

**A RESOLUTION APPROVING AMENDMENT OF THE ORIGINAL
PROJECT PLAN AND CONTRACT FOR PRIVATE DEVELOPMENT,
TAX INCREMENT FINANCING DISTRICT NUMBER FIVE, TO ALLOW
FOR ADDITIONAL PROJECT COSTS**

WHEREAS, on September 16, 2020, the City of Box Elder passed a resolution consenting to Pennington County creating Tax Increment Financing District Number Five, County of Pennington (“TIF District #5”) for the purpose of developing Liberty Plaza and Liberty Center located within the City of Box Elder; and

WHEREAS, on December 15, 2020, Pennington County, by resolution, created TIF District #5 and approved the original Project Plan and Contract for Private Development with total reimbursable projects costs in the amount of \$10,359,447 for the purpose of developing Liberty Plaza which will consist of single family, multi- family, commercial/retail space and Liberty Center. Liberty Center will replace Pride Hanger and serve as Ellsworth AFB community center located in the City of Box Elder; and

WHEREAS, due to inflation and unforeseen increase in project costs, the City of Box Elder requests an amendment to the original Project Plan to allow for additional reimbursable project costs in the amount of \$3,610,624 for a total of \$13,970,072 which increase is less than 35% of the amount approved in the original Project Plan and therefore, a redetermination of the tax increment base is unnecessary as per SDCL 11-9-23; and

WHEREAS, pursuant to SDCL 11-9-14, project costs are defined as any expenditures made or estimated to be made, or monetary obligations incurred or estimated to be incurred, by a municipality that are listed in a project plan as grants or costs of public works or improvements within a district, plus any incidental costs diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by the municipality in connection with the implementation of the plan; and

WHEREAS, the Pennington County Board of Commissioners find that: (1) less than 5 years have passed since creation of TIF District #5, and (2) the additional project plan costs are warranted due to unforeseen high inflationary costs experienced since creation of the District; and

WHEREAS, the original Project Plan and Contract for Private Development have been amended to reflect the additional reimbursable project costs associated with TIF District #5.

NOW, THEREFORE, BE IT RESOLVED, THAT THE PENNINGTON COUNTY BOARD OF COMMISSIONERS HEREBY:

1. Approve the amendment of the original Project Plan to allow for additional projects costs in the amount of \$3,610,624 resulting in total reimbursable projects costs for TIF District #5 in the amount of \$13,970,072 the breakdown of said costs attached hereto as Exhibit A; and
2. Approve the amendment of the original Contract for Private Development to reflect the increase of total reimbursable project costs allowed in the Project Plan in the amount of \$13,970,072; and
3. Consent to the amendment of the original Assignment Agreement for TIF District #5 to reflect the increased total reimbursable projects cost allowed in the Project Plan.

This resolution shall take effect on the twentieth day after publication.

Dated this 20 day of September, 2022.



Gary Drewes, Chair
Pennington County Board of Commissioners

ATTEST:

Kara Tiner, Deputy Auditor
Pennington County Auditor



Exhibit A

ESTIMATED PROBABLE TIF COSTS

ITEM	BUDGET	ACTUAL
Environmental and Clean up	\$ 200,000.00	\$ 6,330.00
Mass Grading	\$ 627,000.00	\$ 1,794,591.20
Roads and Utilities	\$ 3,665,160.67	
Downtown		\$ 2,125,236.74
North Residential		\$ 664,538.10
South Residential		\$ 1,640,709.23
Infrastructure Phase II		\$ 2,602,294.16
City Hall Property		\$ 1,200,000.00
Landscaping	\$ 200,000.00	\$ 200,000.00
Public Building (Portion of the Costs)	\$ 2,000,000.00	\$ 2,000,000.00
TOTAL CONSTRUCTION	\$ 6,692,160.67	\$ 12,233,699.43
Contingencies	\$ 669,216.07	\$ -
TOTAL CAPITAL IMPROVEMENT COSTS	\$ 7,361,376.74	\$ 12,233,699.43
Financing Expenses	\$ 2,998,071.00	\$ 1,736,373.00
TOTAL TIF PROJECT COSTS	\$ 10,359,447.74	\$ 13,970,072.43

Percent Over budget **34.9%**

% of Increase versus allowable	35%	\$ 13,985,254.45
Allowable TIF Increase SDCL 11-9-23		\$ 3,625,806.71

New TIF Amount	\$ 13,970,072.43
Additional Request	34.85% \$ 3,610,624.69