

Department of Transportation

Division of Planning and Engineering

Administration

700 East Broadway Avenue

Pierre, South Dakota 57501-2586

PHONE: 605/773-8148 FAX: 605/773-4870

MEMORANDUM

DATE: August 21, 2019

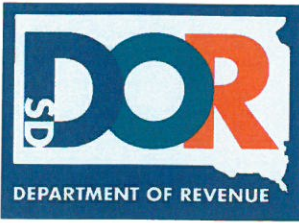
TO: Mike Behm, Director
Division of Planning and Engineering

FROM: Tammy Williams, Program Manager
Office of Administration

SUBJECT: **Transportation Commission Meeting – August 29, 2019**
Consideration of State Highway Loan application – Lyman County

Attached is a State Highway Fund Loan application from Lyman County for consideration by the Transportation Commission at their August 29, 2019 meeting.

cc: File



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

Attachment #2

April 29, 2019

Pam Michalek
Lyman County Auditor
PO Box 38
Kennebec SD 57544

RE: Preliminary Classification of Lyman County #1

Dear Pam Michalek:

The Department of Revenue hereby acknowledges receipt of your request for Preliminary Classification of Tax Increment Financing District submitted 4/20/2019.

Upon review of the provided information the Department has determined the classification for the TIF District "Lyman County #1" to be Economic Development for the purposes of the State Aid to Education formula

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'W. Semmler', is written over the typed name.

Wendy Semmler, Program Manager
Property Tax Division

*emailed to Auditor +
Dougherty
4/29/19*

TO: Deb Halverson, Lyman County Auditor

FROM: Wendy Semmler, Program Director
Property Tax Division

RE: Tax Increment Financing District Purpose

DATE: June 4, 2019

To properly implement SDCL 13-13-10.2. "Determination of assessed value for tax incremental district-- Districts created for industrial or economic development purposes", the Department requests you certify the purpose and classification of the tax increment district stated below.

For the purposes of this chapter, industrial includes only those activities generally recognized as industrial by zoning authorities within the state, including 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.

For the purposes of this chapter, economic development includes 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.

Affordable Housing classification 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.

Please fully complete and return this to me as soon as you can, any incomplete form will be sent back.

Lyman County

1 Created June 19, 2018 with a base value of \$ 462,196.

This district would be considered Economic Development.

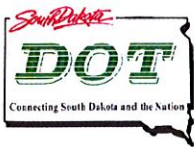
Printed: Debra Halverson

Title: Lyman County Auditor

Signature: Debra Halverson

Date: 6-5-19

SD EForm -2473 V1



State Highway Fund Loans for Local Governments

Initial Project Application

Please review

Please provide the information below to the South Dakota Department of Transportation (SDDOT).

General

The applicant is ☐ A city ☒ A county ☐ A township

Applicant name Lyman County, South Dakota

Date submitted

Project name Dakota Mill & Grain

Project zip code 57544

Mailing address PO Box 38

City Kennebec

State SD

Zip code 57544

Contact person Debra Halverson

Title Auditor

Phone 605-869-2247

Contact address PO Box 38

City Kennebec

State SD

Zip code 57544

Email address auditor@lymancounty.org

Project description

Route name/facility Dakota Mill & Grain

Location Lyman County, South Dakota

SDDOT Region Pierre

County Lyman

City Presho

Type of project ☐ Highway ☒ Other (please specify) County RoadIs this project eligible on a federal-aid route? ☐ Yes ☒ No

Project description (Briefly describe the project here and in more detail in attachment A.)

See attachment A

Please briefly describe project benefits below and in more detail in attachment B. These would include the project's importance to the community and to economic development in an area.

Improve existing infrastructure to support a grain loadout facility adjacent to the rail line east of the City of Presho. The new construction of a state-of-the-art grain loading facility will provide essential new markets to the region's agribusinesses and access to the local railroad infrastructure. Once fully operational, the facility will employ 12 full time employees.

Please briefly describe below what might happen if the project does not receive the loan.

The county does not have adequate funds to repair the road and bridge to accomidate the \$25M + grain facility.

1. Are other funding opportunities available? ☐ Yes ☒ No
2. Will the proposed project foster and support economic development? ☒ Yes ☐ No
3. Does an emergency exist? ☐ Yes ☒ No
4. Does the local government have the ability to repay the loan? ☒ Yes ☐ No

Project financing

Project status (Please explain the current status of the project, including planning, design, start and completion dates.)

See attachment A

Estimate project construction time line

Start date

End date

See attachment A

11/2019

9/2020

Total project cost

State Highway Fund loan amount requested

~~\$25,000,000.00~~ \$2,878,515~~\$2,300,000.00~~ \$2,278,515

Describe any costs that may be ineligible

Proposed project financing sources (do not include State Highway Fund repayment source):

State Highway Fund Loan	0.00
Assessments	See Attachment C 0.00
User payments/fees	0.00
Local funds	0.00
Other (please specify)	0.00
TOTAL	0.00

Proposed project financing uses:

Preliminary engineering	0.00
Design	0.00
Right-of-way acquisition	0.00
Construction	0.00
Other	0.00
Other	0.00
TOTAL	0.00

Loan repayment terms

Start date

Repayment sources for State Highway Fund loan to local government:

	0.00
	0.00
	0.00
TOTAL	0.00

Checklist

Check both the following to indicate the attachments are included with this application.



Attachment A: Description of proposed project



Attachment B: Benefits of proposed project

Certification

Signature Debra J. Solberg Title Lyman County Auditor Date 7-31-19

Print and sign the completed Initial Project Application and all applicable attachments and submit them for initiation of the state loan review process to:

State Highway Fund Loan for Local Governments
 South Dakota Department of Transportation
 Division of Planning and Engineering
 Administration Program Manager
 700 E. Broadway Ave.
 Pierre, SD 57501-2586

Questions?
 Call (605) 773-8149

Attachment A**Description of Proposed Project**

Describe the problem this project is designed to address and include a map. Attach additional pages if necessary.

Project Status: The topographic survey is to be completed by May 10, 2019. The design of the roadway, hydrology & hydraulics (H&H) analysis of the bridge replacement, and preliminary environmental review has begun for the project. A 404-permit application is scheduled to be submitted the week of May 6, 2019 to begin the Section 106 review for historical clearances.

A Type, Size & Location (TS&L) to discuss the bridge replacement options is scheduled to occur the week of June 3rd. Following the TS&L, design will begin on the bridge replacement.

A site inspection of the road project will be done in conjunction with the TS&L meeting to discuss roadway design, right-of-way (ROW)/easement needs anticipated and utility concerns. Following the site inspection, roadway design will continue along with the preparation of ROW documents, environmental permitting, and utility relocation coordination if deemed necessary.

Geotechnical investigation activity will be initiated after the TS&L and site inspection meeting.

Preliminary plans for roadway and structure replacement are scheduled for the week of July 19, 2019.

Final Environmental Permit and ROW secured for the project is scheduled to be completed by August 16, 2019.

Final plans and specification for SDDOT review and approval are scheduled to be submitted by the week of August 26, 2019. Following SDDOT approval of plans and specifications, the project will be advertised for bid letting the week of September 23, 2019.

Construction Timeline: The removal of the existing bridge is anticipated to begin in November 2019. The bridge substructure is to be constructed in the winter of 2019-20. The bridge deck is placed in April 2020 and the bridge completed by June 2020. The road grading is anticipated to begin in May 2020 and completed by July 2020. Final seeding and erosion control measures to be completed by September 2020 with a substantial completion date of September 30, 2020.

Attachment B**Benefits of Proposed Project**

Describe how State Highway Fund financing will help attract new public/private investment, reduce project costs and accelerate project completion. Identify other project benefits, such as access, mobility, economic development, preservation and environmental improvement. Attach additional pages if necessary.

Project Descriptions/Description of Economic Benefits: The MRC Line has become a mainstay of economic revival in Central SD. Since the rehabilitation of the MRC in 2011, over \$115 million in new grain facilities, fertilizer storage and agronomy centers have been built. These investments have created over 80 direct jobs with excellent pay and benefits. Another major impact of this development is an average \$.20 per bushel basis improvements for area farmers. This improvement puts over \$10M annually to the farmers bottom line, which on a 5x turn would put another \$50M in local and state impact. In 2018 almost 12,000 rail cars moved an estimated 50M bushels of grain to end use markets. The main driver of this is the Dakota Southern / BNSF Shuttle Loader partnership. The process allows the Rail Road and Shippers to team up and load larger 110 car trains, which in turns produces efficiency to allow higher margins to the farmers.

Sources and Uses
Lyman County Economic Development Project

Sources	
DOT Agri Business Grant	\$ 600,000
DOT State Hwy Fund Loan	\$ 2,278,515
Total	\$ 2,878,515
Uses	
County Hwy 14	\$ 1,235,744
Structure 43-161-199 Bridge	\$ 1,642,771
Total	\$ 2,878,515

See engineers opinion of probable costs for detailed line items

Lyman County
Tax Increment District #1
Revenue Assumptions

Assumed Base Value	\$ 322,678										
Construction Year	Valuation Year	Revenue Year	Valuation Increment	Total School "Other"	Secondary Roads	Lyman County	Water Development District	Ambulance District	Total Mill Rate*	Total Revenue Increment	Total Increment for Debt Service
2018	2019	2020	11,000,000	9,941	0.299	1.657	0.038	0.219	12.154	\$ 126,401.60	\$ 126,401.60
2019	2020	2021		0	0	-	0	0	0	\$ -	\$ 126,401.60
2020	2021	2022		0	0	-	0	0	0	\$ -	\$ 126,401.60
2021	2022	2023		0	0	-	0	0	0	\$ -	\$ 126,401.60
2022	2023	2024	3,000,000	9,941	0.299	1.657	0.038	0.219	12.154	\$ 36,462.00	\$ 162,863.60
2023	2024	2025		0	0	-	0	0	0	\$ -	\$ 162,863.60
2024	2025	2026		0	0	-	0	0	0	\$ -	\$ 162,863.60
2025	2026	2027		0	0	-	0	0	0	\$ -	\$ 162,863.60
2026	2027	2028		0	0	-	0	0	0	\$ -	\$ 162,863.60
2027	2028	2029		0	0	-	0	0	0	\$ -	\$ 162,863.60
2028	2029	2030		0	0	-	0	0	0	\$ -	\$ 162,863.60
2029	2030	2031		0	0	-	0	0	0	\$ -	\$ 162,863.60
2030	2031	2032		0	0	-	0	0	0	\$ -	\$ 162,863.60
2031	2032	2033		0	0	-	0	0	0	\$ -	\$ 162,863.60
2032	2033	2034		0	0	-	0	0	0	\$ -	\$ 162,863.60
2033	2034	2035		0	0	-	0	0	0	\$ -	\$ 162,863.60
2034	2035	2036		0	0	-	0	0	0	\$ -	\$ 162,863.60
2035	2036	2037		0	0	-	0	0	0	\$ -	\$ 162,863.60
2036	2037	2038		0	0	-	0	0	0	\$ -	\$ 162,863.60
										\$ 2,948,560.40	\$ 2,948,560.40

* Assumes Mill Levies remain constant for the duration of the TIF

** Assumes future additions or expansions within the District starting in year 2022

Note: The Increment Valuations above are for projection purposes only and do not reflect what the actual number(s) may be. These projection numbers have not been certified or assessed by the Lyman County Director of Equalization.

**Opinion of Probable Construction Costs
Lyman County
Structure No. 43-161-199**

Option 2 - 138' Long Prestressed Girder (2-Span with 36" Deep Beams)

Attachment #2

*Agreed to this option
7-9-19
DH*

ITEM	BID ITEM DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL COST
1	Mobilization	1	LS	\$ 75,000.00	\$ 75,000.00
2	Clearing	1	LS	\$ 5,000.00	\$ 5,000.00
3	Unclassified Excavation	500	CY	\$ 10.00	\$ 5,000.00
4	Topsoil - Salvaging and Placement	400	CY	\$ 12.00	\$ 4,800.00
5	Seeding	26	LB	\$ 60.00	\$ 1,560.00
6	Type 1 Field Laboratory	1	EACH	\$ 5,000.00	\$ 5,000.00
7	Traffic Control Signs	315	SQFT	\$ 8.00	\$ 2,520.00
8	Traffic Control, Miscellaneous	1	LS	\$ 10,000.00	\$ 10,000.00
9	Type 3 Barricades	28	EACH	\$ 180.00	\$ 5,040.00
10	Erosion Control	1	LS	\$ 8,000.00	\$ 8,000.00
11	Incidental Work, Structure	1	LS	\$ 30,000.00	\$ 30,000.00
12	Structure Excavation, Bridge	197	CY	\$ 155.00	\$ 30,535.00
13	Bridge End Embankment	375	CY	\$ 40.00	\$ 15,000.00
14	Granular Bridge End Backfill	33	CY	\$ 150.00	\$ 4,950.00
15	Porous Backfill	32	TON	\$ 65.00	\$ 2,080.00
16	Class A45 Concrete, Bridge	57	CY	\$ 1,100.00	\$ 62,700.00
17	Class A45 Concrete, Bridge Deck	138	CY	\$ 1,100.00	\$ 151,800.00
18	Class A45 Concrete, Drilled Shaft	50	CY	\$ 1,100.00	\$ 55,000.00
19	Drilled Shaft Excavation	50	CY	\$ 800.00	\$ 40,000.00
20	Crosshole Sonic Log (CSL) Test	2	EACH	\$ 15,000.00	\$ 30,000.00
21	44" Permanent Casing	20	FT	\$ 500.00	\$ 10,000.00
22	Reinforcing Steel	67,000	LBS	\$ 2.00	\$ 134,000.00
23	Type T101 Bridge Rail	308	FT	\$ 200.00	\$ 61,600.00
24	Preboring Pile	200	FT	\$ 50.00	\$ 10,000.00
25	HP 12X53 Steel Test Pile	100	FT	\$ 100.00	\$ 10,000.00
26	HP 12X53 Steel Bearing Pile	1,000	FT	\$ 60.00	\$ 60,000.00
27	36" Minnesota Shape Prestressed Concrete Beam	545	FT	\$ 250.00	\$ 136,250.00
28	Riprap	2,800	TON	\$ 70.00	\$ 196,000.00
29	Type B Drainage Fabric	2,600	SQYD	\$ 4.00	\$ 10,400.00
30	Straight Double Class A Thrie Beam with Wood Posts	50	Ft	\$ 125.00	\$ 6,250.00
31	Straight Single Class A Thrie Beam with Wood Posts	25	Ft	\$ 75.00	\$ 1,875.00
32	W Beam Guardrail to MGS Transition	4	Each	\$ 1,300.00	\$ 5,200.00
33	Straigh Type 4 MGS	50	Each	\$ 40.00	\$ 2,000.00
34	Straight Type 1 MGS	216	Each	\$ 35.00	\$ 7,560.00
36	MGS Tangent End Terminal	4	Each	\$ 3,200.00	\$ 12,800.00
Total Construction Costs					\$ 1,207,920.00
Contingency / Admin & Legal Fees					
10% Contingency					\$ 120,792.00
6% Admin / Legal					\$ 72,475.20
Subtotal					\$ 193,267.20
Design and Construction Management Services					
Design Engineering					\$ 120,792.00
Construction Inspection, Testing, and Management					\$ 120,792.00
Subtotal					\$ 241,584.00
TOTAL PROJECT COST					\$ 1,642,771.20

5/6/2019

Opinion of Probable Costs
Lyman County
County Hwy 14 (Dakota Mill)

Agri Business Grant Applicatin 2.25 Miles

Item	Bid Item Description	Unit	Quantity	Unit Cost	Total Cost
Grading					
1	Mobilization	LS	1	\$75,000.00	\$75,000.00
2	Clearing	LS	1	\$4,000.00	\$4,000.00
3	Remove Fence	Ft	9800	\$1.00	\$9,800.00
4	Incidental Work, Grading	LS	1	\$4,000.00	\$4,000.00
5	Remove Culvert (14' Bridges)	Each	2	\$5,000.00	\$10,000.00
6	Water for Embankment	MGAL	400	\$20.00	\$8,000.00
7	Heavy Roadway Shaping	SqYd	13600	\$1.50	\$20,400.00
8	Unclassified Excavation	CuYd	40000	\$2.00	\$80,000.00
9	Remove & Place Topsoil	CuYd	10300	\$4.00	\$41,200.00
10	Unclassified Excavation, Digout	CuYd	300	\$8.00	\$2,400.00
11	Undercutting	CuYd	14600	\$2.00	\$29,200.00
12	Temporary Fence	Ft	9800	\$1.50	\$14,700.00
13	2 Post Panel	Each	24	\$200.00	\$4,800.00
14	3 Post Panel	Each	16	\$400.00	\$6,400.00
15	Permanent Fence	Ft	9800	\$2.50	\$24,500.00
16	Traffic Control	LS	1	\$25,000.00	\$25,000.00
17	Permanent Seed Mixture	Lb	270	\$50.00	\$13,500.00
18	Fertilizing	Ton	22	\$1,150.00	\$25,300.00
19	Mulching	Ton	30	\$225.00	\$6,750.00
20	60" RCP CL 2, Furn	Ft	208	\$160.00	\$33,280.00
21	60" RCP Install	Ft	208	\$80.00	\$16,640.00
22	60" RCP Flared End F&I	Each	8	\$2,300.00	\$18,400.00
23	Erosion Control	LS	1	\$15,000.00	\$15,000.00
Grading Total =					\$488,270.00
Gravel Surfacing					
24	Geotextile Sperator	SqYd	31600	\$3.00	\$94,800.00
25	Water for Granular Material	MGAL	165	\$20.00	\$3,300.00
26	Gravel Surfacing (8")	Ton	16500	\$17.00	\$280,500.00
27	Dust Control Chloride (Double App)	Lb	75700	\$0.35	\$26,495.00
Surfacing Total =					\$378,600.00
Contingency/Admin & Legal Fees					
	20% Contingency				\$173,374.00
	Right of Way				\$10,000.00
	Utilities				\$10,000.00
Construction Estimate =					\$1,060,244.00
Design and Construction Management Services					
	Design Engineering				\$78,000.00
	Construction Inspection, Testing, and Management				\$97,500.00
Subtotal					\$175,500.00
TOTAL PROJECT COST					\$1,235,744.00

TAX INCREMENT FINANCE DISTRICT #1



**PREPARED FOR:
LYMAN COUNTY**

Submitted by:
Tobin J. Morris
Dougherty & Company LLC

March 2019

Dougherty & Company LLC
215 W. Sioux Avenue | Pierre, SD 57501

tmorris@doughertymarkets.com

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INTRODUCTION – THE PROJECT

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

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

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

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

The intention of this TIF Project is to improve upon the existing infrastructure to support a grain loadout facility adjacent to the rail line east of the City of Presho. The Project will consist of roadway shaping and grading, excavation, installation of culverts, geotextile separator, and 8" of gravel.

Dakota Mill & Grain is a South Dakota based public grain warehouse and agronomy center that operates elevators in nine locations across Western South Dakota. They provide high-quality fertilizer and pest control products that can be delivered right to the farm, as well as spreading/spraying services and on-farm trucking services.

Dakota Mill & Grain prides themselves in building relationships with growers to maximize yield, limit market risk and obtain favorable pricing for producer grains. They help maximize yield with quality seed, fertilizer and weed/pest control programs that are designed to address the actual growing conditions found right here in South Dakota. Marketing experts and resources provide producers access to both local and world markets using pricing strategies that can help limit market risk and take advantage of the most favorable delivery periods and pricing in the market.

The new construction of Dakota Mill & Grain's state of the art grain loading facility in Presho will provide essential new markets to the regions' agribusinesses and access to the local railroad infrastructure. Once fully operational, the facility will employ 12 full time employees.



Purpose & General Definitions

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

As such, the creation of Lyman County TIF #1 shall be conditioned upon the creation of the District by resolution and the establishment of the TID boundaries.

The purpose of this Plan, to be implemented by Lyman County, South Dakota is to satisfy the requirements for a Tax Increment District Number 1 as specified in SDCL Chapter 11-9. The principal purpose of the Plan is to define eligible property and to define a Tax Increment Plan for funding eligible activities in an eligible area of the County. The Plan will describe the boundary, estimated costs, feasibility and fiscal impact of the District.

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

The driving interest in the establishment of this Plan is to offer tax increment financing as a tool to stimulate and leverage private sector development and redevelopment, and to promote economic development throughout the District.

The intention of this TIF Project is to improve upon the existing infrastructure to support a grain loadout facility adjacent to the rail line east of the City of Presho. The Project will consist of roadway shaping and grading, excavation, installation of culverts, bridge repair / replacement geotextile separator, and 8" of gravel.

The new construction of a state-of-the-art grain loading facility will provide essential new markets to the region's agribusinesses and access to the local railroad infrastructure. Once fully operational, the facility will employ 12 full time employees.

General Definitions

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

"Base" or "Tax Incremental Base" means the aggregate assessed value of all taxable property located within a Tax Incremental District on the date the district is created, as determined by SDCL § 11-9-20.

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

- (1) Not less than twenty-five percent, by area, of the real property within the district is a blighted area or not less than fifty percent, by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and
- (2) The improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district.

"Commission" means the Board of County Commissioners of Lyman County, South Dakota

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

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

"Developer" means Lyman County or who the County designates

"Developer's Agreement" means the agreement between Developer and Lyman County concerning this Tax Incremental District, should there be a Developer.

"District" means the Tax Incremental District.

"Economic Development" means all powers expressly granted and reasonably inferred pursuant to SDCL § 9-54.

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

"Governing body" means the Lyman County Commissioners, South Dakota.

"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 Lyman County Planning Commission

"Plan" means this Project Plan.

"Project Costs" means any expenditure or monetary obligations by Lyman County, 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 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 County 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 County defined and created by resolution of the governing body and named Lyman County Tax Incremental District #1.

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

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

CREATION OF LYMAN COUNTY TAX INCREMENT DISTRICT #1

The County and Dakota Mill and Grain realize the importance of adequate roads and bridges to provide access to the new facility and are in discussions of how to address the approximate \$3M of repairs / improvements. The County will be creating Tax Increment District #1 to help offset those cost. The County also anticipates entering into an agreement with DMG, where DMG will be responsible for any “short fall” that may occur should the TIF revenue not be sufficient to cover the debt service. The County intends on apply for loan funds from the State of SD Department of Transportation to cover the infrastructure costs. The TIF will act as the primary source of repayment, and DMG will be responsible for any amount that is not adequate for debt service.

The TID will consist of improving existing infrastructure to support a grain loadout facility adjacent to the rail line east of the City of Presho. The Project will consist of roadway shaping and grading, excavation, bridge repair / replacement, installation of culverts, geotextile separator, and 8” of gravel.

The new construction of a state-of-the-art grain loading facility will provide essential new markets to the region’s agribusinesses and access to the local railroad infrastructure. Once fully operational, the facility will employ 12 full time employees.

Property Within Tax Increment #1

The real property to be located within the Tax Increment District is described as follows:

- Lot 1, Dakota Mill & Grain Addition in Outlots 136 & 137 & in the S½ of Sec. 11-105-77 Presho Twp. (Unorganized) Hoelscher
- Lot 2, Dakota Mill & Grain Addition in the N½ of the SE¼ and the N½ of the SW¼, all in Sec. 12-105-77 Presho Twp. (Unorganized) Q Garnos
- Lot 3, Dakota Mill & Grain Addition in Government Lot 3 and in the NE¼ of the SW¼, all in Sec. 7-105-76 Earling Twp. (Unorganized) C Garnos
- Lot 4, Dakota Mill & Grain Addition in N½ of the SE¼ of Sec. 7-105-76 Earling Twp. (Unorganized) Haak
- Lot 5, Dakota Mill & Grain Addition in the N½ of the SE¼ and the N½ of the SW¼, all in Sec. 11-105-77 Presho Twp. (Unorganized) RR
- Lot 6, Dakota Mill & Grain Addition in the N½ of the SE¼ and the N½ of the SW¼, all in Sec. 12-105-77 Presho Twp. (Unorganized) RR
- Lot 7, Dakota Mill & Grain Addition in the N½ of the SE¼ and the N½ of the SW¼, all in Sec. 7-105-76 Earling Twp. (Unorganized) RR 308th Avenue from SD Hwy 248 north to County Road 14 (approximately 0.7 mi.)
- County Road 14 from East Presho City limits to 309th Ave including structure #43-159-195 (approximately 3.3 mi.)
- 306th Ave from SD Hwy 248 to County Road 14 including Structure #43-161-199 and triangular intersection with County Road 14 (approximately 0.6 mi.)

TAXABLE VALUE OF LYMAN COUNTY

State law requires that tax increment districts cannot exceed ten percent of the taxable value of a municipality. The 2019 Taxes Payable value for Lyman County is \$780,866,943. The base value of the taxable property for inclusion into this Tax Incremental District #1, as estimated but not yet verified by Lyman County Director of Equalization, is \$322,678.

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

There are currently no active TIF Districts under the jurisdiction of Lyman County, South Dakota.

Since there are no other TIFs in the county, the total value of all active TIF districts in Lyman County is less than ten (10) percent of total taxable value in the County. Using the estimates provided for TID #1, it is actually less than 1.0% of the total 2019 Taxable Valuation.

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

In order to implement the provisions of SDCL Chapter 11-9, the following are Project Costs and expenditures made or estimated to be made and the monetary obligations incurred or estimated to be incurred. The Project Costs include capital costs, financing costs, real property assembly costs, professional fee costs, imputed administration costs, relocation costs, organizational costs, discretionary costs and grants, plus any costs incidental thereto.

All Project Costs are found to be necessary and convenient to the creation of the Tax Incremental District and its implementation. The project constitutes economic development which is a proper public purpose of the County. The County exercises the powers expressly stated in and reasonably inferred by SDCL §11-9-15 and Chapter 9-54. The County shall enter into all contracts in accordance with South Dakota Law.

Costs of Public Works and Improvements

In accordance with SDCL § 11-9-14 the following is the kind, number, location and dollar amount of estimated Project Costs, costs of public works and improvements.

The following are estimated costs of the Project:

Kind of Project	Location ¹	Amount	Reference ²
Capital Costs (Street, Road, Water, Bridge& Sewer)	District	2,900,000	11-9-15(1)
Financing Costs	District		11-9-15(2)
Real Property Assembly	District		11-9-15(3)
Professional Fees	District	\$40,000	11-9-15(4)
Administrative Costs	District	\$60,000	11-9-15(5)
Relocation Costs	District		11-9-15(6)
Organizational Costs	District		11-9-15(7)
Discretionary Costs and Grants	District		11-9-15(8)
Eligible Project Costs		\$3,000,000	

The above are estimates of the costs involved in the project; the final total may be greater or smaller. An itemized listing of the estimated costs is set forth on Schedule 1. Because the cost estimates are only projected expenditures, the total authorized TID costs is expected to be \$3,000,000. This amount is the controlling value with respect to authorized TID Project Costs rather than the particular line item amounts contained in the above Chart and Schedule 1. The line item categories proposed are for guidance only, and actual costs will be determined upon completion of the improvements. The above total represents eligible Project Costs. Only such amounts as are feasible will be allowed by the County or by monetary obligation.

¹District shall mean the Tax Increment District.

²SDCL §11-9-15 (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds or notes issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the Project Plan, are sufficient to pay the principal of and interest on the tax incremental bonds or notes when due;

(2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for Project Costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;

(3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a Project Plan;

(4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

(5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a Project Plan;

(6) Relocation costs;

(7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and

(8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans.

Expenditures Exceeding Estimated Cost

Any expenditures, which in sum would exceed the total amount of the TID amount of \$3,000,000, will require an amendment of this Plan. All amendments would be undertaken pursuant to SDCL §11-9-23.

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

If the Project Costs are not provided for in the original plan, the governing body would be required to amend the plan which requires the South Dakota Department of Revenue to re-determine the tax increment base when additional Project Costs are added to a plan. SDCL §11-9-23.

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, ECONOMIC DEVELOPMENT STUDY, AND FISCAL IMPACT STATEMENT

Feasibility Study

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

Economic Development Study

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

Fiscal Impact Statement

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

METHOD OF FINANCING, TIMING OF COSTS AND MONETARY OBLIGATIONS

The payment of Project Costs is anticipated to be made by the County from the special fund of the Tax Incremental District. SDCL § 11-9-13(5).

Maximum Amount of Tax Increment Revenue

The maximum amount of tax increment revenue bonds or monetary obligations to be paid through Tax Increment District #1 shall be the amount sufficient to reimburse the County for the payments made for Project Costs and pay all tax increment bonds or monetary obligations in an amount not to exceed \$3,000,000 principal and interest or such lesser amount as may be feasible with the estimated revenue generated by the Tax Increment District. Final terms will be approved by a County resolution.

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 County, the extinguishment of bonds and the monetary obligation except that the Plan duration **shall not exceed 20 calendar years** of revenue from the date of creation of the District.

ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS

The site will generate taxes to the local jurisdictions at or above the assessed value of the base. All taxing districts shall receive the taxes from that base which will be the value set for 2018 taxes payable in 2019. The tax increment will be available to the taxing jurisdictions at or before twenty years after the creation of the District. Schedule 5 details the tax capture implications to each of the local taxing jurisdictions. After the repayment of the bonds and monetary obligations, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

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

Lyman County TIF #1 will be classified as Industrial; therefore, any lost local effort will be covered through the State Aid to Education Formula.

MAPS

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

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

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

SUPPLEMENTARY FINDINGS

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

No changes to neither City or County ordinances nor the City Master Plan are required. The facility is located in the County so the City will not be affected.

LIST OF ESTIMATED NON-PROJECT COSTS

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

Item	Amount
Shuttle Loader Cost & Installation	\$15,000,000
TOTAL	\$15,000,000

STATEMENT OF DISPLACEMENT AND RELOCATION PLAN

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

PERFORMANCE BOND, SURETY BOND OR OTHER GUARANTY

As security for its fulfillment of the agreement with the governing body, a purchaser or lessee of redevelopment property may furnish a performance bond, with such surety and in such form and amount as the governing body may approve or make such other guaranty as the governing body may deem necessary in the public interest. Being the County will be acting as the Developer, the County may ask the contractor for such performance bond when the work is performed.

LIST OF SCHEDULES

SCHEDULE 1 - Estimated Project Cost

SCHEDULE 2 - Economic Feasibility Study & Estimated Captured Taxable Values

SCHEDULE 3 - Economic Development Study

SCHEDULE 4 - Fiscal Impact Statement

LIST OF ATTACHMENTS

Attachment 1 - Descriptions of Real Property

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

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

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

Schedule 1

Detail of Project Costs

The following are estimate costs for the project:

Road infrastructure:

Item	Bid Item Description	Unit	Quantity	Unit Cost	Total Cost
Grading					
1	Mobilization	LS	1	\$75,000.00	\$75,000.00
2	Clearing	LS	1	\$4,000.00	\$4,000.00
3	Remove Fence	Ft	9800	\$1.00	\$9,800.00
4	Incidental Work, Grading	LS	1	\$4,000.00	\$4,000.00
5	Remove Culvert (14' Bridges)	Each	2	\$5,000.00	\$10,000.00
6	Water for Embankment	MGAL	400	\$20.00	\$8,000.00
7	Heavy Roadway Shaping	SqYd	13600	\$1.50	\$20,400.00
8	Unclassified Excavation	CuYd	40000	\$2.00	\$80,000.00
9	Remove & Place Topsoil	CuYd	10300	\$4.00	\$41,200.00
10	Unclassified Excavation, Digout	CuYd	300	\$8.00	\$2,400.00
11	Undercutting	CuYd	14600	\$2.00	\$29,200.00
12	Temporary Fence	Ft	9800	\$1.50	\$14,700.00
13	2 Post Panel	Each	24	\$200.00	\$4,800.00
14	3 Post Panel	Each	16	\$400.00	\$6,400.00
15	Permanent Fence	Ft	9800	\$2.50	\$24,500.00
16	Traffic Control	LS	1	\$25,000.00	\$25,000.00
17	Permanent Seed Mixture	Lb	270	\$50.00	\$13,500.00
18	Fertilizing	Ton	22	\$1,150.00	\$25,300.00
19	Mulching	Ton	30	\$225.00	\$6,750.00
20	60" RCP CL 2, Furn	Ft	208	\$160.00	\$33,280.00
21	60" RCP Install	Ft	208	\$80.00	\$16,640.00
22	60" RCP Flared End F&I	Each	8	\$2,300.00	\$18,400.00
23	Erosion Control	LS	1	\$15,000.00	\$15,000.00
Grading Total =					\$488,270.00
Gravel Surfacing					
24	Geotextile Separator	SqYd	31600	\$3.00	\$94,800.00
25	Water for Granular Material	MGAL	165	\$20.00	\$3,300.00
26	Gravel Surfacing (8")	Ton	16500	\$17.00	\$280,500.00
27	Dust Control Chloride (Double App)	Lb	75700	\$0.35	\$26,495.00
Surfacing Total =					\$378,600.00
Contingency/Admin & Legal Fees					
	10% Contingency				\$86,687.00
	Right of Way				\$10,000.00
	Utilities				\$10,000.00
Construction Estimate =					\$973,557.00
Design and Construction Management Services					
	Design Engineering				\$78,000.00
	Construction Inspection, Testing, and Management				\$97,500.00
Subtotal					\$175,500.00
TOTAL PROJECT COST					\$1,149,057.00

Bridge work:

Opinion of Probable Costs

Lyman County

**Str # 43-161-199 on 305th Ave. 0.3 miles East of Presho built 1930
143.5' Long Prestressed Concrete Girder Bridge (30' Width) with Concrete Deck**

Construction Estimate	\$1,076,250.00
Hydrology & Hydraulics Services	\$45,000
Design Engineering Services	\$107,625.00
Construction Engineering Services	\$139,912.50
Total Cost	\$1,368,787.50

Estimates TID Eligible of Project Costs Requested

Lyman County has determined that this will be an industrial Tax Increment District, thus the eligible cost will be in the form of Capital Costs, professional fee's and administrative costs that will not exceed \$3,000,000. This is a permitted use under SDCL 11-9-15. The administrative costs will only be collected once the debt service has been retired. When these costs are collected the County will set these funds aside and will only be allowed to spend these funds on road maintenance within the TIF Boundaries. No monies shall ever be expended that would result in benefits outside the TIF Boundaries. The intent of the administrative costs will be to cover road maintenance and repairs within the TIF Boundaries.

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

(1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds issued pursuant to this chapter until such time as positive tax increments to

be received from the district, as estimated by the project plan, are sufficient to pay the principal of and interest on the tax incremental bonds when due;

(2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for project costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;

(3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a project plan;

(4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

(5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a project plan;

(6) Relocation costs;

(7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and

(8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state.

SCHEDULE 2

ECONOMIC FEASIBILITY STUDY & TAXABLE VALUE

The County will be creating a Tax Increment District to help offset the road and bridge costs 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 County to the reimbursement of approved project costs.

Tax increment financing is permitted only in connection with a "Project Plan" duly adopted by the County. The property is currently estimated to have a taxable value of \$322,678. 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 \$11,000,000 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. For purposes of this Project Plan, the Dakota Mill and Grain is projecting that the Presho elevator will be built and fully developed by calendar year 2018.

The County's role is to create and administer Tax Increment District #1 related to road and bridge repairs. The County will apply for a loan with SD DOT and pledge TIF #1 as a repayment source / collateral. The County will collect all TIF revenue and pass on all positive increment to reimburse the County for their debt service and expenses, of which, will never exceed \$3,000,000 in total payments, or 20 years, whichever comes first.

It is assumed that all obligations incurred would be adequately secured as to allow the payment of principal and interest when due. 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.

Lyman County TID #1 is proven feasible based upon the projections made by the Developer, projecting a total in excess of \$3,000,000 in tax revenue during the life of the 20-year TIF, based on the assumptions. 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 County TID #1 will be available until the earliest of calendar year 2020 and thereafter.

TID Tax Revenue Estimates Available for Lyman County

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

Lyman County Tax Increment District #1 Revenue Assumptions

Assumed Base Value \$ 322,678												
Construction Year	Valuation Year	Revenue Year	Valuation Increment	Total School "Other"	Secondary Roads	Lyman County	Water Development District	Fire Distict	Ambulance District	Total Mill Rate*	Total Revenue Increment	Total Increment for Debt Service
2018	2019	2020	11,000,000	9.941	0.299	1.657	0.038	0.065	0.219	12.219	\$ 130,466.20	\$ 130,466.20
2019	2020	2021		9.941	0.299	1.657	0.038	0.065	0.219	12.219	\$ -	\$ 130,466.20
2020	2021	2022		9.941	0.299	1.657	0.038	0.065	0.219	12.219	\$ -	\$ 130,466.20
2021	2022	2023		9.941	0.299	1.657	0.038	0.065	0.219	12.219	\$ -	\$ 130,466.20
2022	2023	2024	3,000,000	9.941	0.299	1.657	0.038	0.065	0.219	12.219	\$ 36,657.00	\$ 167,123.20
2023	2024	2025		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2024	2025	2026		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2025	2026	2027		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2026	2027	2028		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2027	2028	2029		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2028	2029	2030		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2029	2030	2031		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2030	2031	2032		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2031	2032	2033		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2032	2033	2034		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2033	2034	2035		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2034	2035	2036		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2035	2036	2037		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2036	2037	2038		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
2037	2038	2039		9.941	0.299	1.657	0.038	0.065	0.219	12.219		\$ 167,123.20
											\$ 3,195,835.95	

* Assumes Mill Levies remain constant for the duration of the TIF

** Assumes future additions or expansions within the District in year 2022

Note: The Increment Valuations above are for projection purposes only and do not reflect what the actual number(s) may be. These projection numbers have not been certified or assessed by the Lyman County Director of Equalization.

SCHEDULE 3

ECONOMIC DEVELOPMENT STUDY

Introduction

Lyman County has a desire to create 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 Industrial 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. The proposed Lyman County TID #1 meets both of these criteria. The area within the boundaries of the TIF is currently several lots east of the City of Presho that is to be development into a state-of-the-art grain loading facility will provide essential new markets to the region's agribusinesses and access to the local railroad infrastructure.

The project will lie in the Dakota Mill & Grain Addition that lies in Presho and Earling Townships of Lyman County. The Project will improve infrastructure to support a grain loadout facility adjacent to the rail line east of the City of Presho. The Project will consist of roadway shaping and grading, excavation, bridge repair / replacement installation of culverts, geotextile separator, and 8" of gravel. Once fully operational, the grain elevator will have a substantial economic impact to the City of Presho and the region.

The project was completed during the 2018 calendar year. The Tax Increment District boundaries were created in June of 2018.

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 Lyman County TID #1 will create needed infrastructure updates to support a new state-of-the art grain loading facility. 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 Lyman County 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 industrial, commercial, manufacturing, agricultural, and natural resources. It is also found that the improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the District in accordance with SDCL 11-9-8.

The Project area currently consists of several lots east of the City of Presho that are suitable for development into a grain elevator. The intention of this TIF Project is to improve upon the existing infrastructure to support a grain loadout facility adjacent to the rail line. The Project will consist of roadway shaping and grading, excavation, installation of culverts, geotextile separator, and 8" of gravel.

The new construction of Dakota Mill & Grain's state of the art grain loading facility in Presho will provide essential new markets to the regions' agribusinesses and access to the local railroad infrastructure. Once fully operational, the facility will employ 12 full time employees.

The investment in the Project area will stimulate and develop the general economic welfare and prosperity of the region through the promotion of employment and advancement of commerce.

SCHEDULE 4

FISCAL IMPACT STATEMENT FOR LYMAN COUNTY TID #1

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 Lyman County Tax Increment District Number 1.

"Taxing Districts" means all political subdivisions of the state which have ad valorem taxing power over property within the boundaries of the Tax Increment District.

"Tax Increment Revenues" means all revenues above the Base Revenues.

Assumptions

1. The property will have improvements which at completion is estimated at taxable purposes at \$11,000,000
2. The average tax levy of all taxing districts will be \$12.154 per thousand dollars of taxable valuation.
3. Tax increment will start to be collected in 2020 and end prior to 2038.
4. The discretionary formula will be waived by Dakota Mill and Grain.

SCHEDULE 5

ESTIMATED CAPTURED TAXABLE VALUES

For purposes of this Project Plan, the Dakota Mill and Grain will elect not to use the real property tax discretionary formula currently utilized in Lyman County, South Dakota, pertaining to payment of real property taxes (i.e., 25% Year 1; 50% Year 2; 75% Year 3; 100% Year 4; and 100% Year 5).

* Actual valuation shall depend upon the value determined by the Lyman 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 \$3,000,000 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2020, 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 Non-AG Other property types:

2019 Property Tax Rate

2018 Payable in 2019	\$ per \$1,000 assessed
Lyman County	\$ 1.657
Water Development Dist	\$.038
Fire District	\$.065
Ambulance District	\$.219
Secondary Roads	\$.299
<u>School District "Other"</u>	<u>\$ 9.941</u>
Total Tax Levy	\$ 12.219

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.

ATTACHMENT 1

DESCRIPTIONS OF REAL PROPERTY:

- Lot 1, Dakota Mill & Grain Addition in Outlots 136 & 137 & in the S½ of Sec. 11-105-77 Prescho Twp. (Unorganized) Hoelscher
- Lot 2, Dakota Mill & Grain Addition in the N½ of the SE¼ and the N½ of the SW¼, all in Sec. 12-105-77 Prescho Twp. (Unorganized) Q Garnos
- Lot 3, Dakota Mill & Grain Addition in Government Lot 3 and in the NE¼ of the SW¼, all in Sec. 7-105-76 Earling Twp. (Unorganized) C Garnos
- Lot 4, Dakota Mill & Grain Addition in N½ of the SE¼ of Sec. 7-105-76 Earling Twp. (Unorganized) Haak
- Lot 5, Dakota Mill & Grain Addition in the N½ of the SE¼ and the N½ of the SW¼, all in Sec. 11-105-77 Prescho Twp. (Unorganized) RR
- Lot 6, Dakota Mill & Grain Addition in the N½ of the SE¼ and the N½ of the SW¼, all in Sec. 12-105-77 Prescho Twp. (Unorganized) RR
- Lot 7, Dakota Mill & Grain Addition in the N½ of the SE¼ and the N½ of the SW¼, all in Sec. 7-105-76 Earling Twp. (Unorganized) RR 308th Avenue from SD Hwy 248 north to County Road 14 (approximately 0.7 mi.)
- County Road 14 from East Prescho City limits to 309th Ave including structure #43-159-195 (approximately 3.3 mi.)
- 306th Ave from SD Hwy 248 to County Road 14 including Structure #43-161-199 and triangular intersection with County Road 14 (approximately 0.6 mi.)

ATTACHMENT 2

Conditions picture for Lyman County Tax Incremental District #1, SDCL § 11-9-16(1)

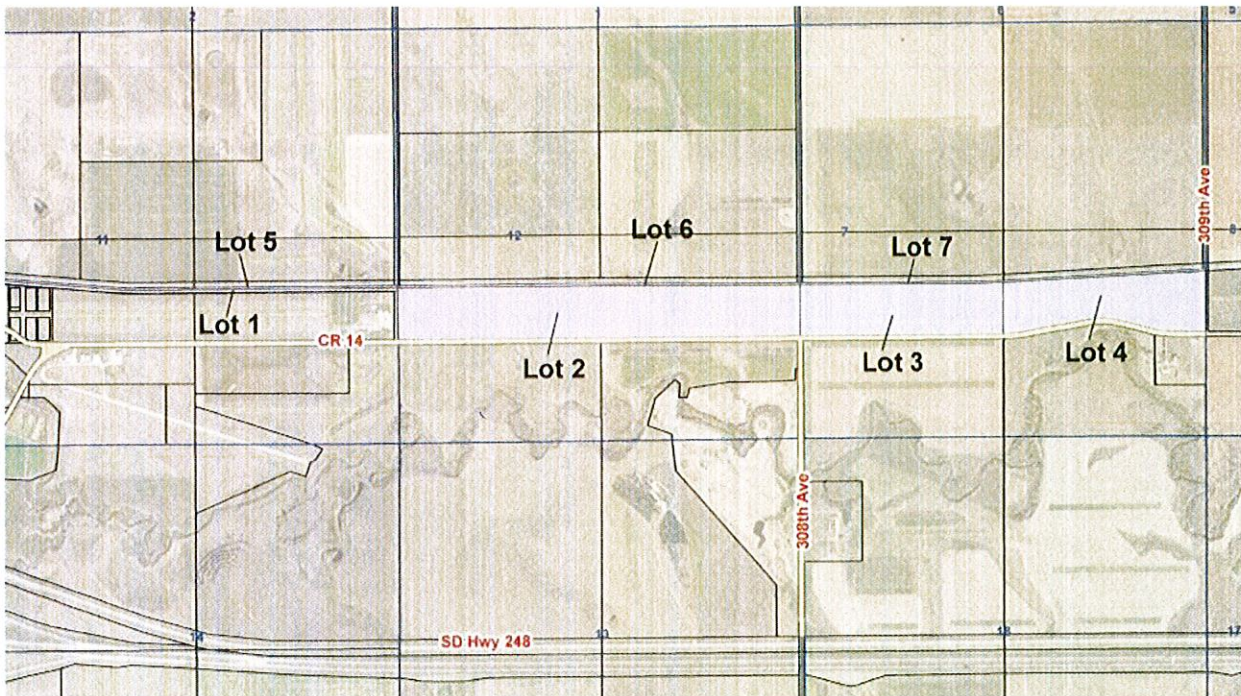
The following is a picture showing the current conditions of the proposed location of TIF #1



ATTACHMENT 3

Improvements map for Lyman County Tax Incremental District #1, SDCL § 11-9-16(2).

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



ATTACHMENT 4

Lyman County does not have Planning and Zoning. Therefore, no map is available to show the zoning of Tax Incremental District #1, SDCL § 11-9-16(2).