

**CITY OF BOX ELDER
RESOLUTION NO. 22-29**

**A RESOLUTION TO REQUEST AN INCREASE IN PROJECT COSTS FOR
PENNINGTON COUNTY
TAX INCREMENT FINANCING DISTRICT (TIF#5)
WITHIN THE CITY OF BOX ELDER**

WHEREAS, Pennington County created Tax Increment Financing District (TIF#5) for a project plan for infrastructure improvements for the development of undeveloped property located South of Liberty Boulevard and East of North Ellsworth Road, which will stimulate and develop the general economic welfare and prosperity of the City of Box Elder through the promotion and advancement of industrial, commercial and residential development within the City of Box Elder; and,

WHEREAS, the improvement of the area is likely to significantly enhance the value of substantially all other real property in the district; and,

WHEREAS, the TIF#5 is located, in whole, within the City of Box Elder; and,

WHEREAS, the project plan adopted for TIF #5 by Pennington County included total project costs of \$10,359, 447; and,

WHEREAS, SDCL 11-9-23 provides: **Redetermination of tax increment base when project costs increased by amendment of plan.** If the municipality adopts an amendment to the original project plan for any district that includes additional project costs for which tax increments may be received by the municipality, the tax increment base for the district shall be redetermined pursuant to § 11-9-20. The tax increment base as redetermined under this section is effective for the purposes of this chapter only if it exceeds the original tax increment base determined pursuant to § 11-9-20. The provisions of this section do not apply if the additional project costs are thirty-five percent or less than the amount approved in the original project plan and the additional project costs will be incurred before the expiration of the period specified in § 11-9-13; and,

WHEREAS, due to inflation and unforeseen project costs, the project costs associated with TIF #5 have increased by more than 35%; and,

WHEREAS, amendments to the Project Plan dated December 15th, 2020 have been updated to reflect an increased project plan in the total amount of \$13,985,254 to be reimbursed and no expenditure may be provided for in the plan more than five years after a district is created unless an amendment is adopted by the governing body pursuant to SDCL § 11-9-23.

NOW, THEREFORE, BE IT RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF BOX ELDER HEREBY:

1. Requests that Pennington County approve an increase to the Project Plan Costs from the Tax Increment District Five Project Plan dated December 15th, 2020, in the original amount of \$10,359,447 to the new amount of \$13,985,254; and

2. Approves the modification of the Developers Agreement, dated December 15th, 2020 among the City of Box Elder, Dream Design and Pennington County to reflect the increased Project Plan in the amount of \$13,985,254; and,

3. Approves the Assignment Agreement to the Tax Increment Revenue to reflect the increased amount.

4. Requests the Pennington County Commission to make the following findings:
a. Less than 5 years have passed since creation of the district
b. The additional project costs are less than 35%, and therefore do not trigger a redetermination of the tax increment base
c. The additional project plan costs are warranted due to high inflationary costs that resulted from the COVID 19 Pandemic.

Dated this 19th day of JULY, ²⁰²²~~2020~~.





NICOLE SCHNBIDER, City Administrator
& City Finance Officer

CITY OF BOX ELDER



LARRY LARSON, Mayor