constr...	16,989.42	200,299.86
Bill	09/28/2009	8925	Sayre Associates, Inc.	Lakeview Ind Pk Construction Administration...	24,752.63	225,052.49
Bill	11/30/2009	9021	Sayre Associates, Inc.	services rendered as of 10/17/09:Lakeview I...	11,612.04	236,664.53
Bill	11/30/2009	8985	Sayre Associates, Inc.	services rendered as of 10/10/2009 Enginee...	7,643.10	244,307.63
Bill	11/30/2009	9080	Sayre Associates, Inc.	Lakeview Ind Park Const Admin & Staking a...	5,117.79	249,425.42
Bill	12/30/2009	INV 9...	Sayre Associates, Inc.	Lakeview Ind Pk Construction Admin and sta...	4,092.13	253,517.55
Bill	01/15/2010	9170	Sayre Associates, Inc.	revise pond plat and reset corners as per Cit...	852.03	254,369.58
Bill	02/25/2010	INV 9...	Sayre Associates, Inc.	Lakeview Industrial - const admin and stakin...	3,737.56	258,107.14
Bill	08/30/2010	INV 9...	Sayre Associates, Inc.	locate north R/O/W line of SD Hwy 34	1,105.00	259,212.14
Bill	02/11/2011		Sayre Associates, Inc.	Superior Homes land sale - prepare plat in B...	1,491.57	260,703.71
Bill	06/13/2011		Sayre Associates, Inc.	engineering work for Custom Touch land in ...	962.48	261,666.19
Bill	12/28/2011		Sayre Associates, Inc.	construction administration services associat...	566.40	262,232.59
General Journal	10/31/2012	kb		sale global polymer 10.54 acres	-26,463.80	235,768.79
General Journal	06/30/2013	kb		E cost of Custom Touch Homes 3.88 acres	-7,751.08	228,017.71
General Journal	04/29/2014	kb		E costs associated with 10.28 acres sale to I...	-20,554.38	207,463.33
General Journal	04/29/2015	kb		E for 2.3 ac sold to FB&T	-4,456.20	203,007.13
General Journal	11/30/2016	kb		E for 3 ac sold to SlyDog	-4,834.65	198,172.48
Bill	02/20/2019	16379	Sayre Associates, Inc.	prepare plat for truShrimp for LIP; LAIC, ISG...	19,161.21	217,333.69
Bill	06/14/2019	16579	Sayre Associates, Inc.	vacate H-1 Lot of Berther's 2nd (part of Glob...	949.77	218,283.46
Check	09/05/2019	DB	City of Madison	Planning Commission chrg to review plat Lot...	25.00	218,308.46
General Journal	12/31/2019	kb		water tower for 0.8 acres (engineering costs)...	-1,790.33	216,518.13
General Journal	02/28/2020	kb		substation for 0.7 acres (engineering costs), ...	-1,576.81	214,941.32
Check	04/09/2020	DB	City of Madison	new plat for Runnings, planning & zoning	25.00	214,966.32
Check	04/13/2020	10830	Lake County Register of De...	record plat for Runnings land	60.00	215,026.32
General Journal	06/30/2020	KB		CITY COUNTY PLAT EXPENSE	-85.00	214,941.32
General Journal	06/30/2020	KB		E- ENGINEERING- ON 8.994 ACRES	-23,023.00	191,918.32
General Journal	06/30/2020	KB		ENGINEERING 3.55 ACRES OF 74.975 TO...	-9,083.29	182,835.03

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Accrual Basis

LAKE AREA IMPROVEMENT CORPORATION

Account QuickReport

All Transactions

Type	Date	Num	Name	Memo	Amount	Balance
General Journal	10/21/2020	KB		Engineering - No costs	0.00	182,835.03
General Journal	03/19/2021	kb		Engineering 79.6 ac left, @5 acres sold	-11,484.61	171,350.42
General Journal	11/04/2021	kb		Engineering	-4,944.81	166,405.61
Total 15600.2 · LAKEVIEW INDUST PK ENGINEER					166,405.61	166,405.61
15600.3 · LAKEVIEW INDUST PK CONSTRUCTION						
Check	07/21/2008	6204	Foothills Contracting	Partial payment of full bill -dirt work	130,141.00	130,141.00
Invoice	09/12/2008	74	Z - Other:Nextera Properties...	For: Site preparation as per agreement betw...	-25,000.00	105,141.00
Check	09/15/2008	6296	Foothills Contracting	2nd payment of full bill -dirt work	106,675.40	211,816.40
General Journal	09/30/2008	60 KB		Record additional costs for sale	-55,741.20	156,075.20
Bill	10/30/2008		Prunty Construction Company	partial payment, Sanitary Sewer installation f...	129,566.07	285,641.27
Bill	11/27/2008		Prunty Construction Company	final payment for infrastructure	61,194.86	346,836.13
Bill	07/29/2009	INV 8...	Sayre Associates, Inc.	Lakeview Industrial Pk. Construction admin/...	14,959.99	361,796.12
Bill	08/03/2009	INV 7...	Double H Paving, Inc.	Double H Paving, Inc. partial payment for re...	60,455.45	422,251.57
Deposit	08/18/2009	67306	City of Madison	Payment for turning lanes at Lakeview Ind. Pk.	-125,000.00	297,251.57
Bill	08/28/2009	8/24/09	Double H Paving, Inc.	final payment for grading, water main, sanita...	379,739.36	676,990.93
Bill	09/28/2009	09/28/...	Double H Paving, Inc.	Lakeview Ind. Pk & HWY 34 turn lanes: Agg...	452,033.20	1,129,024.13
Bill	10/30/2009	10/26/...	Double H Paving, Inc.	Asphalt surfacing, misc. concrete, rip rap, s...	52,941.25	1,181,965.38
Bill	12/11/2009	12/4/2...	Double H Paving, Inc.	Final payment for Lakeview Industrial Park in...	49,613.15	1,231,578.53
General Journal	12/31/2009	AU20...		to adjust contributions received to the appro...	125,000.00	1,356,578.53
General Journal	10/31/2012	kb		sale global polymer 10.54 acres	-266,470.71	1,090,107.82
General Journal	06/30/2020	KB		C-CONSTRUCTION - ON 8.9994 ACRES	-216,912.00	873,195.82
General Journal	10/21/2020	KB		Construction - No costs	0.00	873,195.82
General Journal	03/19/2021	kb		Construction 36.2 ac left, @5 acres sold	-120,607.16	752,588.66
General Journal	11/04/2021	kb		Construction	-23,425.02	729,163.64
Total 15600.3 · LAKEVIEW INDUST PK CONSTRUCTION					729,163.64	729,163.64
15600.4 · LAKEVIEW INDUST PK OTHER						
Bill	07/31/2008	INV 7...	Kaschmitter Appraisals, Inc.	Appraisal for line of credit with Great Wester...	1,272.00	1,272.00
General Journal	09/30/2008	60 KB		Record additional costs for sale	-334.80	937.20
Bill	10/06/2008	INV 0...	Leggette, Brashears & Grah...	Industrial park	2,332.00	3,269.20
Check	02/25/2009	DB	City of Madison	Madison sign - electricity bill	18.99	3,288.19
Check	03/09/2009	DB	City of Madison	Madison sign - electrical	21.73	3,309.92
Bill	03/30/2009	22-69...	City of Madison	Madison Sign - electricity bill	20.32	3,330.24
Check	03/30/2009	6572	Blom, Kari	Lake Co reg of deeds - new Heartland plat	10.00	3,340.24
Bill	04/16/2009	22-69...	City of Madison	Madison Sign - electricity bill	19.67	3,359.91
Bill	05/29/2009		City of Madison	Madison Sign - electricity bill	18.91	3,378.82
General Journal	05/31/2009	KB		Expense Madison sign	-99.62	3,279.20
Check	06/30/2009	6697	Blom, Kari	City of Madison: put Lakveview Ind. Park pla...	25.00	3,304.20
Check	07/06/2009	6712	Lake County Register of De...	Record of Lakeview plat - replat Tract 2 Bert...	10.00	3,314.20
Bill	07/15/2009		Dallas Johnson Constructio...	remove siltation fence from property (Lakevi...	535.72	3,849.92
Bill	07/15/2009		Sayre Associates, Inc.	survey/plat rendered June 20, 2009	2,745.40	6,595.32
Check	07/29/2009	6746	Blom, Kari	Lake Co. Reg. Deeds: Record Hansen Ease...	14.00	6,609.32
Bill	07/29/2009	INV 7...	Dallas Johnson Constructio...	remove siltation fence from property	382.65	6,991.97
Bill	07/29/2009	INV 7...	Dallas Johnson Constructio...	disking 53 acres	662.50	7,654.47
Invoice	09/01/2009	132	Z - Other:Double H Paving, I...	Lakeview Industrial Park disking of 53 Acres ...	-662.50	6,991.97
Invoice	01/31/2012	323	Z - Other:Custom Touch Ho...	Costs regarding Richard Smith and housing ...	-280.03	6,711.94
Check	10/23/2012	8350	Lake County Register of De...	VOID: printed incorrectly	0.00	6,711.94
General Journal	10/31/2012	kb		sale global polymer 10.54 acres	-1,318.42	5,393.52
Bill	03/21/2019		Lake County Treasurer	Tract 1 Berther's 2nd Add N of Hwy 34 (2197...	125.00	5,518.52
Bill	03/21/2019		Lake County Treasurer	Lakeview Ind. Pk. (unplatted) 21996-10652-...	125.00	5,643.52
Bill	03/21/2019		Lake County Treasurer	Lot 11 Blk 1 lakeview Ind Pk (21996-00100-...	62.50	5,706.02
Check	03/21/2019	10565	Lake County Register of De...	record 5 acre new plat	0.00	5,706.02
Bill	03/31/2019	16426	Sayre Associates, Inc.	5 acres south of Global Polymer, Custom To...	1,522.95	7,228.97
Bill	05/01/2019		Ericsson Law Office	1/2 PD tru shrimp legal work	175.00	7,403.97
Bill	05/01/2019		Ericsson Law Office	1/2 PD Lakeview Industrial Park legal work	723.00	8,126.97
Bill	05/01/2019		Ericsson Law Office	1/2 PD Global Polymer legal work	183.00	8,309.97
General Journal	05/31/2019	inkind...		1/2 truShrimp legal work	175.00	8,484.97
General Journal	05/31/2019	inkind...		1/2 Lakeview Ind. Pk legal work, CTH, water...	723.00	9,207.97
General Journal	05/31/2019	inkind...		1/2 Global Polymer option to purchase legal ...	183.00	9,390.97
Bill	06/10/2019	300	A & D Mowing	5/16 mowing and weed eating - industrial park	65.00	9,455.97
Bill	06/10/2019	300	A & D Mowing	5/24 mowing and weed eating - industrial park	65.00	9,520.97
Bill	06/10/2019	300	A & D Mowing	5/31 mowing and weed eating - industrial park	65.00	9,585.97
Bill	06/10/2019	300	A & D Mowing	6/08 mowing and weed eating - industrial park	65.00	9,650.97
Bill	07/12/2019	315	A & D Mowing	6/14 mowing and weed eating - industrial park	65.00	9,715.97
Bill	07/12/2019	315	A & D Mowing	6/21 mowing and weed eating - industrial park	65.00	9,780.97
Bill	07/12/2019	315	A & D Mowing	6/28 mowing and weed eating - industrial park	65.00	9,845.97
Bill	08/12/2019	315	A & D Mowing	7/6 mowing and weed eating - industrial park	65.00	9,910.97
Bill	08/12/2019	315	A & D Mowing	7/12 mowing and weed eating - industrial park	65.00	9,975.97
Bill	08/12/2019	315	A & D Mowing	7/19 mowing and weed eating - industrial park	65.00	10,040.97
Bill	08/12/2019	315	A & D Mowing	7/26 mowing and weed eating - industrial park	65.00	10,105.97
Check	09/02/2019	10706	Lake County Register of De...	record plat for Lot 2, Block 6	60.00	10,165.97
Bill	09/12/2019	323	A & D Mowing	8/1 mowing and weed eating - industrial park	65.00	10,230.97
Bill	09/12/2019	323	A & D Mowing	8/8 mowing and weed eating - industrial park	65.00	10,295.97
Bill	09/30/2019		A & D Mowing	Sept 8 & 18 mowing and weed eating	130.00	10,425.97
Bill	10/31/2019		Lake County Treasurer	Tract 1 Berther's 2nd Add N of Hwy 34 (2197...	126.04	10,552.01
Bill	10/31/2019		Lake County Treasurer	Lot 11 Blk 1 lakeview Ind Pk (21996-00100-...	63.02	10,615.03

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Accrual Basis

LAKE AREA IMPROVEMENT CORPORATION

Account QuickReport

All Transactions

Type	Date	Num	Name	Memo	Amount	Balance
Check	11/13/2019	10739	Lake County Register of De...	record Warranty Deed on Water Tower land	30.00	10,645.03
Check	11/29/2019	10745	Karl L. Blom	record plat for water tower and substation Lo...	60.00	10,705.03
Bill	04/10/2020		Lake County Treasurer	Tract 1 Berther's 2nd Add N of Hwy 34 (2197...	250.00	10,955.03
Bill	04/10/2020		Lake County Treasurer	Lakeview Ind. Pk. (unplatted) 21996-10652-...	62.50	11,017.53
Bill	04/10/2020		Lake County Treasurer	Lot 11 Blk 1 lakeview Ind Pk (21996-00100-...	62.50	11,080.03
General Journal	06/30/2020	KB		OTHER 3.55 ACRES OF 109.25 TOTAL 10...	-360.04	10,719.99
General Journal	06/30/2020	KB		OTHER 8.994 ACRES	-912.17	9,807.82
Bill	10/01/2020		Lake County Treasurer	Lakeview Ind. Pk. (unplatted) 21996-10652-...	62.50	9,870.32
Bill	10/01/2020		Lake County Treasurer	Lot 11 Blk 1 lakeview Ind Pk (21996-00100-...	62.50	9,932.82
General Journal	10/21/2020	KB		Other - No costs	0.00	9,932.82
General Journal	12/31/2020	kb		Other: Lot 11 Bk 1 reclass expenses	-250.52	9,682.30
General Journal	12/31/2020	kb ye		Other: Tract 1 Berthers reclass	125.00	9,807.30
General Journal	12/31/2020	kb ye		Other: Tract 1 Berthers reclass	63.02	9,870.32
General Journal	12/31/2020	kb ye		Other: Tract 1 Berthers reclass	125.00	9,995.32
General Journal	03/19/2021	kb		Other 79.6 ac left, @ 5 acres sold	-643.55	9,351.77
Bill	04/05/2021		Lake County Treasurer	Tract 1 Berther's 2nd Add exc Lot A (21971-...	125.00	9,476.77
Bill	04/05/2021		Lake County Treasurer	Lakeview Ind. Pk. (unplatted) 21996-10652-...	62.50	9,539.27
Bill	04/05/2021		Lake County Treasurer	Tract 2 Berther's 2nd Add Exc LIP and Exc.....	62.50	9,601.77
Bill	09/13/2021		Lake County Treasurer	Tract 1 Berther's 2nd Add exc Lot A (21971-...	125.00	9,726.77
Bill	09/13/2021		Lake County Treasurer	Lakeview Ind. Pk. (unplatted) 21996-10652-...	62.50	9,789.27
Bill	09/13/2021		Lake County Treasurer	Tract 2 Berther's 2nd Add Exc LIP and Exc.....	62.50	9,851.77
Check	09/15/2021	1465	Lake County Register of De...	record plat for Lot 7, Block 8 LIP - Fox	60.00	9,911.77
General Journal	11/04/2021	kb		Other	-308.51	9,603.26
Total 15600.4 · LAKEVIEW INDUST PK OTHER					9,603.26	9,603.26
15600.5 · INDUSTRY AVENUE EXTENSION						
General Journal	10/31/2013	KB		Industry Avenue extension, Bowes and Sayre	4,139.95	4,139.95
Bill	12/11/2013	22569	Bowes Construction	Industry Avenue extension	3,418.01	7,557.96
Bill	12/31/2013	12297	Sayre Associates, Inc.	last bill on Industry Avenue extension	1,981.75	9,539.71
General Journal	12/31/2013			to reclassify Industry Avenue extension expe...	-9,539.71	0.00
Total 15600.5 · INDUSTRY AVENUE EXTENSION					0.00	0.00
15600.6 · LAKEVIEW IND PK TURN LANES						
Bill	03/09/2021	70674	ISG - I & S Group, Inc.	Hwy 34 turn lanes, design, bidding, construct...	5,325.00	5,325.00
Bill	07/01/2021	72960	ISG - I & S Group, Inc.	turn lanes	5,751.00	11,076.00
Bill	07/30/2021	74583	ISG - I & S Group, Inc.	turn lanes	7,476.30	18,552.30
Bill	08/31/2021	74942	ISG - I & S Group, Inc.	final design, bidding turn lanes	3,386.70	21,939.00
Bill	10/31/2021	76705	ISG - I & S Group, Inc.	construction inspection and administration o...	7,565.78	29,504.78
General Journal	11/04/2021	kb		Turn lanes	-918.36	28,586.42
Bill	12/01/2021	77389	ISG - I & S Group, Inc.	construction inspection and administration	3,745.86	32,332.28
Bill	12/31/2021	78608	ISG - I & S Group, Inc.	construction inspection and administration	613.74	32,946.02
Total 15600.6 · LAKEVIEW IND PK TURN LANES					32,946.02	32,946.02
Total 15600 · LAKEVIEW INDUSTRIAL PK					1,241,231.97	1,241,231.97
TOTAL					1,241,231.97	1,241,231.97

TID Tax Revenue Estimates Available for City of Madison

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

School 10.583	County 2.475	City 5.495	Fire 0	Water 0.022	Ambulance 0	Total 18.575	Equalized 90%
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Construction Year	Valuation Year	Revenue Year	Project Increment 1	Project Increment 2	Project Increment 3	Project Increment 4	Total Amount Available for D/S
2023	2024	2025	\$ 4,347	\$ 133,740	\$ -		\$ 138,087
2024	2025	2026	\$ 8,693	\$ 133,740	\$ 6,687		\$ 149,120
2025	2026	2027	\$ 13,040	\$ 133,740	\$ 13,374		\$ 160,154
2026	2027	2028	\$ 17,386	\$ 133,740	\$ 20,061		\$ 171,187
2027	2028	2029	\$ 21,733	\$ 133,740	\$ 26,748	\$ -	\$ 182,221
2028	2029	2030	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2029	2030	2031	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2030	2031	2032	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2031	2032	2033	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2032	2033	2034	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2033	2034	2035	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2034	2035	2036	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2035	2036	2037	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2036	2037	2038	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2037	2038	2039	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2038	2039	2040	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2039	2040	2041	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2040	2041	2042	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
2041	2042	2043	\$ 21,733	\$ 133,740	\$ 33,435	\$ -	\$ 188,908
			\$ 369,457	\$ 2,273,580	\$ 494,838	\$ -	\$ 3,445,477

Fox Promo

\$1,300,000 Projected Valuation						
Year	% Assessed	Projected Valuation	Taxable Valuation	Taxation	Discretionary Formula	Discretionary Value
2023	0%	\$ -	\$ -	\$ -	0%	\$ -
2024	0%	\$ -	\$ -	\$ -	0%	\$ -
2025	100%	\$ 1,300,000	\$ 1,170,000	\$ 21,733	20%	\$ 4,347
2026	100%	\$ 1,300,000	\$ 1,170,000	\$ 21,733	40%	\$ 8,693
2027	100%	\$ 1,300,000	\$ 1,170,000	\$ 21,733	60%	\$ 13,040
2028	100%	\$ 1,300,000	\$ 1,170,000	\$ 21,733	80%	\$ 17,386
2029	100%	\$ 1,300,000	\$ 1,170,000	\$ 21,733	100%	\$ 21,733

Global Polymer

\$8,000,000 Projected Valuation				
Year	% Assessed	Projected Valuation	Taxable Valuation	Taxation
2023	0%	\$ -	\$ -	\$ -
2024	0%	\$ -	\$ -	\$ -
2025	100%	\$ 8,000,000.00	\$ 7,200,000.00	\$ 133,740
2026	100%	\$ 8,000,000.00	\$ 7,200,000.00	\$ 133,740
2027	100%	\$ 8,000,000.00	\$ 7,200,000.00	\$ 133,740
2028	100%	\$ 8,000,000.00	\$ 7,200,000.00	\$ 133,740

Contractor Condos

\$2,000,000 Projected Valuation						
Year	% Assessed	Projected Valuation	Taxable Valuation	Taxation	Discretionary Formula	Discretionary Value
2023	0%	\$ -	\$ -	\$ -	0%	\$ -
2024	0%	\$ -	\$ -	\$ -	0%	\$ -
2025	0%	\$ -	\$ -	\$ -	0%	\$ -
2026	100%	\$ 2,000,000	\$ 1,800,000	\$ 33,435	20%	\$ 6,687
2027	100%	\$ 2,000,000	\$ 1,800,000	\$ 33,435	40%	\$ 13,374
2028	100%	\$ 2,000,000	\$ 1,800,000	\$ 33,435	60%	\$ 20,061
2029	100%	\$ 2,000,000	\$ 1,800,000	\$ 33,435	80%	\$ 26,748
2030	100%	\$ 2,000,000	\$ 1,800,000	\$ 33,435	100%	\$ 33,435

The TIF cannot exceed 20 years from the year of creation

Actual Revenue is for 18 years

For projection purposes only and do not reflect actual revenue

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 \$3,463,100. 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 \$2,950,000 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 City for their expenses, of which, will never exceed \$2,950,000 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 #6 is proven feasible based upon the tax revenue projections of the three properties within the Tax Increment District projecting a total in excess of \$2,950,000 in tax revenue during the life of the TID. For purposes of this Project Plan, it is anticipated no increment generated by City TID #6 will be available until the earliest of calendar year 2026 and thereafter.

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 #6 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 #6 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.

SCHEDULE 4

FISCAL IMPACT STATEMENT FOR CITY OF MADISON TID #6

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 Revenues” means the taxes collected on the base value.

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

“Revenue” means ad valorem taxes.

“Tax Increment District” means City of Madison Tax Increment District Number 6

“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 \$13,300,000
2. The average tax levy of all taxing districts will be \$18.575 per thousand dollars of taxable valuation.
3. Tax increment will start to be collected in 2025 and end prior to 2043.
4. It is assumed the discretionary formula will be waived by Global Polymer, however, FoxPromo and the Contractor’s Condos will elect to use the discretionary formula. The use of the discretionary formula has been implemented in the projections.

SCHEDULE 5

ESTIMATED CAPTURED TAXABLE VALUES

For purposes of this Project Plan, it is assumed that Global Polymer will waive the discretionary formula, however, FoxPromo and the Contractor's Condos will elect to use the 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 \$2,950,000 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 "Other" property types:

2023 Property Tax Rate	
2022 Payable in 2023	\$ per \$1,000 Assessed
City of Madison	5.495
Lake County	2.475
School District "Other"	10.583
Water District	0.022
Total	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

Attachment 2 - Conditions map, SDCL § 11-9-16(1)

Attachment 3 - Improvements map, SDCL § 11-9-16(2)

Attachment 4 - Zoning Change Map SDCL § 11-9-16(3)

Attachment 5 - Department of Revenue Classification Letter

ATTACHMENT 1

DESCRIPTIONS OF REAL PROPERTY:

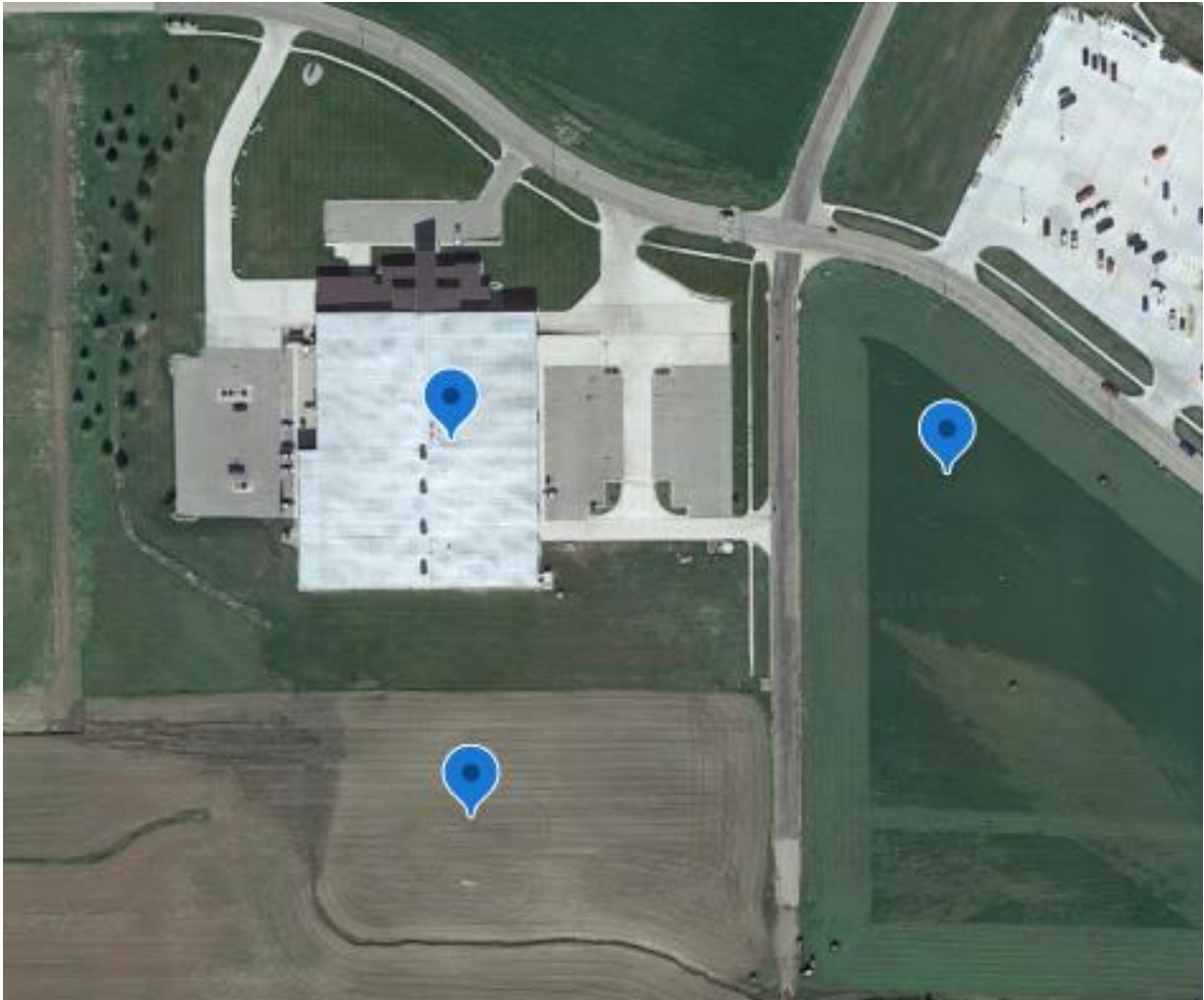
- Lot 1, Block 6, Lakeview Industrial Park 16th Addition to the City of Madison, Lake County, South Dakota.
- Lot 2, Block 6, Lakeview Industrial Park Addition to the City of Madison, Lake County, South Dakota.
- Lot 7, Block 8, Lakeview Industrial Park Addition to the City of Madison, Lake County, South Dakota.
- TRACT 2 BERTHERS 2ND ADD EXC LAKEVIEW IND PARK AND EXC LOT H-1 & EXC DEDICATED R/O/W

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 #6, SDCL § 11-9-16(1)

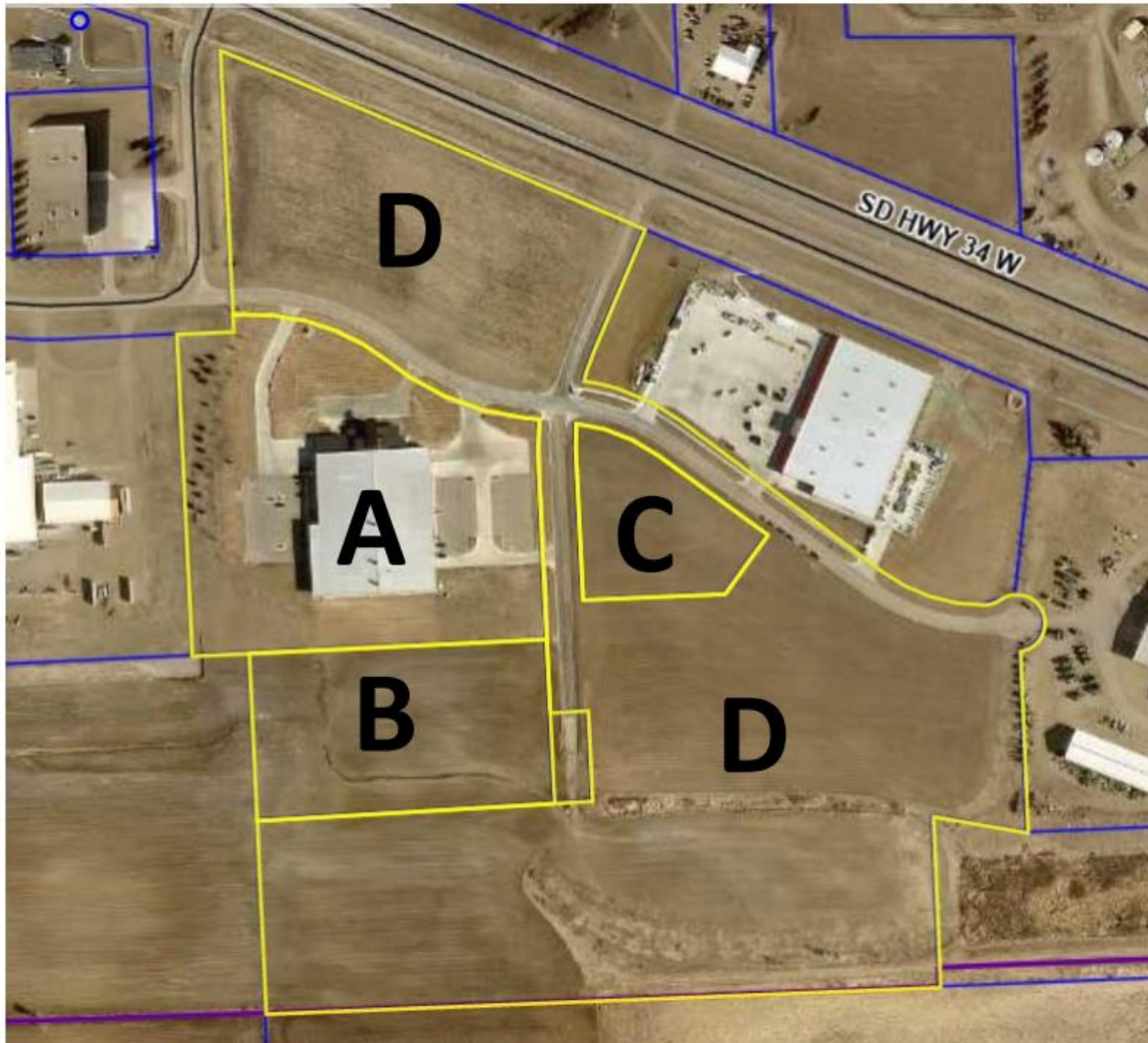
The following is a picture showing the current conditions of the proposed location of TIF #6:



ATTACHMENT 3

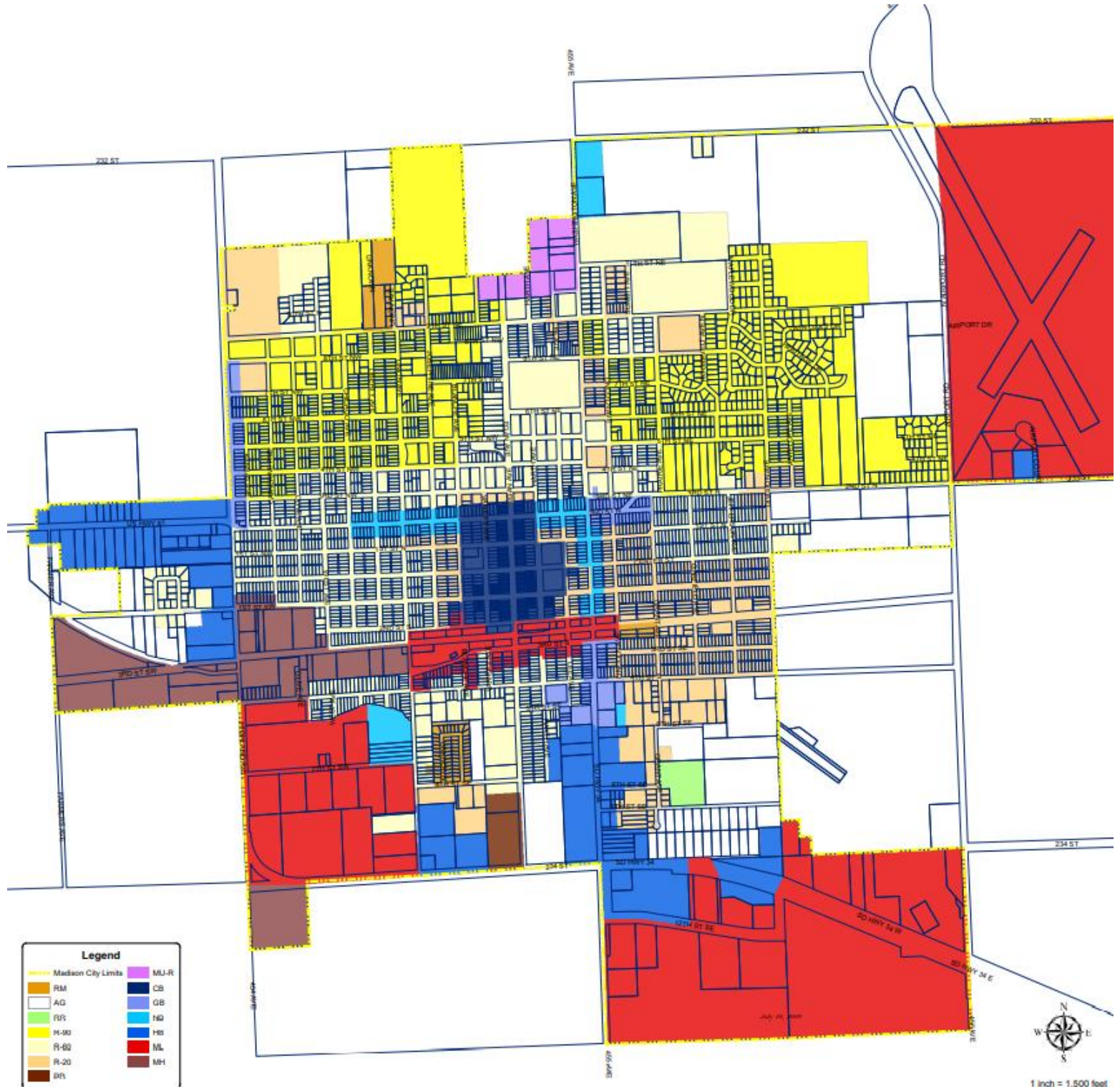
Improvements map for City of Madison Tax Incremental District #6, SDCL § 11-9-16(2).

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



ATTACHMENT 4

Zoning Map for City of Madison Tax Incremental District #6 SDCL § 11-9-16(2).



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

May 2, 2023

City Finance Office
116 W Center Street
Madison SD 57042

RE: Preliminary Classification of City of Madison # 6

Dear Jameson Barreth:

The Department of Revenue hereby acknowledges receipt of your request for Preliminary Classification of Tax Increment Financing District submitted on 05/02/2023.

Upon review of the provided information, the Department has determined the preliminary classification for the TIF District "City of Madison # 6" 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,

A handwritten signature in blue ink, appearing to read 'W. Semmler', is written over a faint circular stamp.

Wendy Semmler, Director
Property Tax Division

<http://dor.sd.gov>

SUPPORT

FAMILIES

BUSINESSES

OUR COMMUNITY

BUILDING
Bright
FUTURES

Do you want to support families and businesses in our community?

Do you want to help fulfill the needs of our workforce?

Then it's time to TAKE ACTION and support Building Bright Futures!

Securing a childcare facility supports community workforce and business growth. It is fundamental in accommodating working families.

TODAY'S LANDSCAPE

The Madison community does not have any workforce-based, licensed, group child care centers.

Childcare is necessary infrastructure - just like roads, sewer, water – without it, we will not be able to fulfill the workforce needs of the community.

0 LICENSED
GROUP CHILD
CARE CENTERS

THE IMPACT

We need to take action NOW to ensure a bright future for our children, our workforce and our community.

To move the needle on childcare, we have to think outside the box.

Intend to build 10,000 sq. ft. facility to accommodate up to 125 children.

TIF would be supported through expansion of Lakeview Industrial Park - reimburse LAIC for infrastructure improvements.

Taxing entities that receive TIF monies - school, county, city - all need childcare to support workforce.

STEP 1

CREATE THE
INFRASTRUCTURE BY
BUILDING AND OPENING
A CHILD CARE CENTER

STEP 2

LOOK TO EMPLOYEES
AND BUSINESSES FOR
CONTINUED
SUSTAINABILITY

WORKING TOGETHER

A TIF will help create the necessary infrastructure for a child care center

We need to get creative in solving this crisis

We need YOUR support to make this happen



"Integrity, Teamwork...Excellence"

Proposal for engineering services

May 9, 2023

Mr. Gary Zay
Building Official
City of Madison, SD

RE: Proposal for
Street Department Shop
Electrical Renovation
Madison, SD

PE Group Proposal #30-23229

Dear Gary:

We are pleased to furnish this proposal for the Electrical Engineering services necessary for the Electrical renovation of the existing Madison Street Department shop building in Madison, SD.

The scope of this project will involve a total gutting of the existing building Electrical systems and design of new replacement Electrical systems.

Our engineering services will include of the following:

ELECTRICAL "DESIGN & BIDDING" PHASE SERVICES

- Design of a new building Electric service.
- Design of required modifications to the existing Power Distribution System.
- Scheduling of new Panelboard(s).
- Design of Interior Lighting Systems.
- Design of exterior Lighting System.
- Design of receptacle layout, switching layout, and associated wiring.
- Design of electrical connections to owner furnished Equipment.
- Design of necessary Electrical Details.
- Developing an AutoCAD floorplan of the building.
- Developing Electrical Specifications.
- Answering Contractor questions during bidding.
- One (1) pre-design site visit

Electrical "CONSTRUCTION PHASE" SERVICES

- Review of equipment shop drawings to confirm compliance with specifications.
- Answering contractor questions during the construction phase.
- Up to (2) site visits to review the Electrical Contractor's work.

225 North Main Avenue
Parker, SD 57053

Ph: (605) 297-3647 / Fax (605) 297-3681
www.pegrouppengr.com



"Integrity, Teamwork...Excellence"

PROPOSED ENGINEERING FEE

For the services described above, we propose a fixed engineering fee of: **\$10,953.00*** (Ten Thousand Nine Hundred Fifty-three Dollars and no cents).

Additional Clarifications and Conditions

1. Site utility work and/or development is not included in our scope of work.
2. We will endeavor to specify and design energy efficient MEP systems to the extent possible within the confines of the project budget as we understand it. However, MEP systems will not be designed to comply with LEED standards unless this is specifically called out elsewhere in this document.
3. Engineering Services associated with the design of a Security System are not included in our scope of work.
4. Work required beyond that described herein will be considered an "Additional Service" and will be completed in accordance with our standard Hourly Rate schedule, but only after our receipt of your written direction to do so.
5. We will make up to two (2) construction era site visits during the construction phase of this project. If additional site visits are required, we propose to handle these as an "Additional Service".
6. As the owner you will be much closer to the day-to-day progress of construction. As such, we will rely upon input from you as to the proper time(s) to make the construction era site visits that are included in this proposal.
7. PE group's responsibility during construction site visits will be to review the contractor's work for general compliance with the project scope as indicated in the project drawings and specifications. PE Group will not be responsible for making exhaustive or continuous on-site inspections to check the quality or quantity of work performed by the contractor. Quality and quantity of work as well as conformance of work with requirements of the contract documents is the sole responsibility of the contractor.
8. We propose the following invoicing structure;

Design Phase work – Monthly progress billings will be made during the project. The amount of each progress billing will be based on the amount of work completed during the billing period. The overall total of these progress billings will equal 85% of the total fee.

225 North Main Avenue
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"Integrity, Teamwork...Excellence"

Additional Clarifications and Conditions

- Construction Administration work – Progress billings will be made during Construction Administration. The amount of each progress billing will be based on the amount of work completed during the billing period. The overall total of these progress billings will equal 15% of the total fee.
9. All invoices are due net, (30) days. In the event that payment is not received on or before the 30-day limit, a late fee of 1.5% per month may be added to the total amount due.
 10. SD sales taxes is not included in the above fee. If we are required to pay sales tax it will be added to our fee amount and you will be invoiced accordingly.
 11. Based on our conversation, the City of Madison will be responsible for developing the project contact with the successful bidder. PE Group's documents will cover only technical aspects of the project.
 12. All documents produced by PE Group, inc. for this project remain the intellectual property of PE Group, inc. As such, PE Group maintains full control regarding the distribution of electronic versions of these drawings.
 13. If discrepancies are found to exist between this proposal document and the AIA document referenced above, this proposal document shall prevail as the determining factor of services to be provided.
 14. This agreement is contingent upon utilizing the most current version of AIA document B155, *"Standard Form of Agreement between Owner and Architect"* as a basis for our relationship. For purposes of this agreement, The City of Madison, SD shall be considered the Architect and PE Group, inc., the Architect.
 15. PE Group, inc. will be responsible for Reproduction of the required number of plans and specifications to adequately supply the owner, bidding contractors, and code authorities. The costs associated with reproduction of plans and specifications will be a "reimbursable expense" and will be invoiced at cost, plus 10%.
 16. PE Group, inc. will be responsible for Distribution of the required number of plans and specifications to adequately supply the owner, bidding contractors, and code authorities. The costs associated with distribution of plans and specifications will be a "reimbursable expense" and will be invoiced at cost, plus 10%.



"Integrity, Teamwork...Excellence"

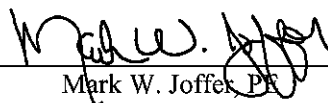
Additional Clarifications and Conditions

17. Nothing in this Agreement is intended to create, nor shall it be construed to create, a fiduciary duty owed by either party to the other party.
18. STANDARD OF CARE. Services shall be performed in accordance with (a) the standard of professional practice ordinarily exercised by the applicable profession at the time and within the locality where the Services are performed, and (b) applicable laws and regulations.
19. CHANGE OF SCOPE. The scope of services set forth in this Agreement is based on facts known at the time of execution of this Agreement. For some projects involving conceptual or process development services, scope may not be fully definable during initial phases. As the project progresses, facts discovered may indicate that scope should be redefined. PE Group will promptly inform CLIENT in writing of such situations, and if the facts discovered constitute a material change in project assumptions, the parties shall renegotiate this Agreement as necessary. No payment for services beyond those described in the original scope will be authorized without a written amendment to this Agreement.
20. SAFETY. PE Group shall establish and maintain programs and procedures for the safety of its employees. PE Group shall also comply with safety programs and procedures governing the project site. PE Group specifically disclaims any authority or responsibility for general job site safety and safety of persons other than PE Group employees.

If this proposal is acceptable, please sign in the space provided below. Please return one signed copy of the proposal to our office.

Gary, thank you very much for the opportunity to present you with this proposal. We look forward to the possibility of collaborating with you and your staff on this project. Please contact me if you should have any questions regarding this proposal. Thank you.

Client's Representative; _____


Mark W. Joffe, PE

Representative's Title; _____

President



Date: / / 2023

5 / 9 / 2023

225 North Main Avenue
Parker, SD 57053
Ph: (605) 297-3647 / Fax (605) 297-3681
www.pegrouppengr.com