

CITY COUNCIL PROCEEDINGS

The Plankinton City Council met in special session on Wednesday, April 14, 2021, at the Senior Citizens' Center, for the purpose of discussing the Briggs Development lift station and possible TIF. Mayor John J. Staller called the meeting to order at 6:30 p.m. Council members present were Jim Hinckley, Pam Vissia, Jason Schurz, Brad Kehn and Terry Schuldt. City employee present was Eileen Sorsen. Visitors were J.P. Studeny from SD Mail; Greg Henderson and Brian McGinnis from Planning District III; Clinton Powell, engineer for Brosz Engineering; Jeff McCormick, engineer for SPN Engineers; Jim Taylor, Plankinton City Attorney; and Jeff Briggs.

The Pledge of Allegiance was recited.

There were no public comments.

Mayor Staller asked for 2 changes to the Agenda. Add Resolution 4-14-21 (to apply for LWCF Funds for Westside Park restroom), and add Executive Session, Legal (as per SDCL 1-25-2 (3)). Kehn made a motion to approve the Agenda, as changed. Schurz seconded the motion. All voted aye. Motion carried.

TIF DISCUSSION:

Mayor Staller started the TIF conversation. He had a conversation with Joe Bartman from Dakota Resources, a lending organization. They cannot lend to the City, just the Development Corporation. He did say that TIF's work, and it is an unsecured, no collateral loan. Mr. Powell also said it is a non-recourse, no collateral loan through the Development Corp. or a couple bonding companies, or local banks. Clinton and Jeff Briggs did some cost estimates, and theirs are a little different than SPN's cost estimates. He asked, "who's design is it, the City's, or Jeff's, as the developer?" If it is Jeff's, then he can select his engineer, and move forward. Mayor Staller talked to Jeff McCormick about 6 weeks ago about who pays for things like the necessary lift station. Jeff updated his cost estimate based on a recent lift station bid and said that he is on hold until the City decides.

Brian McGinnis said TIF's are excellent, and there is a need for rural housing, but they don't always mesh. Brian works with Toby Morris, who he considers the top TIF expert in the State. The City must know how much a TIF will generate, and he does not know exactly what the City is providing as far as electric, streets, etc. The City must consider their Constitutional Debt Limit, and according to his figures, we could only borrow \$129,000 toward a TIF, until our debt is less. Brian McGinnis later clarified, if done correctly the TIF would not count against the debt limit, resulting in an available debt capacity of around \$600,000. When a TIF is done, you incur a date for all the improvement, and the City would not get any money from a new house until 2023. TIFs are designed for affordable homes (below \$275,000). Someone must pay for the lift station. Mr. McGinnis said that generally the developer takes the TIF. We have Discretionary Formula in Aurora County, so new homes pay less taxes in the first few years. His and Toby Morris' assumption is the TIF would cover about \$500,000. Mayor Staller asked if there are grant funds, but Brian McGinnis and Greg Henderson said new housing subdivisions have no grants available. Brian just wants the City to have the information.

Clinton Powell said we need to decide if the City is the developer or is Jeff Briggs. We are in a bad spot where the City wants to be a half developer, and Jeff Briggs is the other half. Jeff Briggs said that 3 or 4 years ago the City talked about putting in a lift station, and he was going on that assumption

when he bought the land and paid for engineers. Kehn said our former City Utility Superintendent led us wrong, and the City should have done more investigating. Jeff Briggs kept moving forward with that information. Kehn said “our Utility Superintendent gave us a \$38,000 quote for the lift station.” Hinckley said, “now we find out it is over \$300,000.”

Jeff Briggs has looked at other options such as relocating the lift station to the north end of Main Street. By moving it, the deepest part is about 11 feet deep. One switch, and an easement, could lower it to a lift station that goes 10 feet. He feels there are other options available that would lower the cost. Jeff McCormick said it would save about \$500 to \$1,000 a vertical foot by saving maybe 6 or 7 feet. But we still have all the pumps and controls to install. Jeff McCormick priced a lift station with Darin Cranny, the current Utility Supt., at the original 17-foot depth.

Clinton said that the City must decide what engineer we want for this project, and Jeff McCormick stated the TIFs he has worked on in Mitchell are usually done by the developer.

Brian McGinnis mentioned the City wants to have the infrastructure up to the City standards if the City will be responsible for it in the future. The lift station can be put on the TIF, but the TIF revenue estimates do not support the developer’s costs and the lift station. One lot of the 16 has already been sold.

Clinton asked, “if it’s Jeff’s, is the City offsetting part of the costs of the Lift Station?” Mr. McGinnis said that the City is in the driver’s seat, and we have to say if we want to do it, or Jeff. The Bottom line is who is in charge, and he said that the City does not want to guarantee the debt.

Jeff McCormick mentioned that the other element is the cost of the lots. If they are \$10,000, \$20,000, or \$30,000. If the City wants to be indebted in the TIF, then it needs to have a say in selling the lots. It could create a connection fee to offset the costs of water and sewer infrastructure.

Mr. McGinnis said that TIFs work, but just be sure what costs you are responsible for. Mayor Staller asked if we wanted to go to a TIF, would we go to District III. Brian said to go to Toby Morris and his fee could be taken off the TIF. He told the Mayor that we are moving along, but there are some major variables here, and he also doesn’t know what the City has promised to do. Mr. McCormick told the Council that materials are very hard to get, and it may take 7 months or more to get pumps and pipe. He suggested it should be bid in early fall, to start construction next year. He also mentioned that material quotes are not being given now.

Mayor Staller’s first basic question is should the City pay for this, with SPN as engineers, or Jeff Briggs pay for it, with Brosz Engineering. Hinckley is wondering how we pay for this. Would the City tax everyone and then everyone pays for the TIF, or does Jeff pay for it? He said, “we need to get our heads together and talk about this.”

Kehn said that Toby Morris thought we could do a \$500,000 TIF, and Brian said that we need to keep an eye on our debt limit, and Brian thinks we should let Briggs Development carry the TIF.

Mr. Powell stated that if the City can pay for the lift station, let Jeff Briggs carry the TIF, they can get the development done. The lift station would need to be re-evaluated, and Jeff would put in the infrastructure.

Vissia asked the District III representatives if there is any funding for a lift station. Mr. Henderson said it is hard to get money for new housing developments, but they will look.

J.P. Studeny said DENR just put out 20 million dollars in grants, and what are those funds for. Jeff McCormick said those were for municipalities with failing or outdated infrastructure. Mr. McGinnis said DENR won't allow it, since the lift station would be exclusive for the new development. He suggests waiving the Discretionary Formula for new homes, and Jeff Briggs could do that since he owns the lots. J.P. said that City Ordinance currently does not allow septic tanks, but the Ordinance could be changed. Mr. Taylor does not think the City should do that, as there would be two different standards for sewer in the City then.

Jeff Briggs has 3 people interested in buying a lot, but they can't buy until he knows what is going to happen. Kehn asked about the time frame if the City puts in the lift station and Jeff works on the TIF. Mr. Powell said it now looks like they would be able to start in 2022.

Brian McGinnis is assuming Brosz Engineering and SPN both have cost estimates, but both are based on different locations of lift station. City must decide who is paying for what. Jeff McCormick also thought the City would just put in the lift station.

The visitors all left the meeting at 7:48 p.m. Mr. Taylor, City Attorney, remained for Executive Session.

Mayor Staller entertained a motion to enter Executive Session Legal, as per SDCL 1-25-2 (3). No formal motion or second was made to go into Executive Session, due to the confusion of the visitors exiting. The Council went into Executive Session at 7:51 p.m.

Mayor declared the Council out of Executive Session at 8:18 p.m., with no action taken. Mr. Taylor departed the meeting at that time.

NEW BUSINESS:

RESOLUTION 4-14-21:

Mayor Staller said we are asking for a 50/50 Match Grant with LWCF (Land and Water Conservation Fund) with the filing assistance of Planning District III, for the purpose of helping the City fund a new restroom at Westside Park. It was on the 5-year Plan, but Covid pushed it back. Mayor Staller said that the City's portion would be in labor and equipment. Vissia made a motion to have the Resolution signed and sent in. Hinckley seconded the motion. All voted aye. Motion carried.

RESOLUTION NO. 4-14-21 OF THE CITY OF PLANKINTON

WHEREAS, the United States of America and the State of South Dakota have authorized the making of grants from the Land and Water Conservation Fund (LWCF) to public bodies to aid in financing the acquisition and/or construction of specific public outdoor recreation projects;

NOW, THEREFORE BE IT RESOLVED;

1. That **Joe Staller** is hereby authorized to execute and file an application on behalf of the **City of Plankinton** with the National Park Service, U.S. Department of the Interior, through the State of South Dakota, Department of Game, Fish, and Parks, Division of Parks and Recreation, for an LWCF grant to aid in financing the **Plankinton Westside Park Restroom Project** for the **City of Plankinton**, South Dakota and its Environs.

2. That **Eileen Sorsen, Finance Officer of the City of Plankinton** is hereby authorized and directed to furnish such information as the above mentioned federal and/or state agencies may reasonably request in connection with the application which is hereby authorized to be filed.
3. That the **City of Plankinton** shall provide a minimum of 50% of the total cost of the project; and will assume all responsibility in the operation and maintenance of the project upon completion of construction, for the reasonable life expectancy of the facility.
4. That the **City of Plankinton** shall dedicate for park and recreation purposes in perpetuity, the real property identified in the authorized application.

ATTACHMENT

CERTIFICATE OF RECORDING OFFICER

The undersigned duly qualified and acting as the **Finance Officer** of the **City of Plankinton** do hereby certify:

That the attached Resolution is a true and correct copy of the Resolution, authorizing the filing of application with the National Park Service as regularly adopted at a legally convened meeting of the **City of Plankinton** duly held on the **14th day of April, 2021** and further that such Resolution has been fully recorded in the journal of proceedings and records in my office.

IN WITNESS WHEREOF, I have hereunto set my hand this **15th day of April, 2021.**

BY: John J. Staller, Mayor

CITY SEAL

ATTEST: Eileen Sorsen, Finance Officer

TRENCHER:

The 1980 Bobcat Trencher that was bought from SD Federal Surplus in 2016 (for \$1,687.50) is no longer in working condition and is too old to find parts for. Chance would like to know how much he can spend in looking for a replacement. Jason Schurz said he looked at it, and it is done. He thinks the city should look for a tool carrier type trencher that also has other tools on it for other purposes. He thinks new ones are around \$22,000 to \$25,000, but Chance is hoping to find a good used one. The Council said to look at options, and then talk.

Mayor Staller adjourned the meeting at 8:28 p.m.

Signed: Mayor John J. Staller, Mayor _____

Attest: Eileen Sorsen, Finance Officer _____