



**BOARD OF COMMISSIONERS AGENDA
MONDAY, JULY 7, 2025
5:30 PM - COMMISSION CHAMBERS – 503 S HIGHLAND
AVENUE**

Please join the Zoom meeting from your computer, tablet or smartphone.
<https://us06web.zoom.us/j/86357603624> | Meeting ID: 863 5760 3624
You can also dial in using your phone.
+1 312-626-6799

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPT AGENDA

OATH OF OFFICE - DANIEL BURESH

CONSENT CALENDAR

- 1) Minutes – June 16, 2025
- 2) Bills for Approval – July 9, 2025
- 3) Bills for Ratification – June 25 & July 2, 2025
- 4) Payroll Bills for Ratification – June 20, 2025
- 5) Personnel
- 6) Set Bid Date - Segment 9 Street and Utility Improvements - July 29, 2025 at 3:00pm
- 7) Declare Surplus Property and Appoint Appraisers - Scrap metal
- 8) Declare Surplus Property and Appoint Appraisers - Transformers, Switch & Metering Cabinet
- 9) Declare Surplus Property and Appoint Appraisers - Wood Utility Poles
- 10) Declare Surplus Property and Appoint Appraisers - Mossberg 590 pump 12-gauge shotguns
- 11) Declare Surplus Property and Appoint Appraisers - 1PH Meters
- 12) Award bid #977 sale of Dodge Charger to Brian Jones, Medford, OR, through Purple Wave Auction for \$5,600
- 13) Award bid #978 sale of IMER Group Prestige 300 concrete pump to Linder Electric, Hedrick, IA, through Purple Wave Auction, for \$13,500
- 14) Award bid #979 sale of Hydra-Stop line tapping machine to Jon Elbaum, Elmwood Park, NY, through Purple Wave Auction, for \$5,100
- 15) Award bid #980 sale of Syrinix Pipeminder leak detection kits to Juan Lopez, Marshfield, MO, through Purple Wave Auction, for \$300
- 16) Award bid #981 sale of JFC Industries Drain Cam III drain inspection camera system to Matt Mitchell of Mitchell & Huss Excavation, George, IA, through Purple Wave Auction, for \$350

UNFINISHED BUSINESS

- 17) Authorize Mayor to Sign Amended Permit to Occupy Right of Way - Dakota State University

NEW BUSINESS

- 18) Public Hearing Upon Application for Temporary Retail (on-sale) Alcohol License - Greater Madison Area Chamber of Commerce - DownTown in MadTown

- 19) Consider Approval of Temporary Retail (on-sale) Alcohol License - Greater Madison Area Chamber of Commerce - DownTown in MadTown
- 20) DeLon Mork, Dairy Queen - Overview of 2025 Miracle Treat Day
- 21) First Reading of Ordinance 1680 - Regulation of Wheeled, Electronically Propelled Devices
- 22) Approve Resolution 2025-13 - Approving and Recommending Tax Incremental District Plan #7
- 23) Approve Tax Incremental District #7 Project Plan
- 24) Approve Tax Increment District #7 Development Agreement
- 25) Approve Change Order No. 1 – North Egan Avenue Reconstruction and Utility Improvements – Winter Contracting, LLC
- 26) Approve Madison Water System Improvements - Engineering Services Amendment No. 1 - Banner Associates, Inc.
- 27) Discussion and possible action to direct staff to create a Parks Master Plan
- 28) Acknowledge resignation of Commissioner Sarah Cronin effective August 1, 2025
- 29) Approval of application and appointment process of City Commission vacancy
- 30) July 2025 City Updates

PUBLIC COMMENT

ANNOUNCEMENTS

- 31) Next Regular Commission Meeting – Monday, July 21, 2025 at 5:30 pm

EXECUTIVE SESSION

- 32) Pursuant to 1-25-2(4)

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**

June 16, 2025
Regular

The Board of Commissioners of the City of Madison met in regular session at 5:30 PM on the 16th day of June with the following members present upon roll call: Commissioners Kelly Dybdahl, Sarah Cronin, Jerae Wire, Adam Shaw, and Mayor Lindsay.

The Pledge of Allegiance was recited.

Motion by Commissioner Shaw, seconded by Commissioner Cronin to adopt the June 16, 2025 agenda. Motion carried unanimously.

Motion by Commissioner Dybdahl, seconded by Commissioner Shaw to approve the following items on the consent calendar: Minutes – June 2, 2025; Special Meeting Minutes – June 9, 2025; Bills for Approval – June 18, 2025; Bills for Ratification – June 11, 2025; Payroll Bills for Ratification – June 6, 2025; Personnel; Appoint Nick Bird, Matt Burpee, and Dale Droge to Park and Recreation Board (3-year terms ending in April 2028); Appoint Dave Gilbert and Mathew Wollmann to Airport Board (5-year terms ending in April 2030); Declare Surplus Property and Appoint Appraisers – Building Tin.

Bills for Approval – June 18, 2025

ACE HARDWARE Air Filters \$132.47; BANNER ASSOCIATES INC ARPA Professional Services \$72,370.65; CARQUEST OF MADISON Weed Eater Fuel \$75.00; CENTURYLINK QC Phone Bill \$90.57; CITY OF BROOKINGS May Gate Fees \$5,057.34; CITY OF SIOUX FALLS Water Samples \$52.74; DAKOTA FLUID POWER INC Parts \$7.73; DALE'S A-1 TRANSMISSION Transmission Repair \$2,810.90; EAST RIVER ELECTRIC POWER COOP Monthly Transmission Services \$30,838.76; ELECTRIC CONSTRUCTION COMPANY MMU Generator Installation - Final Payment \$27,553.00; EQUIPMENT BLADES INC Parts \$548.64; FASTENAL CO Parts \$6.22; FIRST BANK & TRUST - HEARTLAND ENERGY Heartland Energy \$278,846.48; FLAGSHOOTER INC Red Marking Paint - Rustoleum \$659.88; FLEET PRIDE Filters \$406.56; HACH CO Pipets and Chemicals \$105.84; HILLYARD INC Janitorial Supplies \$90.24; KRUG PRODUCTS INC Parts \$319.40; MIDWEST TURF & IRRIGATION Mower \$10,028.02; NORTHWESTERN ENERGY Utilities \$1,426.00; O REILLY AUTOMOTIVE INC Purge Solenoid \$38.34; OFFICE PEEPS INC Office Supplies \$52.50; PHEASANTLAND INDUSTRIES Employee Uniforms \$440.00; PORTA PROS INC DBA A-1 PORTABLE TOILETS Toilet Rental \$158.00; RUNNINGS SUPPLY INC Impact Socket & Wrench \$649.36; SD FEDERAL PROPERTY AGENCY Tools \$274.00; STURDEVANTS MADISON INC Battery \$414.90; US DEPT OF ENERGY Monthly WAPA Bill \$141,861.15.

Bills for Ratification – June 11, 2025

ACE HARDWARE Keys, Staple Gun, Nails/Staples \$190.41; ALLEGRA Summer Reading Program Signage \$1,324.00; ALPHA MEDIA USA LLC Community Center Advertising \$388.00; AMAZON CAPITAL SERVICES INC Books, Craft Supplies, Caster Wheels \$1,536.20; APPEARA Mat Rentals \$475.62; AT & T MOBILITY Library Phones & Data \$277.18; AUTOMATIC BUILDING CONTROLS Annual Fire Alarm Monitoring \$540.00; BAKER & TAYLOR Books \$40.17; BERRY FAST BICYCLES LLC Bikes/Gift Cards - Bike Safety Day \$1,501.77; BORDER STATES ELECTRIC SUPPLY Grounds & Ground Clamps \$14,314.12; BORNS GROUP INC Printing & Postage \$1,709.39; CENTURY BUSINESS PRODUCTS INC Copier Lease \$366.32; CITY OF SIOUX FALLS Pool & Spa Bacteria Testing \$118.65; CLASSIC CONVENIENCE INC Fuel \$582.69; COLES PETROLEUM PRODUCTS INC AV Gas \$33,307.08; COLMAN BUILDING CENTER Plywood \$227.56; CONSTRUCTION PRODUCTS & CONSULTANTS INC Air Hose \$100.00; CORE & MAIN GP LLC 6 X 12 SS Sleeve \$849.30; DAKOTA STATE UNIVERSITY Workstudy & Student Labor (Jan - May 2025) \$20,019.98; DEFENSE TECHNOLOGY LLC Tactical Launcher, Stock Caddy \$4,012.65; DOLLAR GENERAL CORP Plates, Napkins, Cutlery \$24.90; DOSSETT UNDERGROUND INC SW 7th St Light Wires \$2,844.00; DUTTON-LAINSON COMPANY Water Meter \$945.00; ELITE CARD PAYMENT CENTER Credit Card Purchases through 5/18/25 \$6,401.96; ETHANOL PRODUCTS LLC Chemicals \$3,182.00; F & M COOP OIL CO Fuel \$825.72; FOX PROMO LLC Shirts - Aquatics \$1,335.47; G & R CONTROLS INC Boiler Maintenance Kit and Labor \$2,074.55; GOLDEN VALLEY HARDSCAPES LLC Playground Mulch \$4,075.00; GRAHAM TIRE COMPANY Tires \$514.64; HANCO CORPORATION Mower Tires \$398.88; HAWKINS INC Chemicals \$1,597.77; HEIMAN INC Remote Tank Level Gauge

\$231.60; HILLYARD INC Janitorial Supplies \$422.39; INFOTECH SOLUTIONS LLC Computer & Software Subscription Fees \$7,548.95; KINGBROOK RURAL WATER SYSTEM INC Water \$39.00; LAKE COUNTY HISTORICAL SOCIETY Lake County Museum - Membership \$25.00; LAKE COUNTY REGISTER OF DEEDS Utility Easement \$128.00; LASER CUT INC Groomer Teeth \$113.10; LEADER PRINTING Disconnect Notices \$180.00; LEWIS & CLARK REGIONAL WATER SYSTEM Purchased Water \$12,467.00; MADISON ANIMAL CLINIC Euthanasia - Canine \$135.00; MADISON GROCERY STORE INC Snacks - Summer Reading Program \$40.17; MADISON HOSPITALITY GROUP LLC TIF #2 MHG - 1st Half 2024 Taxes \$21,971.48; MICROMARKETING LLC Books \$373.28; MIDCONTINENT COMMUNICATIONS Business Internet \$310.78; MPOWER TECHNOLOGIES INC Server Conversion & Meter Change Outs/ Approvals \$1,800.00; NEWS BANK INC Annual Subscription \$2,898.00; NORTHERN TRUCK EQUIPMENT CORP Snow Plow for Pickup \$9,340.00; O REILLY AUTOMOTIVE INC Filters \$30.12; OFFICE OF FIRE MARSHAL - BOILER INSPECTION Boiler Inspection \$300.00; OFFICE PEEPS INC Paper, Tape/Packing Tape \$770.72; OMNI PRO SOFTWARE INC SCADA 2025-2026 \$3,523.52; ONE STOP Fuel \$81.86; OPEN ACCESS TECHNOLOGY INT'L AMI Dues and Subscriptions \$6,816.28; PORTA PROS INC DBA A-1 PORTABLE TOILETS Toilet Rental \$158.00; RUNNINGS SUPPLY INC Tools \$1,002.29; RURAL ELECTRIC SUPPLY COOP Bid #963 Pad Mount Transformers \$8,352.08; SAME DAY EXPRESS Delivery to Sioux Falls Public Health Lab \$20.00; SCHOLASTIC INC EDUCATION Books \$313.02; SD DEPT OF AGRICULTURE & NATURAL RESOURCES Application For Cert. Water Dist. II - S. Molitor \$60.00; SD GOVERNMENTAL HUMAN RESOURCE ASSOCIATION HR School (Olson & Hegg) \$120.00; SD ONE CALL One Call Services \$138.60; SD PUBLIC HEALTH LABORATORY Water Samples \$206.00; SD RETIREMENT SYSTEM SPP - Lorri W. \$45.00; SDN COMMUNICATIONS Library Internet \$516.79; SEWER EQUIPMENT CO OF AMERICA Valve & Counter \$718.35; SIOUX VALLEY ENERGY Utilities \$75.00; STEIN SIGN DISPLAY City Hall Signage - 50% Down \$9,774.00; STUART IRBY TOOL CO Rubber Goods Testing \$476.13; STURDEVANTS MADISON INC Filters \$643.48; SWANK MOVIE LICENSING USA Site License \$357.00; SWEENEY CONTROLS CO Repair \$1,323.18; SYN-TECH SYSTEMS Fuel Pump Parts \$1,790.10; TALK THE TEE Vehicle Decals \$72.00; THE PENWORTHY CO LLC Books \$422.29; TIMMER SUPPLY CO Parts \$42.63; ULINE Privately Owned Meter Stickers \$150.27; VERIZON BUSINESS ASP Cell Phone \$124.46; WEIST/SHERRY Water Aerobics - May \$469.32; WHEALY/MARK Spin Classes \$56.00.

Payroll Bills for Ratification – June 6, 2025

AFLAC \$5,285.62; Delta Dental \$8,041.90; Health Pool of South Dakota \$56,055.96; IRS-EFTPS \$53,089.99; Local Union #426, IBEW \$617.00; Office-Child Support Enforce \$835.38; Optilegra, Inc \$835.38; SD Retirement System \$28,673.68; SD Retirement System \$10,526.00; Teamsters Local No. 120 \$1,004.00.

Mayor Lindsay recognized Commissioner Adam Shaw for his 5 years of dedicated service to the City of Madison.

Motion by Commissioner Shaw, seconded by Commissioner Wire to Table Unfinished Business Item #11 until the next meeting - Authorize Mayor to Sign Amended Permit to Occupy Right of Way – Dakota State University. Motion carried unanimously. This item represents an amendment to the previously approved, but unsigned, Permit to Occupy the Lee Avenue ROW. Although the City Commission reviewed and approved the original permit on January 21st, it was not signed by DSU at that time. Since then, DSU has added a new provision concerning indemnification. They are now seeking approval of this amended permit prior to proceeding with construction.

Motion by Commissioner Shaw, seconded by Commissioner Cronin to Authorize Mayor to Sign Change Order No. 2 – Madison Phase 1A Sanitary Sewer CIPP Lining (Segment 6) – HK Solutions Inc. Motion carried unanimously. This change order is presented for final adjustment of quantities on the Segment 6 CIPP Sanitary Sewer Lining Project which results in a decrease of \$17,141.70, bringing the total contract price to \$273,616.52.

Motion by Commissioner Shaw, seconded by Commissioner Cronin to Authorize Mayor to Sign Change Order No. 1 – Madison Phase 1B & 2A Sanitary Sewer CIPP Lining (Segment 7) – HK Solutions Inc. Motion carried unanimously. This change order is presented for the final adjustment of quantities on the Segment 7 CIPP Sanitary Sewer Lining Project which results in a decrease of \$31,925.40, bringing the total contract price to \$395,311.02.

Weston Blasius, Banner Associates, presented the 2025-2029 Infrastructure Improvement Plan. This five-year plan provides a strategic and systematic approach to managing and upgrading the City's infrastructure. It is designed to balance immediate

needs with long-term goals, ensuring thoughtful investment in critical assets that support our community. The City Commission acknowledged the Plan, no formal action required at this time.

Motion by Commissioner Dybdahl, seconded by Commissioner Cronin to Authorize Mayor to Sign Project Closeout – Madison Municipal Airport AIG No. 3-46-0029-026-2024. Motion carried unanimously. This will complete the grant closeout process for the Apron and Taxiway design.

Amy Sad presented the monthly Finance updates.

Mayor Lindsay announced the following:

- Next Regular Commission Meeting – Monday, July 7, 2025 at 5:30 PM

Motion by Commissioner Shaw, seconded by Commissioner Cronin to adjourn at 6:11 PM.

/s/Amy L Sad
Finance Officer

CITY OF MADISON
PERSONNEL
JULY 2025

NAME	EFFECTIVE DATE	PRESENT STATUS	RECOMMENDED STATUS	PRESENT RATE/SALARY	RECOMMENDED RATE/SALARY	POSITION
WOLFF, CONRAD	6/13/2025		TEMP		\$11.88	AFTER SCHOOL PROGRAM ASSISTANT
MATERESE, GUYTO	6/16/2025		TEMP		\$11.88	AFTER SCHOOL PROGRAM ASSISTANT

ADVERTISEMENT FOR BIDS
City of Madison, South Dakota
Segment 9 Street and Utility Improvements

General Notice

The City of Madison (Owner) is requesting Sealed Bids for the construction of the following Project:

Segment 9 – Street and Utility Improvements
BAI No. 24424.00.00

Sealed Bids for the construction of the Project will be received at the **Office of the Finance Officer** located at **503 S Highland Avenue, Madison, South Dakota 57042-3227** until **Tuesday, July 29, 2025** at **3:00 PM** local time. At that time the Sealed Bids received will be **publicly** opened and read. Submittal of the Bid shall be in accordance with Article 14 of the Instruction to Bidders.

The Project includes the following Work:

- Furnish and Install approximately 202 LF of 8" water pipe, 13 LF of 6" water pipe and 68 LF of 4" water pipe;
- Furnish and Install approximately 1 EA of Sanitary Sewer Manhole;
- Furnish and Install approximately 12 LF of 12" sanitary sewer pipe and 88 LF of 8" sanitary sewer pipe;
- Furnish and Install approximately 147 LF of 24" RCP storm sewer and 35 LF of 18" RCP storm sewer;
- Furnish and Install approximately 4 Storm Sewer Structures;
- Furnish and Install water and sanitary sewer tracer wire systems;
- Approximately 842 SY of asphalt concrete removal;
- Furnish and Install approximately 430 Tons of base course;
- Furnish and Install approximately 440 Tons of subbase foundation aggregate;
- Furnish and Install approximately 974 SY of geotextile fabric for subgrade stabilization;
- Furnish and Install approximately 802 SY of 4" asphalt concrete;
- Furnish and Install approximately 302 LF of concrete curb & gutter;
- Furnish and install approximately 787 SF of concrete sidewalk;
- Surface restoration and all other miscellaneous work required not herein mentioned, but inferred from the construction Contract Documents.

Obtaining the Bidding Documents

The Issuing Office for the Bidding Documents is:

Banner Associates, Inc.
409 22nd Avenue South
Brookings, SD 57006
(605) 692-6342

Prospective Bidders may obtain or examine the Bidding Documents at the Issuing Office. Upon a non-refundable payment of \$75.00, including applicable taxes and fees, a paper copy of Bidding Documents may be obtained. Partial sets of Bidding Documents will not be available from the Issuing Office. Neither Owner nor Engineer will be responsible for full or partial sets of Bidding Documents, including addenda, if any, obtained from sources other than the Issuing Office.

Bidding Documents can be downloaded from www.bannerassociates.com and/or www.questcdn.com (reference Quest number **9592794**). Register with QuestCDN.com and submit the \$22.00 fee to download the Bidding Documents. Downloading is recommended as plan holders receive automatic notice of addenda and bid updates. Interested parties may view the Bidding Documents at no cost after registration and prior to deciding to become a plan holder. Contact QuestCDN Customer Support at 952-233-1632 or Support@questcdn.com for assistance in membership registration and downloading digital Bidding Documents.

Upon request, in accordance with South Dakota Codified Law 5-18B-1, one paper copy of Bidding Documents shall be furnished, without charge, to each prime contractor resident in South Dakota who intends, in good faith, to submit a bid to the Owner. Additionally, if a paper copy is provided under the conditions of SDCL 5-18B-1, in consideration of the documents being provided at no charge, unsuccessful bidders agree to return the documents to the Issuing Office within thirty (30) days after the bid opening.

All official notifications, addenda, and other Bidding Documents will be offered only through the designated websites.

The Bidder to whom the contract is awarded will be required to furnish a construction performance bond and a construction payment bond to the Owner in the amount of one hundred percent (100%) of the contract award for each bond, in conformance with the requirements of the Contract Documents. The construction performance bond and construction payment bond shall remain in full force until the completion of the Contract as specified in the General Conditions.

All bids must be accompanied by a Bid security. Bid security will take the form of a bid bond in an amount of ten percent (10%) of the Bidder's maximum Bid price or a cashier's or certified check made payable to Owner in an amount of five percent (5%) of the Bidder's maximum Bid price. The Bid security will be retained by the Owner as liquidated damages if the successful bidder refuses or fails to enter into an Agreement within fifteen (15) days after Notice of Award or fails at time of executing the contract to furnish a construction performance bond and construction payment bond guaranteeing the faithful performance of the work.

Bids may not be withdrawn after the time fixed for opening them. The Owner reserves the right to reject any and all bids, and to waive any irregularities therein.

A pre-bid conference will not be held.

This Advertisement is issued by:

Owner: **City of Madison, South Dakota**

By: **Ryan Hegg**

Title: **Director of Engineering and Community Development**

Date: **Published twice at the approximate cost of \$_____**



Physical/Shipping Address

435 S. Highland Ave

Madison, SD 57042

Mailing Address

503 S. Highland Ave

Madison, SD 57042

Phone: (605) 256-7521

Fax: (605) 256-7538

www.CityofMadisonSD.com

TO: Mayor/Commission
FROM: Tess Nelson
DATE: July 7, 2025
RE: Declare Surplus Property

\$ _____
(Includes any applicable sales tax)

Scrap Wire / Scrap Metal Poles / Scrap Miscellaneous

We, the undersigned, duly appointed by the Board of Commissioners of the City of Madison, South Dakota, hereby establish the above appraisal values for each of the surplus items.

Jayson Limmer

Andy Coffey

Mike Goth

**Physical/Shipping Address**

435 S. Highland Ave

Madison, SD 57042

Mailing Address

503 S. Highland Ave

Madison, SD 57042

Phone: (605) 256-7521**Fax:** (605) 256-7538www.CityofMadisonSD.com

TO: Mayor/Commission

FROM: Tess Nelson

DATE: July 7, 2025

RE: Declare Surplus Property

\$ _____
(Includes any applicable sales tax)

4 – Pad Mount Transformers
2 – Pole Top Transformers
1 – S & C Switch
1 – Primary Metering Cabinet

We, the undersigned, duly appointed by the Board of Commissioners of the City of Madison, South Dakota, hereby establish the above appraisal values for each of the surplus items.

Jayson Limmer

Andy Coffey

Mike Goth



Physical/Shipping Address

435 S. Highland Ave

Madison, SD 57042

Mailing Address

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Madison, SD 57042

Phone: (605) 256-7521

Fax: (605) 256-7538

www.CityofMadisonSD.com

TO: Mayor/Commission
FROM: Tess Nelson
DATE: July 7, 2025
RE: Declare Surplus Property

\$ _____
(Includes any applicable sales tax)

Wood Utility Poles

We, the undersigned, duly appointed by the Board of Commissioners of the City of Madison, South Dakota, hereby establish the above appraisal values for each of the surplus items.

Jayson Limmer

Andy Coffey

Mike Goth



Madison Police Department

To: Mayor/Commission
From: Justin Meyer
Date : 6/25/25
RE: Declare Surplus Property

\$ _____
(Includes any applicable sales tax)

Item 1: Mossberg 590 Pump 12-gauge Shotgun; Serial Number: P623193
Item 2: Mossberg 590 Pump 12-gauge Shotgun; Serial Number: P864363
Item 3: Mossberg 590 Pump 12-gauge Shotgun; Serial Number: T663307
Item 4: Mossberg 500 Pump 12-gauge Shotgun; Serial Number: U846235
Item 5: Mossberg 500 Pump 12-gauge Shotgun; Serial Number: P702472

We, the undersigned, duly appointed by the Board of Commissioners of the City of Madison, South Dakota, hereby establish the above appraisal values for each of the surplus items.

Rodney Goth

David Wilt

Sean Nielsen



Madison Police Department

Rodney Goth

Item 1:

Item 2:

Item 3:

Item 4:

Item 5:

David Wilt

Item 1:

Item 2:

Item 3:

Item 4:

Item 5:

Sean Nielsen

Item 1:

Item 2:

Item 3:

Item 4:

Item 5:

**Physical/Shipping Address**

435 S. Highland Ave

Madison, SD 57042

Mailing Address

503 S. Highland Ave

Madison, SD 57042

Phone: (605) 256-7521**Fax:** (605) 256-7538www.CityofMadisonSD.com

TO: Mayor/Commission

FROM: Tess Nelson

DATE: July 7, 2025

RE: Declare Surplus Property

\$ _____
(Includes any applicable sales tax)

1550 - Old ERT 1PH Meters

We, the undersigned, duly appointed by the Board of Commissioners of the City of Madison, South Dakota, hereby establish the above appraisal values for each of the surplus items.

Jayson Limmer

Andy Coffey

Mike Goth

CITY OF MADISON
PERMIT TO OCCUPY RIGHT-OF-WAY

STREET: The East Half of North Lee Avenue right of way, APPROXIMATELY 665 feet North of Northeast 9th Street,

DESCRIPTION OF OCCUPANCY: To occupy the area within the North Lee Avenue right of way as shown on the attached exhibit.

PURPOSE OF OCCUPANCY: To provide off-street parking to Dakota State University students. The occupation of the right of way would be expansion of the existing parking lot to appropriate specifications and would be maintained by Dakota State University, to include but not limited to surfacing replacement and snow removal.

DURATION OF OCCUPANCY: PERMANENT

I, the undersigned, request permission to occupy public right-of-way at the above location and as shown on the attached layout sheet. In consideration for this permission, I agree to abide by all conditions as herein stated.

1. To furnish all materials, labor, incidentals and to pay all costs involved with this occupancy.
2. Dakota State University shall not erect or construct any building or structure within a strip of land 20 feet wide, being 10 foot on either side of the electrical line as constructed. A paved parking lot or roadway shall be considered a structure for the purposes of this provision.
3. Following installation or maintenance of surfacing areas, Dakota State University shall fix, repair, and restore the area to a satisfactory condition comparable to the adjacent land and to a reasonable condition that existed prior to the Grantees' activities.
4. To indemnify, hold, and save harmless the City of Madison, its Officers and Employees from any and all suits, actions or claims of any kind or nature brought because of any injuries or damages received or sustained by any person or property on account of the use or occupancy of right-of-way designated in this application.
5. The applicant shall obtain an Excavation Permit according to City of Madison ordinances for all construction activities; present and future.
6. Failure to furnish the occupancy with the provisions of this permit will automatically render this permit null and void and where applicable, constitute grounds for its removal and/or full restoration of the occupancy.

Name (print) : _____

Signature: _____ Date: _____

Address: _____

Representing: _____

The permit to occupy right-of-way is granted to all conditions as herein stated on this _____ day of _____, 2025

Mayor



Scale: 1" = 50'

AREA OF DSU
OCCUPANCY WITHIN
LEE AVENUE

PROPOSED
POND

DALY'S
1
ADDITION
1

WASHINGTON AVENUE NE

9TH STREET NE

File Location: S:\Projects\2022\22089 - DSU Parking Lot Exp (Madison)\Exhibits\Working Files\CAD Files\22089 - Proposed Layout Exhibit.dwg \ Plot Date: 6/19/2025 10:34 AM

**APPLICATION FOR A TEMPORARY
ALCOHOL LICENSE**

**City of Madison
503 S. Highland Avenue
Madison SD 57042**

Date 5/15/25

Honorable Mayor
City Commissioners
Madison, South Dakota

I herewith submit my application for a temporary alcohol license for the date of
July 15, 22 & August 5, 12, 19, 26, 2025.

Location Downtown in MadTown Egan Ave (N 2nd to S 2nd) + Center St. (Alley to Alley
off of Egan)

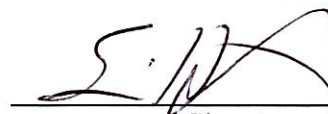
Fee per license: \$ 100.00 per day

Enclosed is a check in the amount of \$ 600 to cover said fee.

Greater Madison Area Chamber of Commerce
Name of Firm, Corporation or Partnership Making Application

Greater Madison Area Chamber of Commerce
Name of Organization, Person or Firm Holding the Event

315 S Egan Ave Madison 57042
Street Address City Zip Code


Signature of Applicant

5/15/25
Date

For Office Use Only

Receipt No. 101-3200-32610 Date _____ Amount \$ _____

City of Madison
Memorandum - Miracle Treat Day 2025



To: Mayor and City Commission
From: Jameson Berreth, City Administrator
Subject: DeLon Mork, Dairy Queen - Overview of 2025 Miracle Treat Day
Date: July 7, 2025

Background

Dairy Queen of Madison participates annually in a fundraiser through Children's Miracle Network Hospitals to provide donations for local children's hospitals. This year's event is on Thursday, July 31st and marks the 20th anniversary of the event. DeLon Mork of the Madison Dairy Queen will speak to the City Commission about this anniversary event and the goals his business has for the event.

City Collaboration

Mork is interested in taking extra steps to promote Miracle Treat Day 2025 and would like to know if the City is willing to partner where possible. One idea is to hang a banner on the downtown sign which is located over the 200 block of N Egan Avenue at no cost to the City. There may be other opportunities to collaborate as well.

Staff recommendation

If Commission desires to collaborate, direct staff to coordinate with Dairy Queen on the downtown banner and other ways to support Miracle Treat Day 2025.



ORDINANCE NO. 1680

AN ORDINANCE TO REGULATE WHEELED, ELECTRONICALLY PROPELLED DEVICES

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

That Chapter 40 – Traffic and Vehicles, Section 40-290 of the Revised Ordinances of the City of Madison be amended to read as follows:

Sec. 40-290 – Speed

No bicycle shall be ridden faster than is reasonable and proper, and every bicycle shall be operated with reasonable regard to the safety of the operator and any other person upon the streets, highways, and sidewalks of the City but no more than 15 miles per hour on public sidewalks.

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

That Chapter 40 – Traffic and Vehicles of the Revised Ordinances of the City of Madison be amended to add a new Section as follows:

Sec. 40-298 – Wheeled, electronically propelled devices

- a) Any wheeled, electronically propelled device not defined by state or local ordinance shall comply with all state and local bicycle ordinances.
- b) No person under eighteen years of age may operate or ride upon a wheeled, electronically propelled device at a speed exceeding 20 miles per hour on the public streets or highways of this city unless the person wears a protective helmet of a type meeting Department of Transportation Motor Vehicle Safety Standard 218 as in effect on January 1, 1984. No person may operate a wheeled, electronically propelled device with any person under eighteen as a passenger if the passenger is not wearing a protective helmet.
- c) No person may operate a wheeled, electronically propelled device at a speed exceeding 20 miles per hour unless wearing eye protection. However, no person may operate a wheeled, electronically propelled device when headlights must be lighted while wearing

eye protection that is tinted or shaded to reduce the light transmittance of the device to a level below thirty-five percent.

d) Penalty Defined

- 1) Any person who violates subsection (b) is guilty of a Class 2 misdemeanor.
- 2) Any person who violates subsection (c) is guilty of a petty offense.

Dated this ____ day of _____, 2025.

CITY OF MADISON

Roy J. Lindsay Jr., Mayor

ATTEST: _____
Finance Officer

1st Reading:

2nd Reading:

Published:

Effective:

RESOLUTION NO. 2025-13

**APPROVING AND RECOMMENDING OF TAX INCREMENTAL DISTRICT PLAN
NUMBER SEVEN, 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 July 7th, 2025, 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 3 of Southridge Square First Addition to the City of Madison, in the County of Lake, South Dakota.

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

WHEREAS, such Notice was published in the official newspapers in City of Madison not less than ten (10) nor more than thirty (30) days from the date of the hearing which was held on June 10th, 2025.

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 June 10th, 2025, as provided in such Notice, and all interested parties were allowed a reasonable opportunity to be heard on the proposed Tax Incremental District Seven 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 Seven 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 and affordable housing:

- A. The South Dakota Department of Revenue has reviewed the TIF Plan and classified the Tax Increment District Seven of City of Madison to be Affordable Housing.
- B. 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.
- C. 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.
- D. The improvement of the area is likely to significantly enhance the value of substantially all other real property in the district;
- E. 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 3 of Southridge Square First Addition to the City of Madison, in the County of Lake, South Dakota.

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

4. **Findings of Annual Appropriation TID.** Tax Increment District #7 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 Seven Fund, which shall be a segregated asset account. All tax increments collected pursuant to Tax Incremental District Number Seven shall be deposited into the Tax Incremental District Number Seven Fund. All funds in the Tax Incremental District Number Seven 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 Seven, a copy of which is on file with the City Finance Officer.

Dated this 7th Day of July 2025.

CITY OF MADISON, SOUTH DAKOTA

BY: _____
Roy Lindsay, Mayor

ATTEST:

Finance Officer



Tax Increment Finance District #7

Madison, South Dakota

On behalf of: Sodak Properties Group, LLC

Tobin J. Morris
Senior Vice President
+1 605 280-5559
tobin.morris@colliers.com

Colliers Securities LLC
124 W Dakota Ave Pierre, SD
57501



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Introduction – The Project

Key Components of Tax Increment Financing

1. **Attracting Investment:** TIF enables local governments to support private development by using the anticipated increase in property tax revenues to fund projects in the designated district. As property values rise from new development, more tax dollars are generated. This growth in tax revenue can be used for further improvements, helping to overcome initial barriers to development.
2. **Property Tax Increment:** The core mechanism of TIF is the “tax increment” the difference between the property tax valuation before the TIF district is created and the increased valuation after the district is formed. For example:
 - o Before the TIF: The properties in the district have a certain valuation.
 - o After the TIF: The properties increase in value due to improvements and development, leading to higher property taxes.
 - o The Increment: The tax revenue from the increase in property value (the increment) is used to fund specific redevelopment projects within the district.
3. **Allocation of Funds:** While the base-level property tax revenue (from the original property value) continues to be distributed to local governments (city, county, school district, etc.), the additional revenue generated by the increased property value (the tax increment) is retained within the TIF district to finance redevelopment efforts.
4. **Economic Development and Job Creation:** TIF helps local governments address the costs associated with development, making it a powerful tool for both attracting new businesses and retaining existing ones. The economic activity generated by TIF can result in new jobs, an increased customer base, and greater investment opportunities, all of which benefit the community.
5. **Legal Framework in South Dakota:** According to South Dakota Codified Law, Chapter 11-9, local governments have the authority to designate specific areas within their jurisdiction as TIF districts. These districts are often located in areas that require revitalization or have significant potential for development. The development plan for a TIF district must be recommended for approval by both the City Planning Commission and the City Council.

The Project

The proposed TIF district will feature four multifamily buildings, with each building containing 12 units, for a total of 48 units in the development. These units will be available at affordable rents, set at or below the 80% Area Median Income (AMI) limit for South Dakota.

The table to the right shows South Dakota’s 80% AMI:

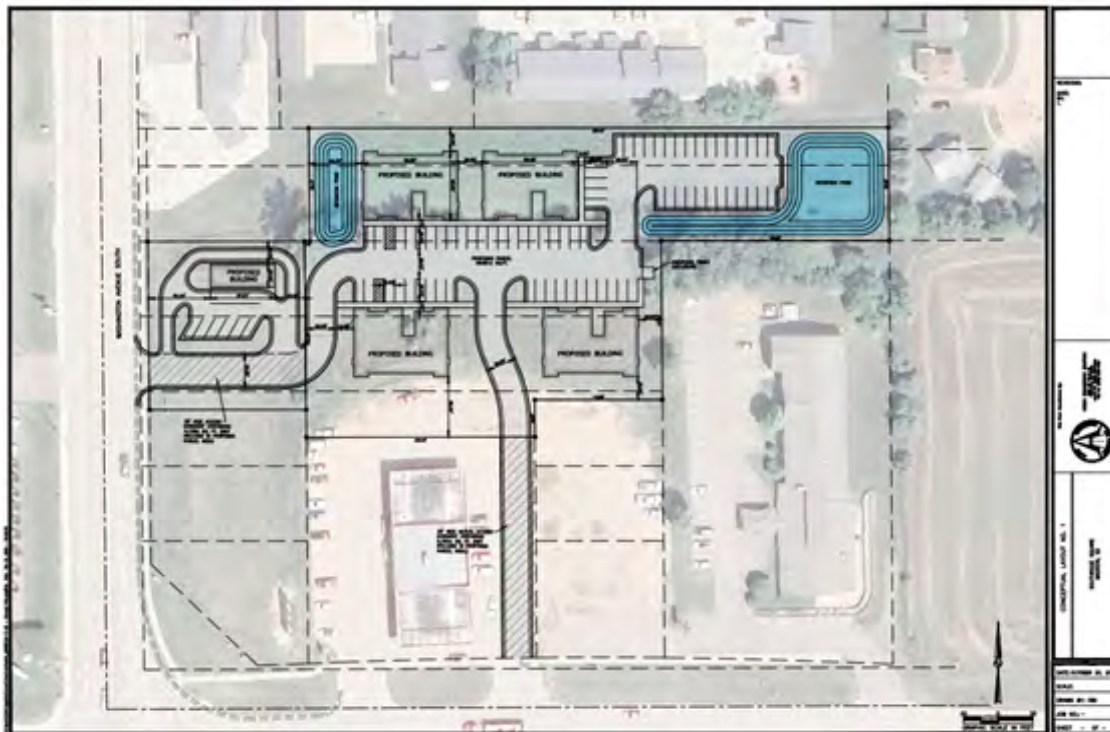
South Dakota's 80% AMI	
Unit	Rent
Zero Bedroom	\$1,331
One Bedroom	\$1,522
Two Bedroom	\$1,712
Three Bedroom	\$1,902
Four Bedroom	\$2,054
Five Bedroom	\$2,206

Introduction – The Project

The following is the conceptual design of the proposed 12 unit apartment building within the District:



The image below shows the layout of the proposed development:





TAX INCREMENT FINANCE DISTRICT #7

Purpose & General Definitions

Purpose & General Definitions

Purpose of the TIF District

The proposed Tax Increment District (TID) is located within the City of Madison, South Dakota.

As such, the creation of the City of Madison TIF #7 will be presented for the recommendation of the district's boundaries through a resolution and recommendation of the TID Project Plan by the City Planning and Zoning Commission.

This Plan, which will be implemented by the City of Madison, is designed to meet the requirements for a Tax Increment District as outlined in SDCL Chapter 11-9. The primary objective of the Plan is to identify eligible properties and establish a Tax Increment Plan to fund activities within the designated area. It will also outline the boundaries, estimated costs, feasibility, and fiscal impact of the district.

The central goal of this plan is to utilize Tax Increment Financing (TIF) as a mechanism to stimulate private sector development, promote redevelopment, and encourage economic growth within the district. This plan will provide a structured financial vehicle to manage and administer the funds generated by the district.

Population

Madison Population according to the 2022 City of Madison Housing Study:

1990-2000: Madison's population grew by 4.5%, from 6,257 in 1990 to 6,540 in 2000.

2000-2010: The population slightly decreased by 1.0%, from 6,540 to 6,474.

2010-2020: Madison saw a decline of 4.4%, with a population drop from 6,474 to 6,191. This decrease is likely linked to the COVID-19 pandemic, which led to the closure of on-campus housing at Dakota State University, potentially removing around 350 students from the population count.

As of July 1, 2023, the estimated population of Madison, South Dakota, is 6,091, reflecting a 1.6% decrease from the 2020 Census count of 6,191. This decline is consistent with recent trends; for instance, between 2021 and 2022, the population decreased from 6,388 to 6,271, a 1.83% decrease. These figures suggest a gradual population decline in Madison over the past few years. - US Census

The Need for Multifamily Development

According to the 2022 City of Madison Housing Study, Madison's rental housing market has a clear demand for a variety of housing types, including both higher-end market-rate units and more affordable options. With the expected household growth and the need for replacement of lost units, planning for the construction of 40-50 market-rate units over the next five years will help meet current and future demands. Partnerships between private developers and the city, alongside financial incentives, will be crucial to successfully addressing these needs.

Purpose & General Definitions

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 significantly enhance the value of substantially all of the other real property in the district.

“Council” means the City of Madison City Council

“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 Sodak Properties Group, LLC

“Developer’s Agreement” means the agreement between Developer and the 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 the City of Madison

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

“Governing body” means the City of Madison, City Council

“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 the 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 the 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 the City of Madison Tax Increment District #7.

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

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

Creation of Madison Tax Increment District #7

Creation of the District

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

The City of Madison wishes to build a diverse, and resilient economy that allows for upward economic mobility for the community, broadens and promotes economic well-being and quality of life for its residents. Through business attraction, retention and expansion, job creation, infrastructure development, and workforce development.

State law requires that tax increment districts cannot exceed ten percent of the taxable value of a municipality. The 2025 valuation of the City of Madison is \$500,253,757. The base value of the taxable property for inclusion into this Tax Incremental District #7, as estimated but not yet verified by the Lake County Director of Equalization, is \$51,600.

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 five other active TIF district in the City of Madison. Using the estimates provided for TID #7, the value of all existing Tax Increment Districts combined is less than 1% of the total 2024 Taxable Valuation.

CITY OF MADISON	
Tax Increment District	Base Values
1	\$556,044
2	\$25,075
3	\$28,172
5	\$65,240
6	\$3,381,864
7	\$51,600
Total	\$4,107,995
<i>City of Madison Taxable Value</i>	<i>\$500,253,757</i>

Property Within Tax Increment #7

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 3 of Southridge Square First Addition to the City of Madison, in the County of Lake, South Dakota.

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

Kind, Number, Location, And Detailed Costs Of Proposed Public Works And Improvements – Sdcl § 11-9-13(1) W

Project Costs

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 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 \$1,080,261. 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.

PROJECT COSTS			
Kind of Project	Location ¹	Amount	Reference ²
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs)	District		11-9-15(1)
Financing Costs	District		11-9-15(1)
Real Property Assembly	District		11-9-15(1)
Professional Fees	District		11-9-15(1)
Administrative Costs	District		11-9-15(1)
Relocation Costs	District		11-9-15(1)
Organizational Costs	District		11-9-15(1)
Discretionary Costs and Grants	District	\$1,080,261	11-9-15(1)
Eligible Project Costst		\$1,080,261	

¹ District shall mean the Tax Increment District

² SDCL §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.

Kind, Number, Location, And Detailed Costs Of Proposed Public Works And Improvements – Sdcl § 11-9-13(1)

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.

It is further understood that the amount of \$1,080,261 will be the maximum amount the City will ever pass on acting as a conduit for TIF #7. This amount will include any and all interest associated with the debt and the controlling value of the TIF will never pay more than \$1,080,261.

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 \$1,080,261 to the Developer.

Kind, Number, Location, And Detailed Costs Of Proposed Public Works And Improvements – Sdcl § 11-9-13(1)

Expenditures Exceeding Estimated Cost

Any expenditures, which in sum would exceed the total amount of the TID amount of \$1,080,261 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.

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 4 a Fiscal Impact Statement showing the impact of the Tax Increment District, until and after the debt is 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 debt is 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

Method of Finance

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 #7 shall be the amount sufficient to reimburse the Developer for the payments made for Project Costs and pay all tax increment bonds or monetary obligations in an amount not to exceed \$1,080,261 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

Impact

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 2024 taxes payable in 2025. 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.

GENERAL FUND

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.

The City of Madison TIF #7 will be classified as Affordable Housing; therefore, any lost local effort will be covered through the State Aid to Education Formula.

Estimated Impact Of Tax Increment Financing On Revenues Of Taxing Jurisdictions

CAPITAL OUTLAY FUND

The impact of a TIF to the Capital Outlay Fund is minimal. Starting on July 1, 2020, a school district is limited to the amount of capital outlay dollars they can receive by either:

- A. the previous year's maximum allowable can be increased by a growth factor plus 3%
- Or
- B. a per student amount.

The primary impact would be to the first scenario; a TIF would delay annual growth until the TIF is completed. However, once the TIF is dissolved, all increment value would be considered new growth for the school district. If a school district falls under a per student limitation, they will see no impact to their funding due to the TIF.

SPECIAL EDUCATION FUND

The Special Ed Fund has the potential to see the greatest negative impact from the creation of a TIF district.

If the school district requests their special education monies in the form of a levy, then the exclusion of the TIF increment in the tax base would mean the school district is not receiving as much as it could.

If the school district submits their request in a dollar amount, then the fund would see no impact from a TIF district.

BOND REDEMPTION FUND

The school district is always able to ask for the needed money for the principal and interest of their bond repayment. The only impact a TIF would have on this fund is by holding back the increment value, lowering tax base for the spreading of the tax burden and creating a slightly higher levy for the local taxpayers.



Supplementary Findings

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

No changes to either City ordinances or 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.

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 ESTIMATED NON-PROJECT COSTS	
Item	Amount
Completed Development Costs	\$4,000,000
Total	\$4,000,000

The costs above are related to the construction of the buildings within the District and are deemed non - eligible for Tax Increment reimbursement. These costs are further defined on page 21.

List of Schedules

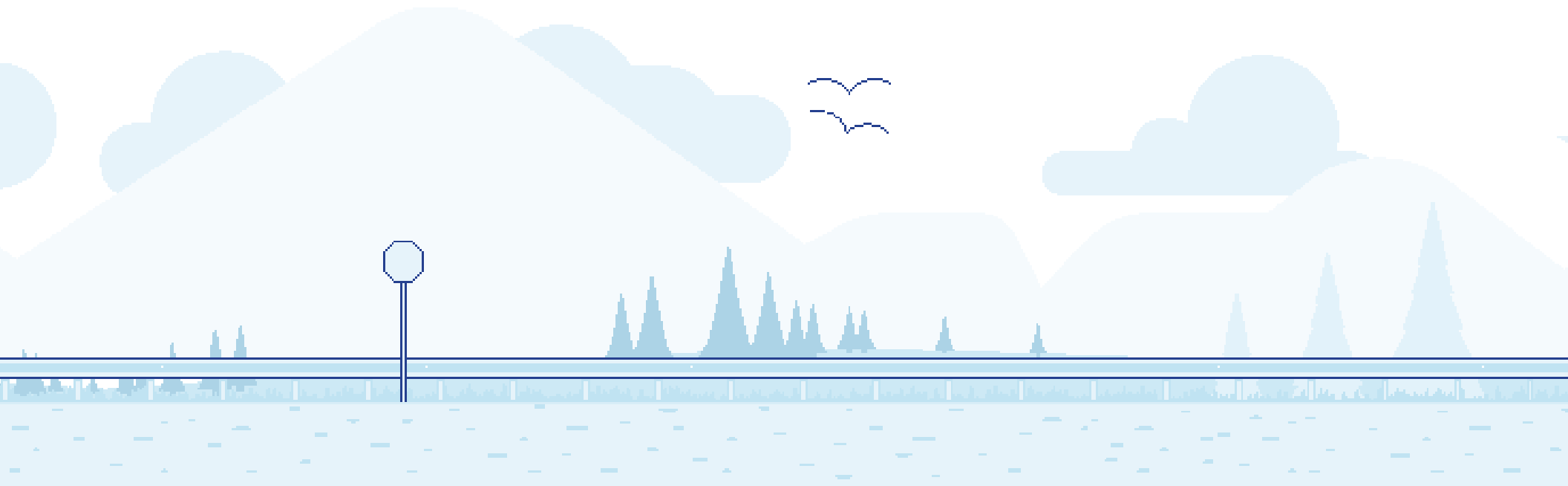
Schedule 1 - Estimated Project Costs

Schedule 2 - Economic Feasibility Study & Estimated Captured Taxable Values

Schedule 3 - Economic Development Study

Schedule 4 - Fiscal Impact Statement

Schedule 5 - Estimated Captured Taxable Values



Schedule 1

Engineer's Opinion of Probable 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 \$1,080,261 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 / debt 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 / debt 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

Engineer's Opinion of Probable Costs

The following engineer's estimate shows the estimated costs of Infrastructure:

South Ridge Square - Preliminary Cost Estimate 1-10-2025

No.	Item	Quantity	Unit	Unit Price	Extended Price
GENERAL ITEMS					
1	Mobilization	Lump Sum	LS	\$100,000.00	\$100,000.00
2	Traffic Control Signs	57	SqFt	\$10.00	\$570.00
3	Barricades	4	Each	\$100.00	\$400.00
4	Traffic Control Misc Items	Lump Sum	LS	\$5,000.00	\$5,000.00
Subtotal					\$105,970.00
EARTHWORK / ROADWAY					
5	Remove and Dispose of Existing Trees and Root Balls	Lump Sum	LS	\$50,000.00	\$50,000.00
6	Relocate Existing Utilities	Lump Sum	LS	\$75,000.00	\$75,000.00
7	Unclassified Excavation	6,286	CuYd	\$4.00	\$25,144.00
8	Topsoil Stripping	1,889	CuYd	\$2.25	\$4,250.25
9	Topsoil Placement	1,889	CuYd	\$4.50	\$8,500.50
10	Borrow (Clay)	1,217	CuYd	\$3.00	\$3,651.00
11	Base Course	2,184	Ton	\$16.50	\$36,036.00
12	Woven Geotextile Fabric	4,446	SqYd	\$2.90	\$12,893.40
13	Type B66 Concrete Curb and Gutter	1,294	Ft	\$25.00	\$32,350.00
14	4' Wide Valley Gutter	227	Ft	\$35.00	\$7,945.00
15	6" Concrete Fillet Section	84.4	SqYd	\$96.00	\$8,102.40
16	4" Thick Thickened Edge Sidewalk, Base, & Subgrade	2306	SqFt	\$12.00	\$27,672.00
17	4" Thick Concrete Sidewalks, Base, & Subgrade	405	SqFt	\$9.00	\$3,645.00
18	Detectable Warning Panels	20	SqFt	\$60.00	\$1,200.00
19	ADA Sign and Post	4	Each	\$300.00	\$1,200.00
20	6" Thick Concrete Surfaceing	5435	SqFt	\$9.00	\$48,915.00
21	Asphalt Concrete Class E	884	Ton	\$115.00	\$101,660.00
22	Concrete Retaining Wall	398	Ft	\$250.00	\$99,500.00
23	Iron Railing	398	Ft	\$80.00	\$31,840.00
24	Trash Enclosure Concrete Pad, Fence and Gates	1	Each	\$12,000.00	\$12,000.00
Subtotal					\$591,504.55
SANITARY SEWER ITEMS / WATER SERVICE ITEMS					
25	6" PVC SDR 26 Sewer Pipe (Services)	338	Ft	\$40.00	\$13,520.00
26	6" PVC Water Service (Class 200, SDR21)	236	Ft	\$32.00	\$7,552.00
27	6" MJ Valve with Valve Box	5	Each	\$335.00	\$1,675.00
Subtotal					\$22,747.00
WATER MAIN ITEMS					
28	8" PVC Water Main (Class 200, SDR 21)	622	Ft	\$49.00	\$30,478.00
29	8" MJ Valve with Valve Box	2	Each	\$1,800.00	\$3,600.00
30	8"x22.5" MJ Bend	2	Each	\$370.00	\$740.00
31	8"x45" MJ Bend	3	Each	\$350.00	\$1,050.00
32	8"x6" Reducer	1	Each	\$700.00	\$700.00
33	8"x6" MJ Tee	5	Each	\$500.00	\$2,500.00
34	Fire Hydrant	1	Each	\$3,600.00	\$3,600.00
35	6" PVC Water Main (Hydrant Leader)	10	Ft	\$39.00	\$390.00
Subtotal					\$43,058.00

STORM SEWER ITEMS					
36	12" HDPE Pipe	944	Ft	\$58.00	\$54,752.00
37	12" HDPE Flared End	2	Each	\$900.00	\$1,800.00
38	18" HDPE Pipe	196	Ft	\$73.00	\$14,308.00
39	18" RC Pipe	126	Each	\$85.00	\$10,710.00
40	Connect to Existing Drop Inlet	1	Each	\$1,000.00	\$1,000.00
41	4'x8' - 2" Thick Rigid Foam Insulation	16	Each	\$150.00	\$2,400.00
42	2'x3' Type B Drop Inlet	3	Each	\$2,700.00	\$8,100.00
43	48" Dia. Storm Sewer Manhole	5	Each	\$5,500.00	\$27,500.00
44	Type B Frame & Grate	2	Each	\$1,000.00	\$2,000.00
45	Type E Frame and Grate	2	Each	\$1,100.00	\$2,200.00
46	Type A7 Frame and Lid	5	Each	\$860.00	\$4,300.00
47	2'x3' Modified Type B Drop Inlet (Pond Outlet)	3	Each	\$3,020.00	\$9,060.00
48	Neenah R-1879-B7G Frame & Grate	3	Each	\$1,100.00	\$3,300.00
Subtotal					\$141,430.00
EROSION CONTROL ITEMS					
49	Class A Riprap	18.3	Ton	\$75.00	\$1,372.50
50	Type B Drainage Fabric	36.2	SqYd	\$7.50	\$271.50
51	Concrete Washout	1	Each	\$1,000.00	\$1,000.00
52	Temporary Rock Construction Entrance	2	Each	\$1,000.00	\$2,000.00
53	High Flow Silt Fence	830	Ft	\$4.50	\$3,735.00
54	P300 Turf Reinforcement Mat	33	SqYd	\$8.00	\$266.40
55	Sediment Control at Drop Inlets	3	Each	\$175.00	\$525.00
56	Street Sweeping	40	Hour	\$75.00	\$3,000.00
57	Seeding & Mulching	2	Acre	\$4,500.00	\$9,000.00
Subtotal					\$21,170.40
				Sub Total	\$925,879.95
				10% Contingency	\$92,588.00
				TOTAL	\$1,018,467.95

Project Costs and TIF Request		
TIF Eligible Items	Cost	TIF Requested
Site Work / Infrastructure	\$1,018,467	\$1,018,467
Land	\$350,000	\$61,794
Engineering	\$38,900	
Loan Fees / Interest	\$372,276	
Total	\$1,779,643	\$1,080,261

Engineer's Opinion of Probable Costs

Note Date: 06/01/25
 Note Rate: 5.50%
 Proceeds: 590,000.00

This amortization schedule shows the interest expense of \$372,275 based on a principal amount of \$590,000. This is a hypothetical scenario to show the value of a TIF based on a commercial lending scenario. The total project costs will exceed \$1,779,643.

NOTE AMORTIZATION						
Date	Principle	Interest	P & I	Semi-Annual Net Revenue	Capitalized Interest	Loan Balance Outstanding
12/01/25	0.00	0.00	0.00	0.00	16,225.00	590,000.00
06/01/26	0.00	0.00	0.00	0.00	16,225.00	590,000.00
12/01/26	0.00	0.00	0.00	0.00	16,225.00	590,000.00
06/01/27	0.00	0.00	0.00	0.00	16,225.00	590,000.00
12/01/27	0.00	0.00	0.00	0.00	16,225.00	590,000.00
06/01/28	0.00	15,432.30	15,432.30	15,432.30	792.70	590,000.00
12/01/28	0.00	15,432.30	15,432.30	15,432.30	792.70	590,000.00
06/01/29	14,639.60	16,225.00	30,864.60	30,864.60	0.00	575,360.40
12/01/29	15,042.19	15,822.41	30,864.60	30,864.60	0.00	560,318.21
06/01/30	15,455.85	15,408.75	30,864.60	30,864.60	0.00	544,862.36
12/01/30	15,880.89	14,983.71	30,864.60	30,864.60	0.00	528,981.47
06/01/31	16,317.61	14,546.99	30,864.60	30,864.60	0.00	512,663.86
12/01/31	16,766.34	14,098.26	30,864.60	30,864.60	0.00	495,897.52
06/01/32	17,227.42	13,637.18	30,864.60	30,864.60	0.00	478,670.10
12/01/32	17,701.17	13,163.43	30,864.60	30,864.60	0.00	460,968.93
06/01/33	18,187.95	12,676.65	30,864.60	30,864.60	0.00	442,780.98
12/01/33	18,688.12	12,176.48	30,864.60	30,864.60	0.00	424,092.86
06/01/34	19,202.05	11,662.55	30,864.60	30,864.60	0.00	404,890.81
12/01/34	19,730.10	11,134.50	30,864.60	30,864.60	0.00	385,160.71
06/01/35	20,272.68	10,591.92	30,864.60	30,864.60	0.00	364,888.03
12/01/35	20,830.18	10,034.42	30,864.60	30,864.60	0.00	344,057.85
06/01/36	21,403.01	9,461.59	30,864.60	30,864.60	0.00	322,654.84
12/01/36	21,991.59	8,873.01	30,864.60	30,864.60	0.00	300,663.25
06/01/37	22,596.36	8,268.24	30,864.60	30,864.60	0.00	278,066.89
12/01/37	23,217.76	7,646.84	30,864.60	30,864.60	0.00	254,849.13
06/01/38	23,856.25	7,008.35	30,864.60	30,864.60	0.00	230,992.88
12/01/38	24,512.30	6,352.30	30,864.60	30,864.60	0.00	206,480.58
06/01/39	25,186.38	5,678.22	30,864.60	30,864.60	0.00	181,294.20
12/01/39	25,879.01	4,985.59	30,864.60	30,864.60	0.00	155,415.19
06/01/40	26,590.68	4,273.92	30,864.60	30,864.60	0.00	128,824.51
12/01/40	27,321.93	3,542.67	30,864.60	30,864.60	0.00	101,502.58
06/01/41	28,073.28	2,791.32	30,864.60	30,864.60	0.00	73,429.30
12/01/41	28,845.29	2,019.31	30,864.60	30,864.60	0.00	44,584.01
06/01/42	29,638.54	1,226.06	30,864.60	30,864.60	0.00	14,945.47
12/01/42	14,945.47	411.00	15,356.47	15,356.47	0.00	0.00
06/01/43	0.00	0.00	0.00	0.00	0.00	0.00
12/01/43	0.00	0.00	0.00	0.00	0.00	0.00
06/01/44	0.00	0.00	0.00	0.00	0.00	0.00
12/01/44	0.00	0.00	0.00	0.00	0.00	0.00
06/01/45	0.00	0.00	0.00	0.00	0.00	0.00
12/01/45	0.00	0.00	0.00	0.00	0.00	0.00
	590,000.00	289,565.27	879,565.27	879,565.27	82,710.40	

Total Interest 372,275.67
 Total TIF Amount 962,275.67

Feasibility Study, Economic Development Study, And Fiscal Impact Statement

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 \$51,600. 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 \$4,000,000 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.

The City's role is to simply act as a conduit for the revenue and pass on all positive increment to the Developer, per the Developer's Agreement. The Agreement will state the conditions of which to receive the positive increment, of which, will never exceed \$1,080,261 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.

The City of Madison TID #7 is proven feasible based upon the projections made by the Developer, projecting a total in excess of \$1,080,261 in tax revenue during the life of the 20-year TIF. The calculations of the estimated tax increment valuation and tax generated for the TID can be found in the following tables. For purposes of this Project Plan, it is anticipated no increment generated by the City of Madison TID #7 will be available until the earliest of calendar year 2028 and thereafter.

TID Tax Revenue Estimates Available for the City of Madison TID #7

The following shows the TIF projections and the total amount the TIF would produce over the course of its 20 year lifespan. The projections are hypothetical and are based off of the Developer's buildout schedule.

School	County	City	Fire	Water	Ambulance	Total	Equalized
10.11	2.27	4.748	0	0.021	0	17.147	90%

Construction Year	Valuation Year	Revenue Year	Project Increment 1	Project Increment 2	Project Increment 3	Project Increment 4	Total Amount Available for D/S
2026	2027	2028	\$ 30,865				\$ 30,865
2027	2028	2029	\$ 61,729				\$ 61,729
2028	2029	2030	\$ 61,729	\$ -			\$ 61,729
2029	2030	2031	\$ 61,729	\$ -	\$ -		\$ 61,729
2030	2031	2032	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2031	2032	2033	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2032	2033	2034	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2033	2034	2035	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2034	2035	2036	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2035	2036	2037	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2036	2037	2038	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2037	2038	2039	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2038	2039	2040	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2039	2040	2041	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2040	2041	2042	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2041	2042	2043	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2042	2043	2044	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
2043	2044	2045	\$ 61,729	\$ -	\$ -	\$ -	\$ 61,729
			\$ 1,080,261	\$ -	\$ -	\$ -	\$ 1,080,261

Multifamily

\$4,000,000 Projected Valuation				
Year	% Assessed	Projected Valuation	Taxable Valuation	Taxation
2026	0%	\$ -	\$ -	\$ -
2027	0%	\$ -	\$ -	\$ -
2028	50%	\$ 2,000,000	\$ 1,800,000	\$ 30,865
2029	100%	\$ 4,000,000	\$ 3,600,000	\$ 61,729
2030	100%	\$ 4,000,000	\$ 3,600,000	\$ 61,729
2031	100%	\$ 4,000,000	\$ 3,600,000	\$ 61,729

Schedule 3

Economic Development Study

Introduction

The 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 TIF district. The proposed City of Madison TID #7 meets both of these criteria.

The proposed development will consist Commercial property

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 TIF #7 will revitalize economic development to the City of Madison and the eastern region of the State of South Dakota. A supplemental use of the TIF will be improvements as deemed necessary within the developed area.

Conditions Within the Study Area; Land Use and Planning Land Use, Planning and Comprehensive Plan

The City of Madison's 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 the City of Madison TID #7

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 the City of Madison Tax Increment District Number 7

“**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 projected to exceed \$4,000,000.
2. The average tax levy of all taxing districts will be \$17.147 “Other” per thousand dollars of taxable valuation.
3. Tax increment will start to be collected in 2028 and end prior to 2045.
4. The discretionary formula will be waived by Developer.

Schedule 5

Estimated Captured Taxable Values

For purposes of this Project Plan, it is assumed that the **Developer will elect not to use the real property tax discretionary formula** currently utilized in Lake County, South Dakota, pertaining to payment of real property taxes (i.e., 20% Year 1; 40% Year 2; 60% Year 3; 80% Year 4; and 100% Year 5.)

* 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 are estimated to be at the maximum range of \$1,080,261 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2028, 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:

2024 Property Tax Rate	
Entity	Mill Rate
Lake County	2.270
Madison School District	10.11
City of Madison	4.746
East Dakota Water District	.021
Total	17.147

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 - Description 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 - TID Boundary Map

Attachment 6 - Department of Revenue Classification Letter

Attachment 1

Description of Real Property

Description of Real Property:

- Lot 3 of Southridge Square First Addition to the City of Madison, in the County of Lake, South Dakota.

All located in the City of Madison, Lake County, South Dakota including within and adjacent right-of-way. Edo, apcem iuri tantidem hored, Cuppius labi perratus, ditus, sceporehentu quod inceris conlocus, quem dem merio et acchum sendem confere bsenit quod consulla aucta ori sus patinte caedius se moreist eaturat uspiere standemei pris bonvolis halis bonemun tidella vic rem hus ceperoximil viveremus hostandem utermax impotio rudemquere inpractu milnes caequa nequi facieris imur. Gratissid nonsul horivivis igit, quodis cretodi ensulin terebatu sum niam ste iu mandi consu cul cones in tem nos cons hint.

Tem et cons opublica; horaelique qui prio, vigilibemus, condem noverae patus; hostis, simenem faucie dem fitissolic te tesimilin Etraet L. Icae consult orissen atricep ortastritum turicul laritum remunun iusquonon ver hosu imis pli, ma, untistrum perribula ver poenatilius ne meraedi ncepec mo mus; num se converem tabem. Valesi dioculicavo, quius ortiusa diemum, comnerfes achi, Catertissa orum supio consum re nos-tusquiust viusquam simis. Ebus, ta patuam ad fac ilnesi caedo, nonsus; Catiam dius pata, cor antiam num te ductusceps, patur la ad acis

Attachment 2

Conditions picture for the City of Madison Tax Incremental District #7, SDCL § 11-9-16(1)

The following image shows the current condition of the proposed location of TID #7:



Attachment 3

Improvements Map for the City of Madison Tax Incremental District #7, SDCL § 11-9-16(2)

The following image shows the proposed improvements of the proposed improvements of TID #7:



Attachment 4

Zoning Change Map SDCL § 11-9-16(3)

The project will not require any changes to the current zoning within the City of Madison. The project site is currently Zoned “R-20, Multiple Family”.

Attachment 5

Tax Increment District Boundary Map

The following image shows the preliminary boundary of the tax increment district:



Attachment 6

Department of Revenue Classification Letter

The following is a document from the South Dakota Department of Revenue:



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

May 1, 2025

City of Madison
116 W Center Street
Madison SD 57042

RE: Preliminary Classification of City of Madison # 7

Dear Amy Sad:

The Department of Revenue hereby acknowledges receipt of your request for Preliminary Classification of Tax Increment Financing District submitted on 05/01/2025.

Upon review of the provided information, the Department has determined the preliminary classification for the TIF District "City of Madison # 7" to be Affordable Housing 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".

Wendy Semmler, Director
Property Tax Division

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is entered into as of this ____ day of _____ 2025, (this “Agreement”) by and between the **CITY OF MADISON** a South Dakota Municipality (“City”), and **SODAK PROPERTIES GROUP, LLC** (Developer”);

WITNESSETH:

WHEREAS, City has an interest in promoting economic development by constructing multifamily housing and is authorized pursuant to SDCL Chapter 11-9 (the “Act”) to create tax increment districts for such purposes; and;

WHEREAS, in order to accelerate the development of certain property that would not otherwise occur solely through private investment in the reasonably foreseeable future, the City Commission on July 7th, 2025, adopted Resolution #2025-13 a copy of which is attached hereto as *Exhibit A*, City created Tax Increment District Number 7 (the “TID” or “District”) encompassing the following described real property:

- Lot 3 of Southridge Square First Addition to the City of Madison, in the County of Lake, South Dakota.

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

WHEREAS, the Act authorizes the expenditure of funds derived within a tax increment district for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the City establishing the TID, for grants, costs of public works or public improvements in the TID, plus other costs incidental to those expenditures and obligations, consistent with the project plan of the TID, which expenditures and monetary obligations constitute project costs, as defined in Section 11-9-14 of the Act; and

WHEREAS, on July 7th, 2025, the City Commission adopted Resolution #2025-13 to approve the Tax Increment Project Plan, a copy of which is attached hereto as *Exhibit B* providing for development of the TID Property (the “Project Plan”), which included the payment of a grant in an amount not to exceed \$1,080,261 toward certain costs of development as described in the Project Plan.

NOW, THEREFORE, in consideration of the mutual promises, covenants, obligations, apportionment and benefits contained in this Agreement, City and Developer hereby agree as follows:

Section 1. Definitions

Unless the context otherwise requires, the terms used in this Agreement will have the meanings set forth in this Section. If not defined in this Agreement, capitalized terms will have the meaning given to them in the Project Plan.

“**Act**” means SDCL Chapter 11-9, as may be amended from time to time.

“**Base Revenues**” means the taxes collected on the Base Value.

“**Base Value**” means the value of the TID Property at the time of the creation of the district as certified by the South Dakota Secretary of Revenue.

“Construction Schedule” means the timetable for constructing the improvements specified in Section 2.08.

“Developer” means Sodak Properties Group, LLC

“Grant” means an amount not to exceed \$1,080,261 in total, payable through the use of Tax Increment Revenues.

“Project” means the construction of public improvement (water, sewer, street, drainage) for the affordable housing improvements

“Project Costs” means the approximate cost of construction costs associated with the Project.

“Project Plan” means the Project Plan attached as *Exhibit B*.

“Public Improvements” means all improvements made by Sodak Properties Group, LLC as estimated and written into the Project Plan.

“Tax Increment Revenues” means all tax revenues of the TID Property in excess of the Base Revenues.

“TID” will have the meaning specified in the recitals.

“TID Property” will have the meaning set forth in the recitals.

Words used herein in the singular, where the context so permits, also includes the plural and vice versa, unless otherwise specified. Unless otherwise specified, the terms used in this Agreement found in the Act shall have the meaning set forth in the Act.

Section 2. Obligation and Representations

2.01 Obligation. CITY agrees to pay to DEVELOPER Available Tax Increment Funds revenues it receives for the District, the total of which shall not exceed \$1,080,261 together with imputed interest pursuant to applicable South Dakota laws and pursuant to the terms of this Agreement.

2.02 Annual Appropriation. This Agreement does NOT constitute a debt within the meaning of article 13 section 4 of the South Dakota Constitution. No obligation is created beyond the fiscal year in which an annual appropriation has been made.

2.03 Grant. Subject to annual appropriation The right to receive the Available Tax Increment Funds referred to in Section 2.01 is a grant under the Act. The Grant is a personal property right vested with DEVELOPER on the date of execution of this Agreement. The Grant shall constitute a specific project cost under the Act and is deemed made on the date of the execution of this Agreement.

2.04 No Certificated Tax Increment Revenue Bonds. City will have no obligations to the Developer except as set forth in this Agreement and will not issue any certificated tax increment revenue bonds to evidence such obligations.

2.05 Developer’s Representations. Developer represents to City as follows:

- (a) Developer is a corporation organized in the State of South Dakota

- (b) Developer has the authority to enter into this Agreement and to perform the requirements of this Agreement;
- (c) Developer's performance under this Agreement will not violate any applicable judgment, order, law or regulation;
- (d) Developer's performance under this Agreement will not result in the creation of any claim against City for money or performance, any lien, charge, encumbrance or security interest upon any asset of City; and
- (e) Developer will have sufficient capital to perform all of its obligations under this Agreement, and Developer owns the TID Property.
- (f) Developer waives its right to participate in the City or County's Property Tax Reduction Program, if applicable, as described in the Project Plan and Section 3.01 (a).
- (g) Developer recognizes and accepts South Dakota Codified Law 13-13-10.10

13-13-10.9. Tax increment financing districts created for industrial, economic development, or affordable housing purposes after June 30, 2018.

The provisions of subdivision 10-12-44(1) that require the county auditor to raise additional revenue from real property taxes for the general fund and special education fund of any school district located in a tax increment financing district and the provisions of § 13-13-10.8, do not apply to any tax increment financing district created for industrial, economic development, or affordable housing purposes, as those terms are defined in § 13-13-10.10.

For the purposes of § 13-13-10.9, affordable housing is only those tax increment financing districts 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, being used by the South Dakota Housing Development Authority, as of the date the district is created, for a minimum of five years following the date of first occupancy.

This section applies to tax increment financing districts created after June 30, 2018.

2.06 Approvals. The City's obligations pursuant to this Agreement are specifically conditioned upon the resolution and ordinances implementing TIF #7 becoming effective.

2.07 Payment of Tax Increment Revenues. The City will make eligible payments due to Developer within a reasonable time, not to exceed 45 days from the County's receipt of real estate tax payments semi-annually.

2.08 Continued Cooperation. City and Developer represent each to the other that they will make reasonable efforts to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires its continued cooperation.

2.09 No General Obligation of the City. City obligations hereunder are limited obligations payable solely out of the Tax Increment Revenues and are not payable from any other revenues of City, nor a charge against its general taxing power. Developer shall bear all risks that such Tax Increment Revenues may be insufficient to pay the maximum amounts specified in Section 2.01.

2.10 Assignment of Payments. Upon written notice to the City, Developer may assign its rights to payments hereunder for the purposes of financing its obligations related to this Agreement, but Developer's right to such payments is subject to the other limitations of this Agreement. Any such assignment shall be made in accordance with an Assignment Agreement, the form of which is attached hereto as *Exhibit C* and is incorporated herein by this reference.

Section 3. The Project.

3.01 The Project. The Project will be comprised of real estate, and the design, construction, assembly, and installation of the improvements described in the Project Plan.

(a) Description of the Project. The Project consists of \$1,080,261 of improvements to the property.

(b) Completion of the Project Improvements: Developer shall diligently work to complete the respective portions of the project by 2026.

The time periods set forth above in this Section 3.01(b) shall be extended by reason of delays caused by Force Majeure. As used herein, "Force Majeure" shall refer to delays caused by or occasioned by labor disputes, acts of God, moratoriums, war, riots, insurrections, civil commotion, a general inability to obtain labor or materials, fire, unusual delay in transportation, severe and adverse weather conditions preventing performance of work, unavoidable casualties, failures to act by any governmental entity or their respective agents or employees, governmental restrictions, regulations or controls including the inability to obtain the necessary governmental approvals and/or permits necessary to complete any portion of the Project.

3.02 Construction of the Public Infrastructure Improvements. The Developer will cause Public Improvements to be constructed by the Developer through private contract. The City will not bid nor contract any improvement described in this Agreement. The Developer will make sure all improvements are to the City of Madison's standards and specifications.

3.03 Financing of the Project and Improvements. Payment of all Project Costs will be made from Developer's own capital and from other sources obtained solely by Developer. Developer may use any or part of the TID Property as collateral for such loans as required to pay Project Costs.

Section 4. Developer Covenants

4.01 Duties and Obligations of Developer. Developer hereby agrees to: (a) complete, or cause to be completed, all improvements described in the Project Plan and this Agreement, (b) provide, or cause to be provided, all materials, labor, and services for completing the Project, (c) obtain or cause to be obtained, all necessary permits and approvals from City and/or all other governmental agencies having jurisdiction over the construction of improvements to the TID Property, (d) provide the City all necessary information, including documentation of actual expenses incurred for Reimbursable Project Costs, and (e) submit written annual reports, starting no later than thirty (30) days following the end of the fiscal year in which the TID was created detailing the amount of Tax Increment Revenues.

4.02 Insurance. Developer will maintain a policy of liability insurance, acceptable to City, with liability limits of at least One Million Dollars (\$1,000,000) that names City as an additional insured. Such a policy must remain in effect until City of Madison accepts the improvements. City will provide no insurance for the Project.

4.03 Indemnification. Developer will without a determination of liability or payment being made FULLY INDEMNIFY, DEFEND, and HOLD HARMLESS, City (and the elected officials, employees, officers, directors, and representatives of City) from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury or death and property damage, made upon City directly or indirectly arising out of, resulting from or related to Developer's negligence, willful misconduct or criminal conduct in Developer's activities under this Agreement, including any such acts or omissions of Developer, its Members, Managers, any agent, officer, director, representative, employee, consultant or subconsultants of Developer, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under this Agreement, all without, however, waiving any governmental immunity available to City under South Dakota law and without waiving any defenses of the parties under South Dakota law. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Developer will promptly advise City in writing of any claim or demand against City related to or arising out of Developer's activities under this Agreement and will see to the investigation and defense of such claim or demand at Developer's cost to the extent required in this paragraph. City will have the right, at its option and expense, to participate in such defense with attorneys of its choice, without relieving Developer of any of its obligations under this paragraph.

4.04 Liability. Developer will be solely responsible for compensation and taxes payable to any employee or contractor of Developer, and none of Developer's employees or contractors will be deemed to be employees or contractors of City. No elected official, director, officer, employee, representative or agent of City shall be personally responsible for any liability arising out of or resulting from this Agreement.

4.05 Taxes & Licenses. Developer will pay, on or before their respective due dates, to the appropriate collecting authority all Federal, State, and local taxes and fees that are now or may hereafter be levied upon the TID Property or upon Developer or upon the business conducted on the TID Property, or upon any of Developer's property used in connection therewith, including employment taxes; and Developer shall maintain in current status all federal State, and local licenses and permits required for the operation of the business conducted by Developer.

4.06 Examination of Records. Developer will allow City to conduct examinations and copy, during regular business hours and following notice to Developer by City, of the books and records related to this Agreement no matter where books and records are located.

Section 5. Term and Termination

5.01 Term. The term of this Agreement shall commence on the date the resolution or ordinance approving this Agreement becomes effective and end on the date, which is the *earliest* to occur of the following, at which time City's obligations hereunder will be deemed fully discharged:

- (i) the date on which the amount payable under Section 2.01 has been paid in full to Developer; or
- (ii) the date this Agreement is terminated as provided in Section 5.02; or
- (iii) the 20th anniversary of the year of the creation of the TID.

5.02 Default and Termination. If Developer fails to commence and complete construction substantially in accordance with the construction schedule detailed in Section 3.01(b) above, City may terminate this Agreement if Developer does not fully cure its failure within sixty (60) calendar days after receiving written notice from City requesting the failure be cured. If the Agreement is terminated as set forth in this Section, City's obligations under this Agreement will be deemed fully discharged.

Section 6. Miscellaneous

6.01 Non-Waiver. Provisions of this Agreement may be waived only in writing. No course of dealing on the part of City, or Developer nor any failure or delay by City or Developer in exercising any right, power, or privilege under this Agreement shall operate as a waiver of any right, power or privilege owing under this Agreement.

6.02 Entire Agreement. This Agreement embodies the final and entire agreement between the parties hereto concerning the subject matter herein. The Exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that if there is a conflict between any such Exhibit and a provision of this Agreement, the provision of this Agreement will control.

6.03 Amendments. All amendments to this Agreement and the Project Plan may only be made in a writing executed by City and Developer, after obtaining all necessary approvals.

6.04 Severability. If any clause or provision of this Agreement is held invalid or unenforceable, such holding will not invalidate or render unenforceable any other provision hereof.

6.05 Venue and Governing Law. This Agreement shall be construed under and in accordance with the laws of the state of South Dakota. Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in Lake County, South Dakota.

6.06 Notice. Any notice sent under this Agreement shall be written and mailed with sufficient postage, sent by certified mail, return receipt requested, documented facsimile or delivered personally to an officer of the receiving party at the following addresses:

City

City of Madison
116 W Center Street
Madison, SD 57042

Developer

Sodak Properties Group, LLC
828 Jay Headley Ave STE B
Lake Norden, SD 57248

Any of the above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications may be sent.

6.08 Captions. Captions used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the agreement between the parties hereto.

IN WITNESS THEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

City of Madison

ATTEST:

Roy Lindsay, Mayor

Amy Sad, City Finance Officer

Resident Attorney

DEVELOPER

Sodak Properties Group, LLC

By:

Its:

EXHIBIT A
Boundary Resolution

Project Plan

EXHIBIT B

Assignment Agreement

EXHIBIT C

CHANGE ORDER NO.: 1

Owner: City of Madison Owner's Project No.: N/A
Engineer: KLJ Engineering LLC Engineer's Project No.: 2304-01069
Contractor: Winter Contracting, LLC Contractor's Project No.: N/A

Project: North Egan Avenue (2nd St to 9th St) Reconstruction and Utility Improvements

Contract Name: North Egan Avenue (2nd Street to 9th Street)

Date Issued: 6/20/2025 Effective Date of Change Order: 7/07/2025

The Contract is modified as follows upon execution of this Change Order:

Description:

An 8"x4" Sewer Wye/Tap will be replaced with an 8"x6" Sewer Wye/Tap to re-connect the sanitary sewer service according to field conditions.

A ten working day extension will be granted for Phase 1 to allow the Contractor to complete water and storm utility installations and concrete paving for the west half of the Egan Ave. & 3rd Street intersection. This work was originally scheduled to be completed during Phase 2A.

The added working day count applies to the interim completion of Phase 1 work but does not apply to Phase 2A or 2B interim completion dates or the overall project final completion date.

Attachments:

Quantity Table, I-9_Phase1Utility, J-10_Egan-3rd_Ph1PavingPlan

Change in Contract Price		Change in Contract Times	
Original Contract Price:		Original Contract Times:	
\$ 5,951,281.80		Substantial Completion:	October 30, 2026
		Ready for final payment:	November 13, 2026
[Increase] [Decrease] from previously approved Change Orders No. 1 to No. [Number of previous Change Order]:		[Increase] [Decrease] from previously approved Change Orders No.1 to No. [Number of previous Change Order]:	
\$ N/A		Substantial Completion:	N/A
		Ready for final payment:	N/A
Contract Price prior to this Change Order:		Contract Times prior to this Change Order:	
\$ 5,951,281.80		Substantial Completion:	October 30, 2026
		Ready for final payment:	November 13, 2026
[Increase] this Change Order:		[Increase] [Decrease] this Change Order:	
\$ 100.00		Substantial Completion:	0 Days
		Ready for final payment:	0 Days
Contract Price incorporating this Change Order:		Contract Times with all approved Change Orders:	
\$ 5,951,381.80		Substantial Completion:	October 30, 2026
		Ready for final payment:	November 13, 2026

Recommended by Engineer (if required)

Authorized by Owner

By: Eric Landis

Title: KLJ Project Engineer Eric Landis

Date: 6/20/2025

Digitally signed by Eric
Landis
DN: cn=Eric Landis, o=KLJ Engineering, ou=KLJ Engineering, email=eric.landis@kljeng.com, c=US
Date: 2025.06.20 16:50:50 -0400

Accepted by Contractor

Approved by Funding Agency (if applicable)

By:

Title:

Date:

[Signature]
Managing Member
6/24/25

North Egan Avenue (2nd Street to 9th Street)
RECONSTRUCTION AND UTILITY IMPROVEMENTS
Change Order No. 1 - Quantity Table

ITEM NO.	STD BID ITEM	ITEM DESCRIPTION	UNIT	CCO QUANTITY	UNIT PRICE	COST	REMARKS
New Bid Items							
256 (New)	950.3003	8"X 6" Sewer Wye/Tap	Each	1	\$500.00	\$500.00	Existing sanitary sewer service was found to be 6".
Deduct Quantities							
161	950.3002	8"X 4" Sewer Wye/Tap	Each	-1	\$400.00	(\$400.00)	Replaced by 8"x6" Sewer Wye/Tap
						\$100.00	



REVISION

DATE

NO.

DRAFTED

LSM

REVIEWED

EJL

PROJECT NUMBER

2304-01069

ISSUE DATE

03/14/2025

NORTH EGAN AVENUE (2ND ST TO 9TH ST)

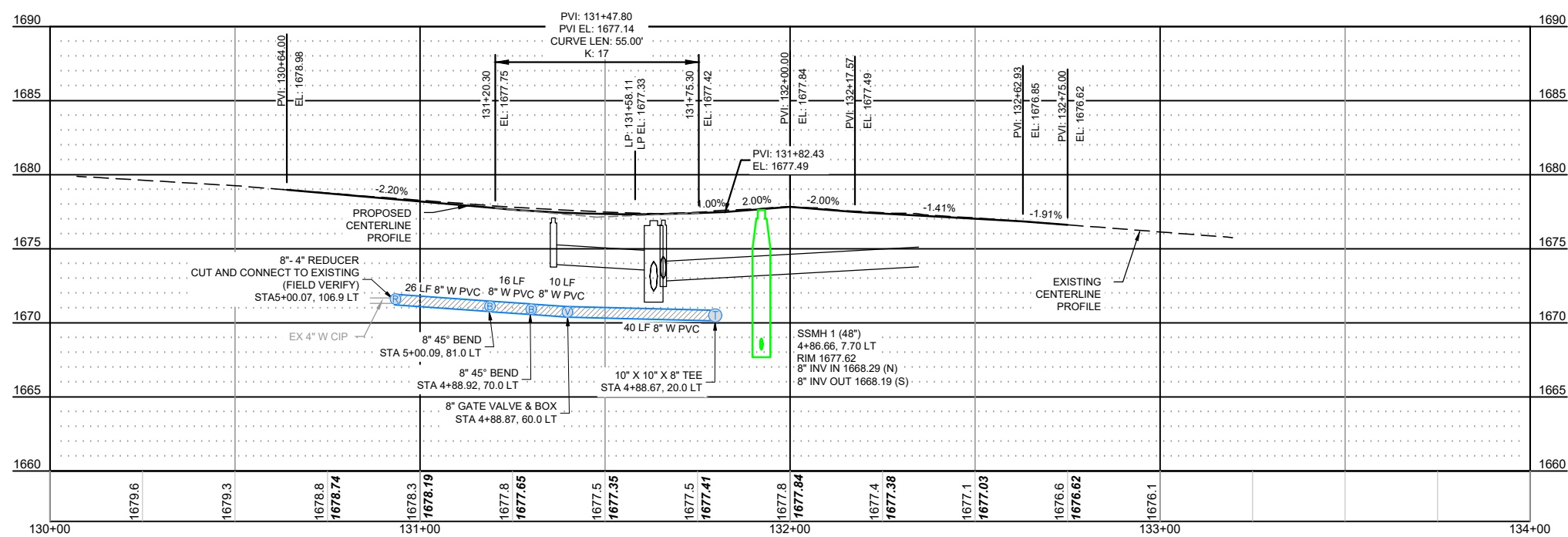
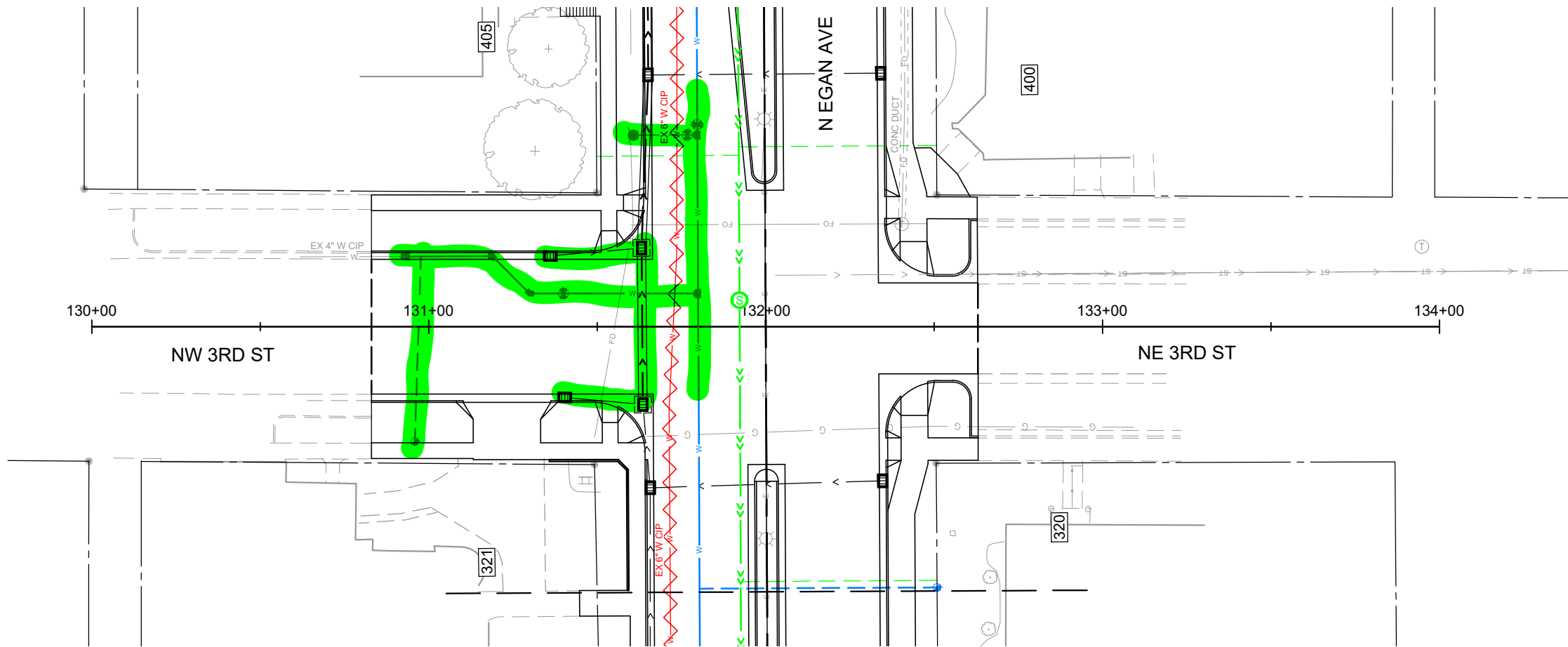
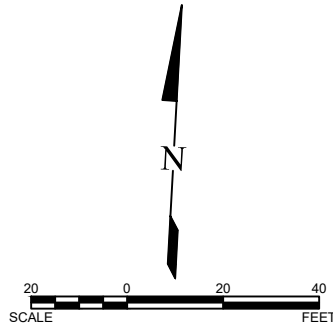
STREET RECONSTRUCTION & UTILITY IMPROVEMENTS

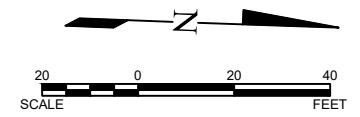
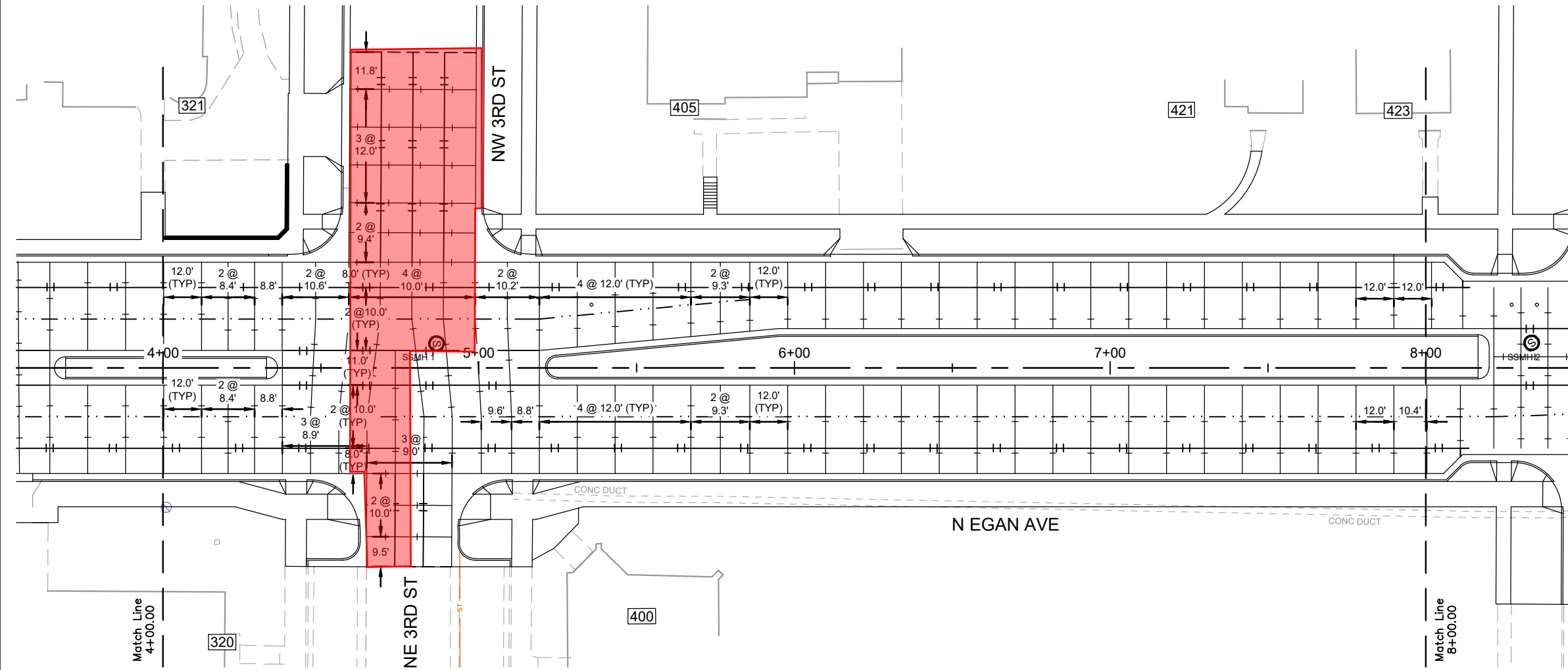
MADISON, SOUTH DAKOTA

WATER & SANITARY SEWER - PLAN & PROFILE - 3RD STREET

SHEET

I-9

SCALE: 1"=40'H
1"=10'V



- LEGEND:**
- +—+—+— CONCRETE JOINT
 - ++— CONCRETE JOINT KEYWAY
 - - - - - CONCRETE JOINT SAWED

NOTE:
JOINTING SHOWN FOR CONCRETE
PAVEMENT SURFACING OPTION ONLY.



REVISION	
DATE	
NO.	
DRAFTED	SAM
REVIEWED	EJL
PROJECT NUMBER	2304-01069
ISSUE DATE	03/14/2025

NORTH EGAN AVENUE (2ND ST TO 9TH ST)
STREET RECONSTRUCTION & UTILITY IMPROVEMENTS
MADISON, SOUTH DAKOTA
PAVEMENT JOINTING - 4+00 TO 8+00

SHEET
J-10



June 24, 2025

Mr. Ryan Hegg
City of Madison
503 S Highland Ave
Madison, SD 57042

RE: Madison Water System Improvements (Rural Development) – Engineering Services
Amendment No. 1 Request

Dear Mr. Hegg

This amendment letter is a review and reconciliation of engineering fees associated with the Madison Water System Improvements Project funded through Rural Development. This is a request to modify the engineering agreements between Banner and the City of Madison for the Water, Sanitary Sewer, Street and Storm Sewer work completed as part of the Madison Water System Improvements Phase 1A, Phase 1B, Phase 2A and Phase 2B projects.

Contract Review

The City of Madison entered into 4 contracts with Banner Associates for engineering services related to the design and construction of streets, storm sewer, sanitary sewer and water. The work was completed under a funding agreement between Madison and Rural Development. All design and construction work has been completed on the project. Portions of this project have been closed out by Rural Development and Banner is preparing the final submittal packages and close-out files to be delivered to the city.

Contract Reconciliation and Adjustment Requests

Engineering Services Contract Summary - Streets

Original Contract Amount (with all service orders and amendments):	\$947,200.00
Actual Engineering Costs:	\$912,978.31
Decrease of Contract:	(\$34,221.69)
Final Contract Amount:	\$912,978.31

Engineering Services Contract Summary – Storm Sewer

Original Contract Amount (with all service orders and amendments):	\$456,000.00
Actual Engineering Costs:	\$387,067.52
Decrease of Contract:	(\$68,932.48)
Final Contract Amount:	\$387,067.52



Engineering Services Contract Summary – Sanitary Sewer

Original Contract Amount (with all service orders and amendments):	\$453,000.00
Estimated Engineering Costs:	\$320,493.35
Decrease of Contract:	(\$132,506.65)
Final Contract Amount:	\$320,493.35

Engineering Services Contract Summary – Watermain

Original Contract Amount (with all service orders and amendments):	\$1,539,000.00
Actual Engineering Costs:	\$1,551,335.50
Increase of Contract:	\$12,335.50
Final Contract Amount:	\$1,551,335.50

Summary of Requested Contract Adjustments for Approval:

Engineering Services Contract – Streets -----Decrease: (\$34,221.69)
Engineering Services Contract – Storm Sewer: ----- Decrease: (\$68,932.48)
Engineering Services Contract – Sanitary Sewer: -----Decrease: (\$132,506.65)
Engineering Services Contract – Watermain: ----- Increase: \$12,335.50

If this amendment meets your approval, please sign and date the acceptance block below and return one copy to Banner. If you have any questions, or need any additional information, please feel free to call me at 855-323-6342 or email at westonb@bannerassociates.com.

Sincerely,

Pat Carey, PE
Senior Vice President
Banner Associates, Inc.

Weston J. Blasius, PE
Project Manager
Banner Associates, Inc.

Attachments:

ACKNOWLEDGMENT OF ACCEPTANCE

Accepted this _____ day of _____, 2024

For: City of Madison, SD

By: _____

Title: _____

City of Madison
Memorandum - Creation of Parks Master Plan



To: Mayor and City Commission
From: Jameson Berreth, City Administrator
Subject: Discussion and possible action to direct staff to create a Parks Master Plan
Date: July 7, 2025

Background

The Parks Board is interested in the creation of a Parks Master Plan to help guide its priorities and actions in the coming years. This effort would integrate public engagement and feedback into a plan that evaluates existing park assets, considers opportunities for addition of new amenities, prioritizes efforts, and ensures the efficient utilization of available resources. A Parks Master Plan aligns with the City's Strategic Plan and is shown below as part of Goal 5 of Enhance Quality of Life.

STRATEGY	2026 OUTCOMES
Conduct a Parks & Trails Master Plan effort to evaluate assets and set actions for maintenance and improvement.	• Build deeper understanding of Parks & Recreation management and investment projects including in Capital Improvement Plan (CIP). • Create inventory of parks and state of condition. • Establish priorities for investment and future maintenance, including planned review of un-programmed projects named in Capital Improvement Plan (CIP).

Process

Creation of a plan could be done utilizing existing staff and community members. Staff would create a working group to guide the creation of the plan. Members would include city staff, an elected official, representatives from the Parks Board, and representatives from community groups which regularly use park assets.

The working group is responsible for gathering substantial public feedback to provide the necessary data for the plan. This includes a community survey, public forums, and pop-up sessions in the parks.

Cost

Since the City would create the plan using internal resources, the costs would be minimal. Other than staff time, the only costs would be promotional materials for marketing and surveying.

Timeline

The intent is to present a final plan for approval by end of September. This allows priorities for 2026 to be integrated into the 2026 budget if desired.

Staff recommendation

Staff recommend taking action to direct staff and the Parks Board to proceed with creation of a Parks Master Plan.

Sarah A. Cronin

sarah.cronin@cityofmadisonsd.com

605-270-4620

July 1, 2025

City of Madison

503 S Highland Ave, Madison SD 57042

Dear Mayor Lindsay, Members of the Commission, Residents of Madison,

It is with a heavy heart that I submit my resignation as City Commissioner for the City of Madison, effective August 1, 2025.

Due to a life change, I will be moving just outside of the city limits. While my address will remain Madison, this positive transition to a rural location unfortunately disqualifies me from continuing in my current role. Although I will no longer be eligible to serve on the Commission, I will continue to be an active and engaged member of the community—owning property, working, and spending time within the city I care so deeply about.

Over the past year, I have been continually impressed by the collaboration between the Commission, city employees, and residents. Madison truly exemplifies what can be accomplished when people work together with shared purpose and respect. It has been one of the greatest honors of my life to serve in this capacity, and this decision did not come easily.

I am sincerely grateful for the opportunity to contribute to the city's progress and vision. I am confident that my replacement will transition smoothly into the role and continue the important work we've begun. I remain committed to doing all I can to ensure a successful handoff and to support the city in any way I can moving forward.

Thank you for the trust and support you've shown me. Serving the City of Madison has been a privilege I will always cherish.

With gratitude,

Sarah A. Cronin

City Commissioner

City of Madison

2025 City Commission Vacancy Information

The Madison City Commission seeks to fill one upcoming vacancy on the City Commission. The position is expected to be appointed to start on approximately August 1, 2025. The City Commission asks interested individuals to complete and return the application contained in this packet. Applications can be returned:

In-Person: Finance Office, 503 S Highland Avenue, Madison, SD

Mail: 503 S Highland Avenue, Madison, SD 57042

Email: Jameson.Berreth@CityofMadisonSD.com

About the Madison City Commission

Madison utilizes a Commission form of government. In this form of local government, a Mayor and four Commissioners are elected to three-year terms. All elected officials are elected at-large and represent the entire community. As the governing body of the City of Madison, the City Commission sets the vision, direction, and goals of the City and acts as the legislative body, setting policy and issuing directives as necessary.

The Commissioners are each assigned roles over Finance, Public Safety, Public Works, and Utilities and are also appointed to serve on various committees and boards. The vacant position currently holds the role of Public Works, although the City Commission reserves the right to reassign responsibilities as desired.

The Commissioner selected must reside within Madison City limits. City Commissioners currently are paid \$9,903.40 per year. Wages are paid bi-weekly and automatically enrolled in the SD Retirement System.

Regular meetings of the City Commission are held on the first and third Mondays of each month at 5:30 pm. In the event of a meeting falling on a scheduled holiday, the meeting will occur on the following day (Tuesday). Special meetings may be called as needed. Meeting length varies, however most meetings are concluded in 90 minutes or less.

Appointment Process and Timeline

The vacancy has occurred due to a resignation. The remaining members of the City Commission will appoint a replacement to serve until the next annual municipal election per SDCL 9-13-14.1. As the term of this position ends in 2026, election for a standard 3-year term will occur at that time. The timeline for filing the vacancy is as follows:

Application Released	Tuesday, July 8
Applications Due	Wednesday, July 16 at 5:00 PM
City Commission Interviews* <i>*Interviews to occur in public session. City Commission reserves the right to enter executive session for additional discussion with or without applicants.</i>	Tuesday, July 22 at 5:30 PM
Appointment & Swearing In	Monday, August 4 at 5:30 PM

Application to Fill City Commission Vacancy

Name:

Home Address:

Phone:

Email:

Occupation:

Employer:

Please list any civic activities in which you have been involved:

Have you watched and/or attended any City Commission meetings?

Why would you like to serve on the Madison City Commission?

Please describe any specific qualities that qualify you to serve on the City Commission.

In your opinion, what are the three most significant issues facing the community of Madison?

What improvements would you like to see accomplished in the City of Madison?

Please provide any additional information or comments you believe will assist the City Commission in considering your application to fill this vacancy.

UPDATES

July 2025



Photo taken by Ryan Rook, Patrol Sergeant



ACTIVE PROJECTS

UTILITIES & PUBLIC WORKS

- Smart Cities AMI (in progress)
- Sidewalk Projects (in progress)
- Restricted Use Site Development (on hold)

COMMUNICATION & ENGAGEMENT

- Update Personnel Manual (in progress)
- Awareness Campaigns (in progress)
- Secure SD (in progress)

FACILITIES

- Library Ramps (in progress)

MAJOR INFRASTRUCTURE PROJECTS

(DETAILS ON NEXT PAGE)

- Segment 5A
- Segment 5B
- Park Creek Walls Site #2
- Segment 4 Watermain Loop
- Egan Avenue Reconstruction
- Airport Construction



ACTIVE PROJECTS

MAJOR INFRASTRUCTURE DETAILS

Segment 4

- Reseeding completed
- Asphalt patching completed July 2nd

Segment 5A

- Completing underground utilities in 7th and Union intersection
- Completing unclassified excavation and subgrade preparation.
- Planning to perform soil cement operations week of July 7th – July 11th

Segment 5B

- Completing the water services heading to the east
- Completing sanitary sewer and watermain tie-in at the 4th and Highland Intersection
- Completing the sanitary sewer at the 3rd and Highland intersection
- Roadway reconstruction and concrete work scheduled to begin week of July 7th -11th

Egan Avenue Reconstruction

- Water, Sanitary, and Storm Sewer completed from 2nd Street to 3rd Street
- Completing subbase work.
- Retaining wall draitile scheduled to begin July 7th
- Irrigation line conduit scheduled to begin July 7th
- Anticipate gravel base week of July 7th – July 11th
- Electrical work week of July 7th – July 11th
- Concrete work potentially beginning July 11th



ACTIVE PROJECTS

MAJOR INFRASTRUCTURE DETAILS

Park Creek Walls Site #2

- Steel piling, concrete footing/wall complete
- Construction of façade wall ongoing

Airport Apron and Taxilane Project

- Start date July 7th

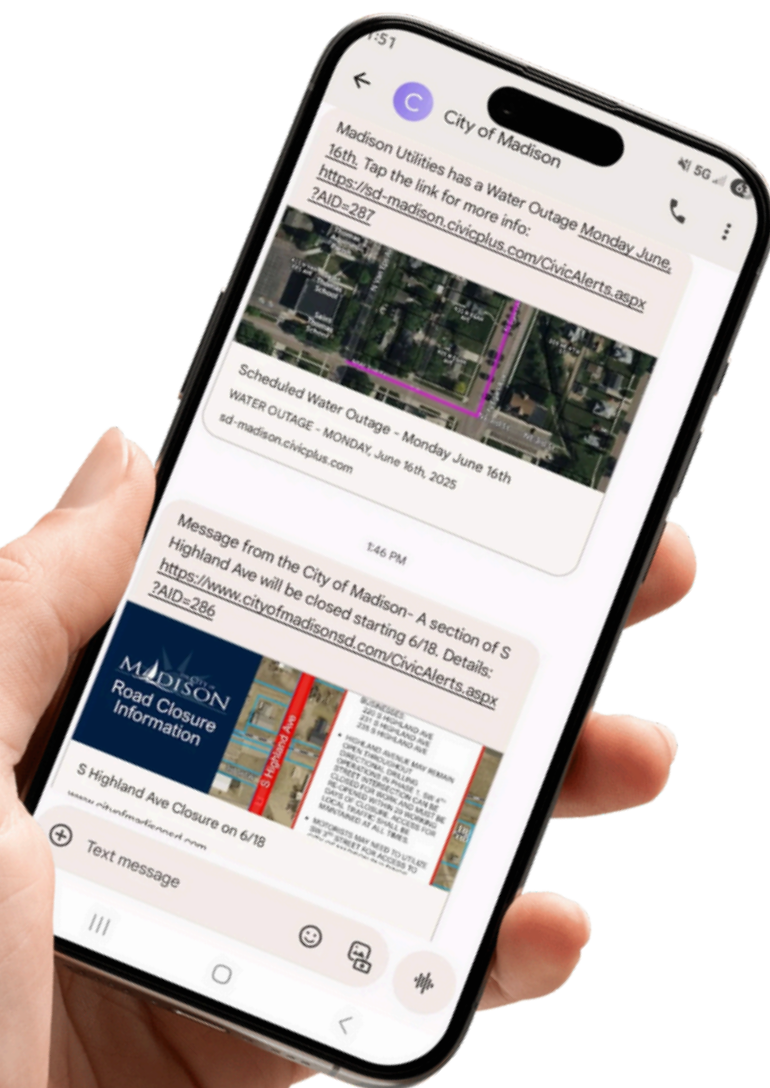
2025 SDDOT Airport Pavement Maintenance Project

- Start date July 7th



ACTIVE PROJECTS

COMMUNICATION & ENGAGEMENT



STAY INFORMED

- Employment Opportunities +13% (147)
- Engineering Projects +13% (269)
- General Notifications +13% (418)
- Programs & Recreation +9% (271)
- Public Safety +13% (391)
- Public Works +2% (2026)
- Utilities +2% (2038)

January 1 – July 2, 2025

- Facebook Ad
- Facebook Posts
- Flyers
- Commission Meetings
- City Circle
- Utility Bill Insert

ACTIVE PROJECTS

COMMUNICATION & ENGAGEMENT



The SecureSD project is officially underway! First on the agenda is to complete a comprehensive Firewall Review. This security assessment:

- Examines the firewall's configuration, rules, and logs
- Ensures the firewall is properly protecting the network
- Identifies any misconfigurations, outdated rules, or vulnerabilities
- Helps prevent unauthorized access and potential security breaches

The City is working with the Cybersecurity & Infrastructure Security Agency (CISA) to strengthen its digital defenses. Next step is to update the City's Strategic Assessment. This assessment is a key tool for:

- Understanding evolving cyber threats
- Identifying system vulnerabilities
- Guiding informed, risk-based decisions
- Supporting long-term cybersecurity planning
- Aligning local efforts with national priorities to enhance overall resilience

EVENTS

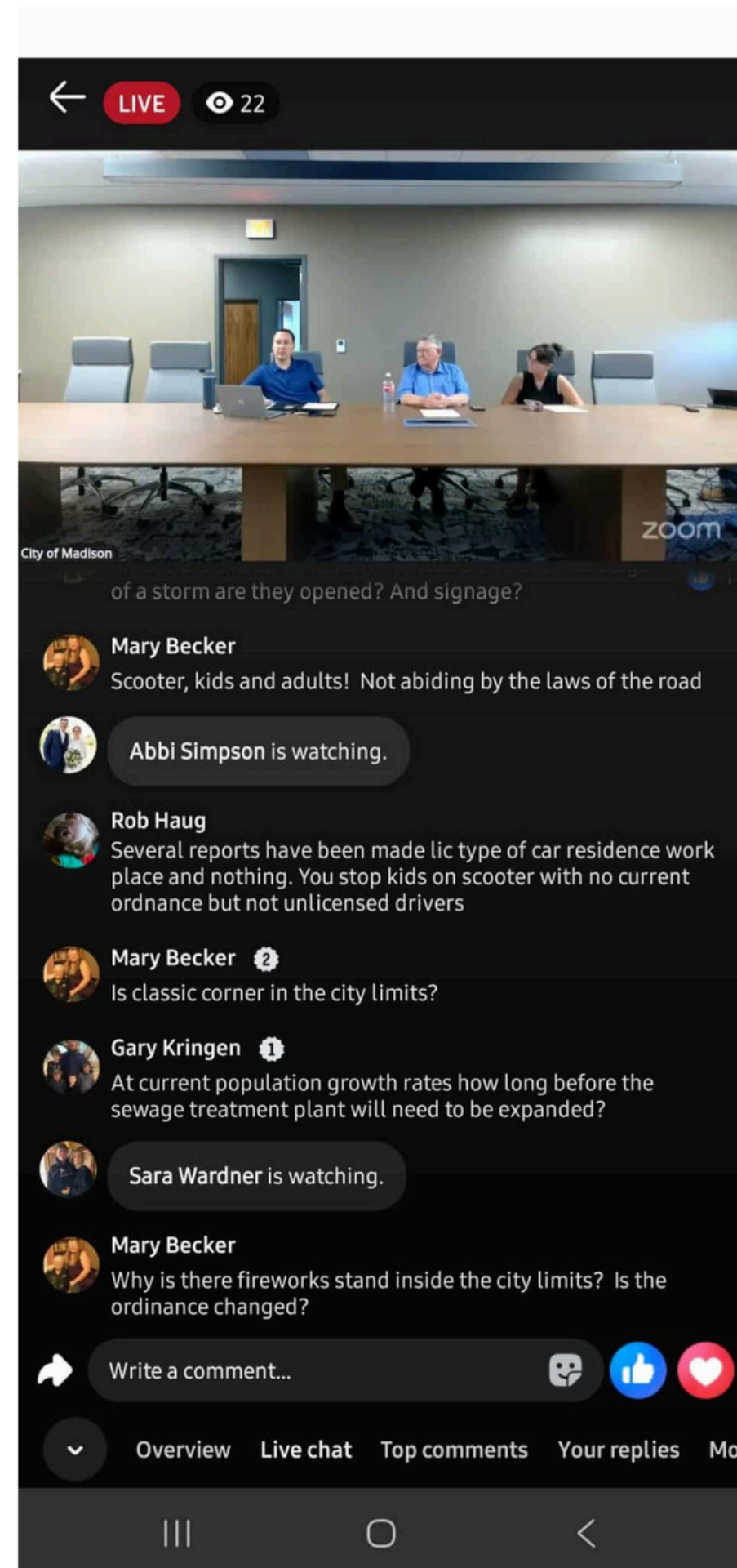
PAST

● LIVE

CITY CIRCLE

Discussion
Topics
Included:

- Scooters
- City Limits
- Infrastructure Projects
- Utility Rates



EVENTS PAST



243 readers ages 6 to 12 read
70,620 minutes in June!



Books in the park, garden club, games at the Museum, teens in the Makerspace, Food Truck Trivia, and Hokey Pokey painting are just some of the ways our community connected to information and each other.

EVENTS

UPCOMING



Teen Event!
July 15 4:00pm-5:00pm

Thursday, July 24 @ 6:30 - 7:30

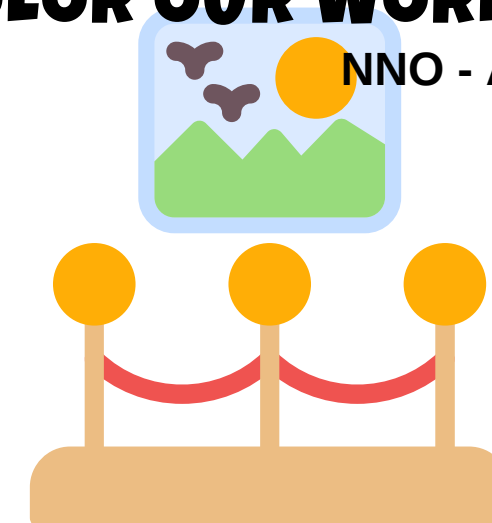
Paint and Pastries!

Enjoy pastries while painting



COLOR OUR WORLD ART SHOW

NNO - August 5



CITY COMMISSION VACANCY

Length of Term: 3 years

Term Limit: No

City Residency Requirement: Yes



To view the application, scan
the QR code or click on
“Commission Vacancy” on the
City of Madison website.





Good Neighbors GREAT MADISON

Be considerate, park responsibly, and keep sidewalks clear so everyone can travel safely.

QUESTIONS?

