

Tax Increment Finance District #10

Huron, South Dakota

On behalf of: Ridgeview Apartments, LLC

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Executive Summary – City Huron TIF #10

Item	Value
District Classification	Affordable Housing
Structure	Pay-As-You-Go Reimbursement
Term	Not to Exceed 20 Years from the Date of Creation (Expiration: 2046)
Security	Tax Increment Revenues Only
Total TIF Eligible Project Costs	$1,487,100
Average Value Per Multifamily Building	$1,700,000
Equalized Rate	95%
Average Assessed Value Per Building (3)	$1,615,000
Estimated Stabilized Gross Tax Increment Revenue	$97,007
Estimated Stabilized Taxable Value	$5,100,000
Total Projected TIF Revenue Available	$1,762,286
Total TIF Requested	$1,487,100
Coverage of Total TIF Eligible Project Costs	100%
Revenue Projected Start	2028
Stabilized Projections Begin	2030
Final Projected TIF Collection Year	2044
Summary of Housing	
Total Units Available	81 Multifamily Units
One Bedroom Units Per Building	6 Units
Two Bedroom - One Bathroom Units Per Building	15 Units
Two Bedroom - Two Bathroom Units Per Building	6 Units
Total Units Per Building	**27 Units**

Introduction – The Project

Tax Increment Financing

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 City Planning Commission and the City Commission.

The Project

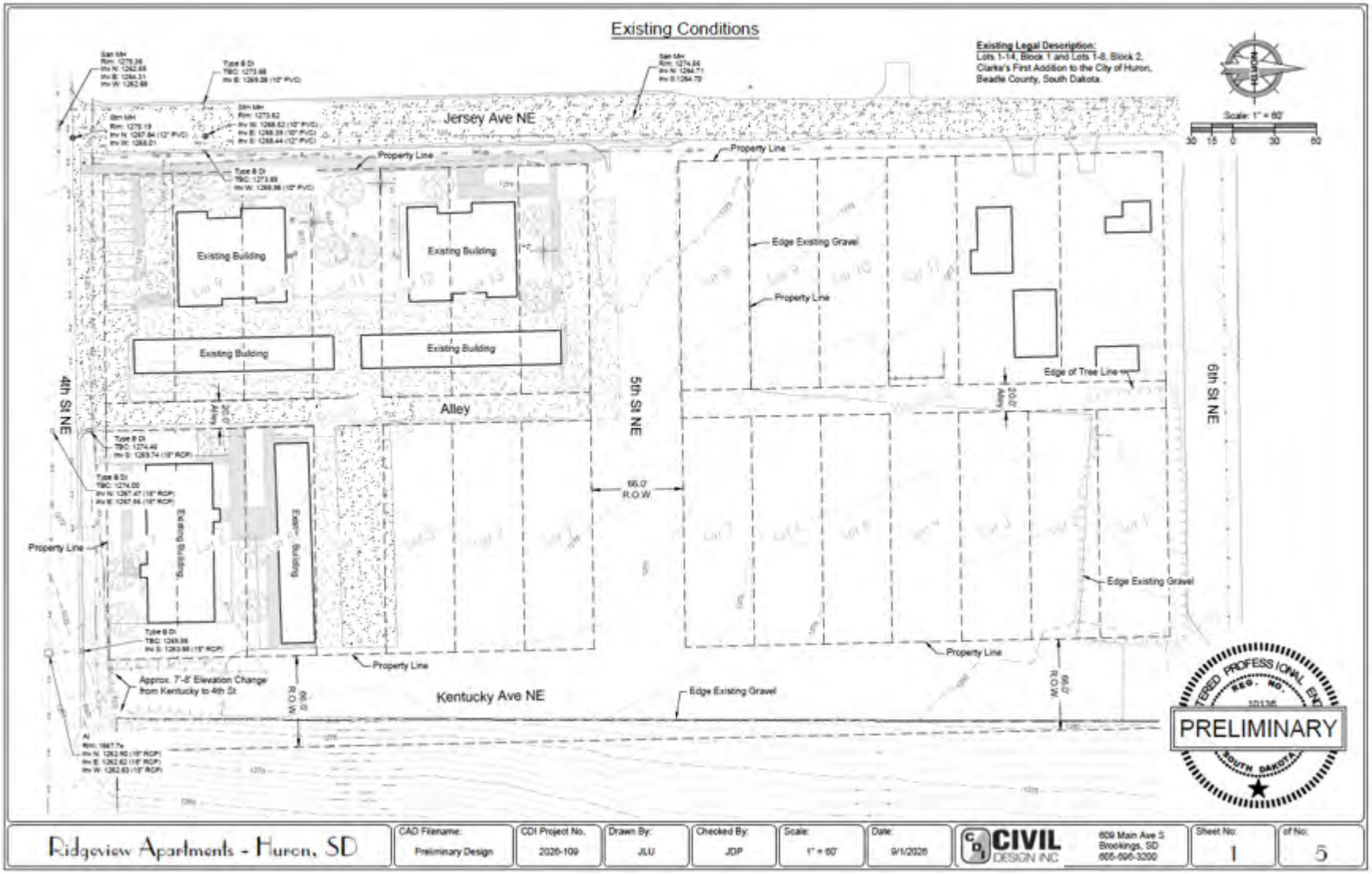
The proposed project consists of the construction of three multifamily residential buildings, with twenty-seven units in each building, for a total of eighty-one new housing units. The development is located east of Jersey Avenue NE and along 5th Street NE and is intended to expand the availability of quality rental housing within the community.

The development will provide additional housing options for individuals and families while supporting the continued growth of the surrounding area. The project may also include the necessary site preparation, utility connections, parking, access, drainage, landscaping, and other improvements required to support the residential development.

The project will be established as an Affordable Housing Tax Increment Financing District. In accordance with the applicable affordability requirements, the monthly rental rate for all multifamily housing units within the district will be maintained 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.

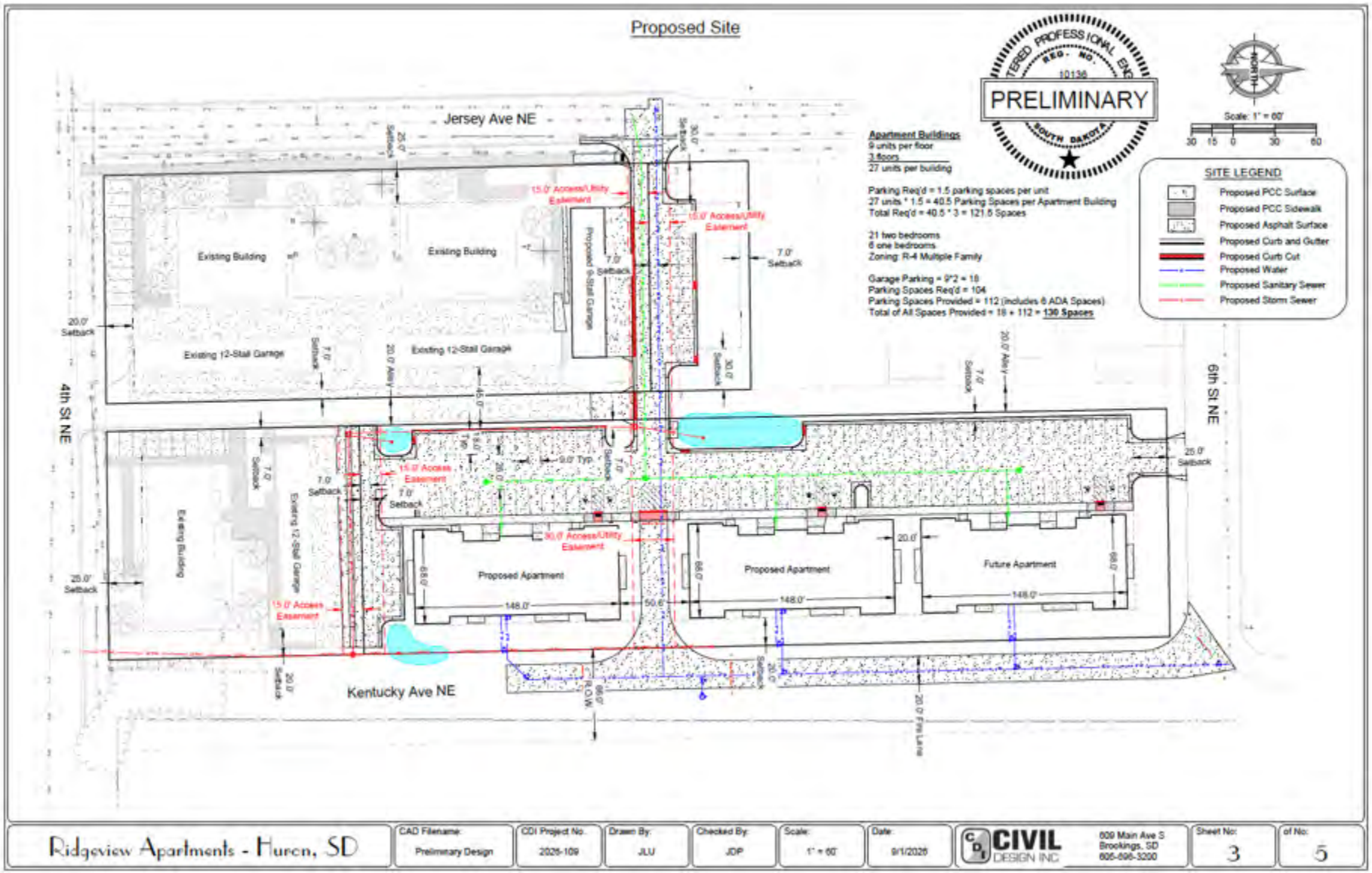
Introduction – The Project

The following shows the proposed plat of the development:



Introduction – The Project

The following shows the proposed layout of the development site:



Purpose & General Definitions

Purpose of the TIF District

The property upon which this Tax Increment District (TID) is proposed to be implemented is located within the City of Huron, South Dakota.

As such, the creation of the City of Huron TIF #10 shall be conditioned upon the creation of the District by resolution, and the establishment of the TID boundaries and approval of the TID Project plan by the City Planning Commission.

The purpose of this Plan, to be implemented by the City of Huron, South Dakota is to satisfy the requirements for a Tax Increment District #10 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 City. The Plan will describe the boundary, estimated costs, feasibility and fiscal impact of the District.

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 growth throughout the District and provide a financing vehicle to administer the funds.

Population Trends

Huron experienced strong population growth during the 2010s. From 2010 to 2020, the City's population increased by approximately 13%, from 12,592 to 14,263 residents, outpacing both state and national growth. Much of this growth occurred among children and working-age adults and was supported by international migration.

Growth has slowed since 2020 but is expected to continue. Huron's population was estimated at 14,813 in 2025 and is projected to reach approximately 15,162 by 2030. Growth is expected among young adults, middle-aged residents, and older adults, creating demand for a variety of housing options.

Household growth has not kept pace with population growth. While the population increased by 13% from 2010 to 2020, the number of households increased by only 2%. This suggests that some residents may be living in larger, shared, or multigenerational households because suitable housing is not available. Expanded housing production could allow household formation to more closely align with population growth.

Per the Huron, SD Housing Needs Assessment

The Need for Housing

Huron's population and household trends support the continued development of additional rental housing. Rental housing represented approximately 41% of the City's occupied housing units in 2020, while the vacancy rate among conventional market-rate rentals had declined to approximately 4.2% by April 2026. The housing study also estimates that 200 to 250 potential households could form if additional suitable housing were available.

Through 2030, the study projects a need for approximately 12 to 15 additional rental units annually under the low-growth scenario and 16 to 19 units annually under the higher-growth scenario. These projections include units needed to accommodate growth and replace units removed from the existing housing stock but do not include additional units that may be necessary to address existing pent-up demand.

Overall, the study demonstrates a continuing need for new multifamily housing to expand the supply of available rental units, accommodate future population and household growth, and relieve pressure within Huron's existing rental market.

Per the Huron, SD Housing Needs Assessment

Purpose & General Definitions

General Definitions

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

"Base" or "Tax Increment 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 fifty 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 development; and

(2) The improvement of the area is likely to significantly enhance the value of substantially all other real property in the district.

It is not necessary to identify the specific parcels meeting the criteria.

"Commission" means the City of Huron City Commission

"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 Ridgeview Apartments, LLC

"Developer's Agreement" means the agreement between Developer and the City of Huron concerning this Tax Increment District.

"District" means the Tax Increment 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 Huron

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

"Governing body" means the City of Huron, City Commission

"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 Huron Planning Commission

"Plan" means this Project Plan.

"Project Costs" means any expenditure or monetary obligations by the City of Huron, 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 Huron 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 Increment District" means a contiguous geographic area within a City defined and created by resolution of the governing body and named the City of Huron Tax Increment District #10.

"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 Huron Tax Increment District #10

Creation of the District

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

The City of Huron 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 increasing housing supply, supporting workforce housing needs, accommodating household growth, and enabling private residential investment.

State law limits the aggregate tax increment base of Tax Increment Districts within a first-class municipality to seven and one-half percent (7.5%) of the total assessed value of all taxable property within the municipality. The 2026 taxable valuation of the City of Huron is $879,226,297, resulting in a maximum aggregate Tax Increment District base value of $65,941,972.

SDCL § 11-9-5(3). To create a Tax Increment District, the governing body must adopt a resolution that includes a finding that, for a district created by a first-class municipality, the assessed value of the taxable property within the proposed District, together with the tax increment base of all other existing districts, does not exceed seven and one-half percent (7.5%) of the total assessed value of all taxable property within the municipality.

The base value of the taxable property proposed for inclusion within Tax Increment District #10, as estimated but not yet verified by the Beadle County Director of Equalization, is $19,800.

There are five other active Tax Increment Districts within the City of Huron. Based on the base values shown in the table above, the aggregate base value of the City's existing Tax Increment Districts, together with the estimated base value of proposed TID #10, remains below the applicable statutory limitation.

CITY OF HURON	
Tax Increment District	**Base Values**
3	$641,718
4	$1,485,982
5	$2,191,813
6	$15,853,899
7	$0
8	$80,000
9	$0
10	$19,800
Total	**$20,273,212**
City of Huron Taxable Value	***$879,226,297***
All Base Values must be < 7.5%	***$65,941,972***

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

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 Increment 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 $1,487,100. 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	$1,107,500	11-9-15(1)
Financing Costs	District		11-9-15(2)
Real Property Assembly	District	$300,000	11-9-15(3)
Professional Fees	District	$79,600	11-9-15(4)
Administrative Costs	District		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)
Incidental Costs	District		11-9-15(9)
Eligible Project Costs		$1,487,100	

(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, over-excavation, and grading of land, including use of engineered fill and soil compaction; and the amount of interest payable on tax increment bonds issued pursuant to this chapter until the 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 increment 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 obligations prior to maturity, and a reserve for the payment of principal and interest on obligations in an amount determined by the governing body to be reasonably required for the marketability of obligations;
(3) Real property assembly costs, including the actual cost of the acquisition by a political subdivision of real or personal property within a district, less any proceeds to be received by the political subdivision from the sale, lease, or other disposition of property pursuant to a project plan;
(4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal services;
(5) Imputed administrative costs, including reasonable charges for the time spent by a municipal or county employee 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 a district and the implementation of project plans;
(8) Payments and grants made, at the discretion of the governing body, that are found to be necessary or convenient to the creation of a district, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state, except:
(a) No payment or grant may be used for any residential structure pursuant to § 11-9-42; and
(b) A recipient for a grant made for a district shall enter into an agreement with the governing body specifying the only purposes for which a grant may be used; and
(9) Incidental costs diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by the political subdivision, in connection with the implementation of the plan.

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 $1,487,100 will be the maximum amount the City will ever pass on acting as a conduit for TIF #10. This amount will include any and all interest associated with the debt and the controlling value of the TIF will never pay more than $1,487,100.

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 $1,487,100 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 increase in authorized Project Costs above $1,487,100 will require an amendment to this Project Plan. Any amendment adding Project Costs for which tax increments may be received shall be undertaken pursuant to SDCL § 11-9-23.

If additional Project Costs exceed twenty-five percent (25%) of the amount approved in the original Project Plan, the tax increment base must be redetermined pursuant to SDCL § 11-9-20. Additional Project Costs of twenty-five percent (25%) or less do not require redetermination of the tax increment base if the additional costs are incurred within the period provided under SDCL § 11-9-13.

Detailed List of Estimated Project Costs

Schedule 1 contains a detailed list of the estimated Project Costs pursuant to SDCL § 11-9-13(3). No expenditure is provided for more than five years after the District is created, except as otherwise permitted by law.

Feasibility Study

Schedule 2 contains the Economic Feasibility Study required pursuant to SDCL § 11-9-13(2). The study evaluates the anticipated tax increment valuation and projected revenues available to support the Project Costs.

Economic Development Study

Schedule 3 contains the Economic Development Study supporting the findings required for the creation of the District under SDCL Chapter 11-9.

Fiscal Impact Statement

Schedule 4 contains the Fiscal Impact Statement required pursuant to SDCL § 11-9-13(4). The statement identifies the estimated impact of the District, both during and after the TIF period, on the taxing entities levying property taxes within the District.

Estimated Captured Taxable Values

Schedule 5 contains the Estimated Captured Taxable Values and projected tax increment revenues used in evaluating the financial performance of the District.

The method of financing Project Costs and the timing of related monetary obligations, as required by SDCL § 11-9-13(5), are described on the following page.

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 the Developer from the special fund of Tax Increment District #10 in accordance with SDCL §§ 11-9-30(1) and 11-9-32. Pursuant to the Developer's Agreement, the City will pay to the Developer available tax increment revenues received from the District, subject to the terms and limitations of the Developer's Agreement.

Maximum Amount of Tax Increment Revenue

The maximum amount of tax increment revenues payable through Tax Increment District #10 shall be the amount necessary to reimburse the Developer for eligible Project Costs, in an amount not to exceed $1,487,100, including principal and interest, or such lesser amount as may be feasible based upon the tax increment revenues generated by the 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 for the period necessary to reimburse eligible Project Costs and satisfy any related monetary obligations; however, the duration of the Plan shall not exceed twenty calendar years of tax increment 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 2025 taxes payable in 2026. 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

South Dakota law provides different treatment for Tax Increment Financing Districts depending upon the classification of the District. For purposes of the State Aid to Education formula, TIF districts are generally classified as Economic Development, Industrial, Affordable Housing, or Local.

Pursuant to SDCL §§ 13-13-10.9 and 13-13-10.10, Tax Increment Financing Districts created for Economic Development, Industrial, or Affordable Housing purposes receive specific treatment under the State Aid to Education formula.

- 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 Huron TIF #10 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 on the Capital Outlay Fund is generally limited. Pursuant to SDCL § 13-16-7.2, a school district is limited to the maximum taxes allowed under SDCL § 13-16-7 or the applicable maximum amount per enrolled student, whichever is less. For 2022 and subsequent years, the maximum amount per enrolled student increases annually by the lesser of three percent (3%) or the index factor, as defined in SDCL § 10-13-38.

During the life of a TIF, the increment valuation may delay the recognition of valuation growth available to the school district for capital outlay purposes. Once the TIF is terminated, the increment valuation becomes part of the school district's taxable valuation and may contribute to future capital outlay capacity, subject to the applicable statutory limitations.

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 Comprehensive 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
Estimated Cost to Construct Multifamily Buildings	$11,576,250
Total	$11,576,250

The costs estimated above are related to the construction of the multifamily buildings within the District and are deemed non - eligible for Tax Increment reimbursement.

List of Schedules

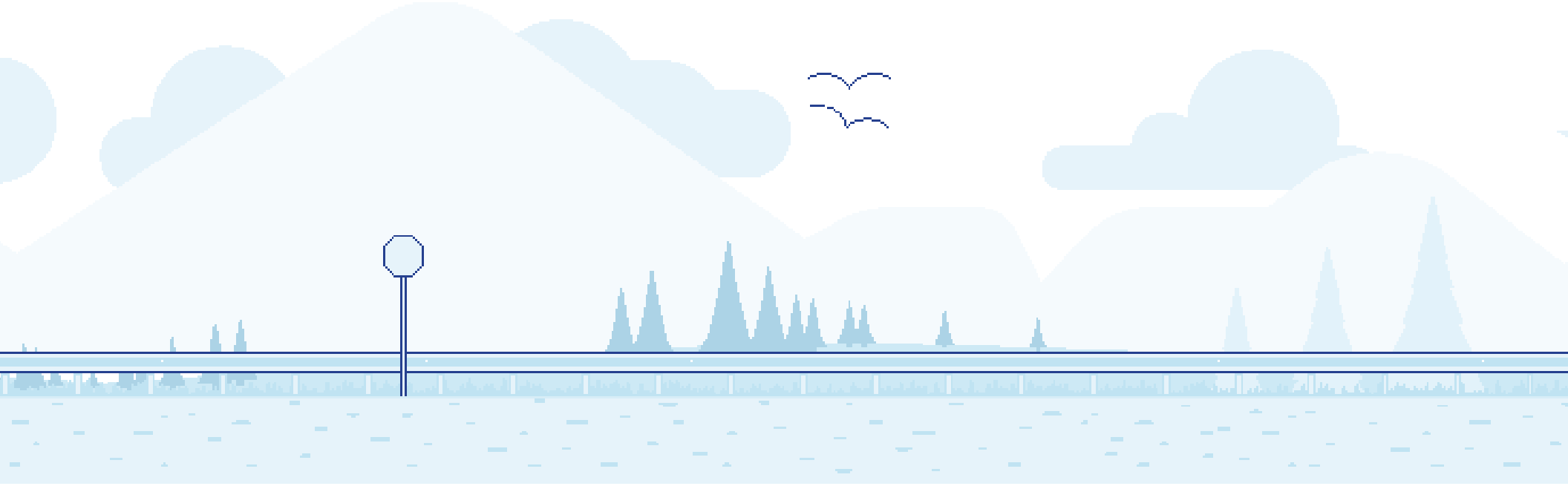
Schedule 1 - Estimated Project Costs

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 Huron has determined that this will be an affordable housing Tax Increment District, thus the eligible cost will be in the form of an infrastructure grant that will not exceed $1,487,100. This is a permitted use under SDCL 11-9-15. Eligible project costs may include the following:

(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, that are found to be necessary or convenient to the creation of a district, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state, except:

(a) No payment or grant may be used for any residential structure pursuant to § 11-9-42; and

(b) A recipient for a grant made for a district shall enter into an agreement with the governing body specifying the only purposes for which a grant may be used; and

(9) Incidental costs diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by the political subdivision, in connection with the implementation of the plan.

Engineer's Opinion of Probable Costs

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

Bid Item Number	Items	Approximate Quantity	Unit	Unit Price	Total
General & Earthwork					
1	Mobilization	1	LS	$ 76,250.00	$ 76,250.00
2	Asphalt & PCC Pavement Removal	900	SY	$ 6.00	$ 5,400.00
3	Unclassified Excavation	4,000	CY	$ 8.00	$ 32,000.00
4	Placing Topsoil (Assumed 8")	1,600	CY	$ 12.00	$ 19,200.00
5	Scarify & Recompact Subgrade (12")	2,000	CY	$ 6.00	$ 12,000.00
6	Contractor Furnished Borrow	200	CY	$ 22.00	$ 4,400.00
7	Traffic Control	1	LS	$ 5,000.00	$ 5,000.00
					$ 154,250.00
Erosion Control & Permanent Seeding					
8	High Flow Silt Fence	1,000	LF	$ 5.00	$ 5,000.00
9	Concrete Washout Facility	2	EA	$ 1,000.00	$ 2,000.00
10	Sediment Control at Inlets	18	EA	$ 200.00	$ 3,600.00
11	Temporary Tracking Control	3	EA	$ 2,000.00	$ 6,000.00
12	Seeding and Mulching	1.3	Acre	$ 5,000.00	$ 6,500.00
					$ 23,100.00
Surfacing					
13	Aggregate Base Course (10" Depth)	3,000	TON	$ 22.00	$ 66,000.00
14	Aggregate Base Course, Sidewalks (5" Depth)	200	TON	$ 24.00	$ 4,800.00
15	Class E, Type 2, 20% RAP, Asphalt Concrete (4" Depth)	1,000	TON	$ 130.00	$ 130,000.00
16	Concrete Curb & Gutter	1,800	FT	$ 28.00	$ 50,400.00
17	5" Concrete Sidewalk	6,000	SF	$ 7.00	$ 42,000.00
18	Colored Concrete Sidewalk	500	SF	$ 15.00	$ 7,500.00
19	Detectable Warning Panel	20	SF	$ 70.00	$ 1,400.00
20	6" PCC Pavement	700	SY	$ 70.00	$ 49,000.00
21	8" PCC Fillets or Valley Gutter	230	SY	$ 120.00	$ 27,600.00
22	Pavement Marking Paint	1	LS	$ 3,000.00	$ 3,000.00
23	Permanent Signage	1	LS	$ 2,500.00	$ 2,500.00
					$ 384,200.00
Sanitary Sewer & Services					
24	Connect to Existing Sanitary Manhole	1	EA	$ 3,000.00	$ 3,000.00
25	8" PVC Sanitary Sewer Pipe (including pipe bedding)	800	FT	$ 70.00	$ 56,000.00
26	48" Dia. Sanitary Sewer Manhole	4	EA	$ 8,500.00	$ 34,000.00
27	8"x6" PVC Sewer Wye	3	EA	$ 800.00	$ 2,400.00
28	6" PVC Sewer Service Pipe (including pipe bedding)	135	FT	$ 50.00	$ 6,750.00
29	6" PVC Sewer Cap (Glued)	3	EA	$ 200.00	$ 600.00
30	6" PVC Cleanouts w/Frame & Cover	3	EA	$ 800.00	$ 2,400.00
31	PVC Sewer Pipe Deflection Test & Air Testing	1	LS	$ 4,000.00	$ 4,000.00
					$ 109,150.00

Engineer's Estimate of Probable Costs

Water Main & Services					
32	6" C900 PVC Water Main w/Tracer Wire & Bedding	900	FT	$ 70.00	$ 63,000.00
33	6" Gate Valve & Box	6	EA	$ 2,500.00	$ 15,000.00
34	6" - 45° Bend	4	EA	$ 800.00	$ 3,200.00
35	6"x6"x6" Tee	3	EA	$ 1,200.00	$ 3,600.00
36	6"x6" Cross	1	EA	$ 1,500.00	$ 1,500.00
37	6" Water Main Cap	1	EA	$ 800.00	$ 800.00
38	Standard Fire Hydrant	1	EA	$ 7,500.00	$ 7,500.00
39	Connect To Existing Water Main	1	EA	$ 3,000.00	$ 3,000.00
40	Water Main Disinfection & Pressure Testing	1	LS	$ 1,500.00	$ 1,500.00
					$ 99,100.00

Storm Sewer					
41	8" HDPE or PVC Storm Sewer Pipe	320	FT	$ 50.00	$ 16,000.00
42	12" RCP Storm Pipe (including pipe bedding)	800	FT	$ 74.00	$ 59,200.00
43	2'x3' Type B Drop Inlet w/Frame & Grate	4	EA	$ 5,000.00	$ 20,000.00
44	18" Drain Basin	6	EA	$ 3,500.00	$ 21,000.00
45	48" Storm Manhole	2	EA	$ 6,000.00	$ 12,000.00
46	Connect to Existing Storm Structure	1	EA	$ 2,000.00	$ 2,000.00
					$ 130,200.00

(Note: Storm pipe sizing not completed at time of estimate)

General & Earthwork	$	154,250.00
Erosion Control & Permanent Seeding	$	23,100.00
Surfacing	$	384,200.00
Sanitary Sewer & Services	$	109,150.00
Water Main & Services	$	99,100.00
Storm Sewer	$	130,200.00
Construction Subtotal:	$	900,000.00
Contingency (10%):	$	90,000.00
Total Opinion of Construction Costs:	**$**	**990,000.00**
Design / Engineering (Per Proposal)	$	37,500.00
Testing	$	8,000.00
Construction Admin. / Observation (8%)	$	72,000.00

This preliminary opinion of costs does not include lighting, landscaping, building preparation, building construction, or any other utility besides sanitary sewer, water, and storm sewer.

TOTAL PRELIMINARY OPINION OF PROJECT COSTS: $ 1,107,500.00

City of Huron TIF #10 Project Cost Summary		
Item	**Costs**	**TIF Requested**
Infrastructure	$1,107,500	$1,107,500
Architectural Design	$20,000	$20,000
Structural Engineering	$15,000	$15,000
MEP	$44,600	$44,600
Land	$300,000	$300,000
Total	**$1,487,100**	**$1,487,100**

Schedule 2

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 $19,800. 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 $5,100,000 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 $1,487,100 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 Huron TID #10 is proven feasible based upon the projections made by the Developer, projecting a total in excess of $1,487,100 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 Huron TID #10 will be available until the earliest of calendar year 2028 and thereafter.

Increment Analysis & Revenue Projections

The following analysis outlines the projected incremental taxable valuation within the district and the corresponding tax increment revenues anticipated over the life of the district. Projections are based on the development schedule provided and applicable mill levy assumptions.

School	County	City	Fire	Water	Ambulance	Total	Equalized
10.236	2.45	7.280	0	0.056	0	20.022	95%

Construction Year	Valuation Year	Revenue Year	Phase 1	Phase 2	Phase 3	Total Amount Available for D/S
2026	2027	2028	$16,168	$16,168	$0	$32,336
2027	2028	2029	$32,336	$32,336	$16,168	$80,839
2028	2029	2030	$32,336	$32,336	$32,336	$97,007
2029	2030	2031	$32,336	$32,336	$32,336	$97,007
2030	2031	2032	$32,336	$32,336	$32,336	$97,007
2031	2032	2033	$32,336	$32,336	$32,336	$97,007
2032	2033	2034	$32,336	$32,336	$32,336	$97,007
2033	2034	2035	$32,336	$32,336	$32,336	$97,007
2034	2035	2036	$32,336	$32,336	$32,336	$97,007
2035	2036	2037	$32,336	$32,336	$32,336	$97,007
2036	2037	2038	$32,336	$32,336	$32,336	$97,007
2037	2038	2039	$32,336	$32,336	$32,336	$97,007
2038	2039	2040	$32,336	$32,336	$32,336	$97,007
2039	2040	2041	$32,336	$32,336	$32,336	$97,007
2040	2041	2042	$32,336	$32,336	$32,336	$97,007
2041	2042	2043	$32,336	$32,336	$32,336	$97,007
2042	2043	2044	$32,336	$32,336	$32,336	$97,007
2043	2044	2045	$32,336	$32,336	$32,336	$97,007
2044	2045	2046	$32,336	$32,336	$32,336	$97,007
			$598,207	$598,207	$565,872	$1,762,286

The following page outlines the assumptions used in preparing the projections above.

Increment Analysis & Revenue Projections

Ridgeview Apartments Phase 1

$1,700,000	Projected Valuation		27 Units	
Year	% Assessed	Projected Valuation	Taxable Valuation	Taxation
2026	0%	$0	$0	$0
2027	0%	$0	$0	$0
2028	50%	$850,000	$807,500	$16,168
2029	100%	$1,700,000	$1,615,000	$32,336
2030	100%	$1,700,000	$1,615,000	$32,336
2031	100%	$1,700,000	$1,615,000	$32,336

Ridgeview Apartments Phase 2

$1,700,000	Projected Valuation		27 Units	
Year	% Assessed	Projected Valuation	Taxable Valuation	Taxation
2027	0%	$0	$0	$0
2028	50%	$850,000	$807,500	$16,168
2029	100%	$1,700,000	$1,615,000	$32,336
2030	100%	$1,700,000	$1,615,000	$32,336
2031	100%	$1,700,000	$1,615,000	$32,336
2032	100%	$1,700,000	$1,615,000	$32,336

Ridgeview Apartments Phase 3

$1,700,000	Projected Valuation		27 Units	
Year	% Assessed	Projected Valuation	Taxable Valuation	Taxation
2028	0%	$0	$0	$0
2029	50%	$850,000	$807,500	$16,168
2030	100%	$1,700,000	$1,615,000	$32,336
2031	100%	$1,700,000	$1,615,000	$32,336
2032	100%	$1,700,000	$1,615,000	$32,336
2033	100%	$1,700,000	$1,615,000	$32,336

Schedule 3

Economic Development Study

Introduction

The City of Huron 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 Huron TID #10 meets both of these criteria.

The proposed development will consist of multifamily 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 Huron TIF #10 will revitalize economic development to the City of Huron and the east 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, Planning and Comprehensive Plan

The City of Huron 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 Huron TID #10

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 Huron Tax Increment District Number 10

"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. Upon completion, the improvements to the property are projected to result in a taxable value exceeding $5,100,000.

2. The average tax levy of all taxing districts will be $20.022 "Other" per thousand dollars of taxable valuation.

3. Tax increment will start to be collected in 2028 and end prior to 2046.

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 Beadle 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.).

10-6-137. Discretionary formula for reduced taxation of new structures and additions--Partially constructed structures.
Any structure classified pursuant to this section, must, following construction, be valued for taxation purposes in the usual manner. The board of county commissioners of the county in which the structure is located, may adopt a formula for assessed value to be used for tax purposes. Except as otherwise provided in § 10-6-137.1, the formula may include, for any or all of the five tax years following construction, all, any portion, or none of the assessed value for tax purposes. Any formula adopted must be equally applied to specifically classified properties within a tax increment finance district.

The board of county commissioners of the county in which the structure is located may, if requested by the owner of the structure, fully assess the structure without application of the formula. In waiving the formula for the structure of one owner, the board of county commissioners is not prohibited from applying the formula for subsequent new structures. The assessed value during any of the five years may not be less than the assessed value of the property in the year preceding the first year of the tax years following construction.

Any structure that is partially constructed on the assessment date may be valued for tax purposes, pursuant to this section, and the value may not be less than the assessed value of the property in the year preceding the beginning of construction. The period that the property is valued for tax purposes under this section may include the years when the property is partially constructed.

Following the five-year period under this section, the property must be assessed at the same percentage as all other property for tax purposes, except as otherwise provided in § 10-6-137.1.

Any of the following types of real property may be specifically classified for the purpose of taxation pursuant to this section:
(1) Any new industrial or commercial structure, or any addition, renovation, or reconstruction to an existing structure, located within a designated urban renewal area as defined in § 11-8-4, if the new structure, addition, renovation, or reconstruction has a full and true value of thirty thousand dollars or more;
(2) Any new industrial structure, including a power generation facility, or an addition to an existing structure, if the new structure or addition has a full and true value of thirty thousand dollars or more;
(3) Any new nonresidential agricultural structure, or any addition to an existing structure, if the new structure or addition has a full and true value of ten thousand dollars or more;
(4) Any new commercial structure, or any addition to an existing structure, except a commercial residential structure as described in subdivision (5), if the new structure or addition has a full and true value of thirty thousand dollars or more;
(5) Any new commercial residential structure, or addition to an existing structure, containing four or more units, if the new structure or addition has a full and true value of thirty thousand dollars or more;
(6) Any new affordable housing structure containing four or more units, with a monthly rental rate of the units at or below the annually calculated rent for the state's sixty percent area median income being used by the South Dakota Housing Development Authority for a minimum of ten years following the date of first occupancy, if the structure has a full and true value of thirty thousand dollars or more;
(7) Any new residential structure, or addition to or renovation of an existing structure, located within a redevelopment neighborhood established pursuant to § 10-6-141, if the new structure, addition, or renovation has a full and true value of five thousand dollars or more. The structure must be located in an area defined and designated as a redevelopment neighborhood based on conditions provided in § 11-7-2 or 11-7-3; or
(8) Any commercial, industrial, or nonresidential agricultural property that increases more than ten thousand dollars in full and true value, as a result of reconstruction or renovation of the structure.

Estimated Captured Taxable Values

* Actual valuation shall depend upon the value determined by the Beadle 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 $1,487,100, 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:

2025 Property Tax Rate "Other"	
Entity	**Mill Rate**
City of Huron	**7.280**
Beadle County	**2.450**
Huron School District	**10.236**
James River Water	**0.056**
Total	**20.022**

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 - TID Boundary Map

Attachment 3 - Conditions map, SDCL § 11-9-16(1)

Attachment 4 - Improvements map, SDCL § 11-9-16(2)

Attachment 5 - Zoning Change Map SDCL § 11-9-16(3)

Attachment 6 - Department of Revenue Classification Letter

Attachment 1

Description of Real Property

Description of Real Property:

- LOTS 1, 2, 3 AND 4 OF RIDGEVIEW ADDITION TO THE CITY OF HURON, BEADLE COUNTY, SOUTH DAKOTA

All located in the City of Huron, Beadle County, South Dakota including within and adjacent right-of-way.

Attachment 2

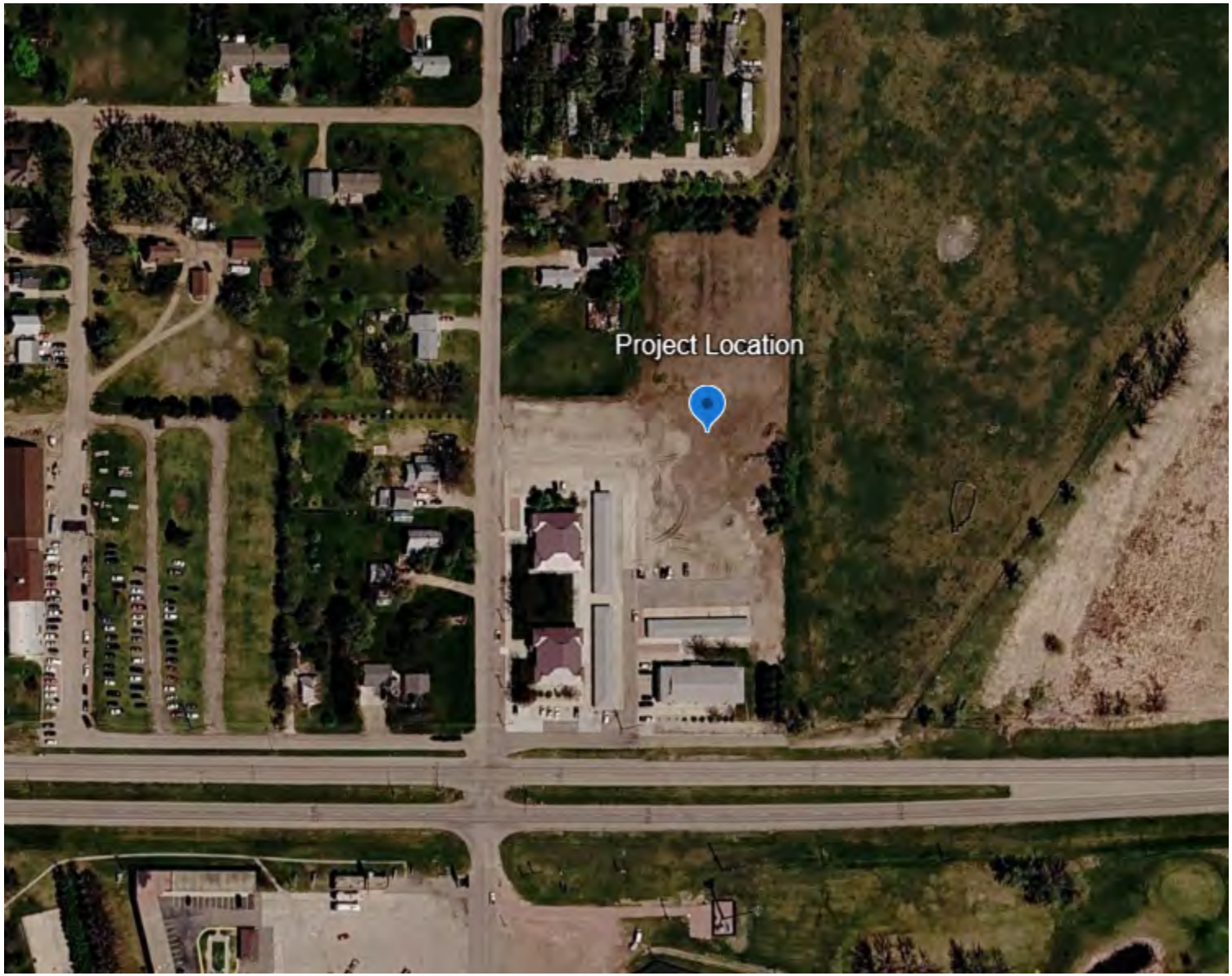
Tax Increment District Boundary Map

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



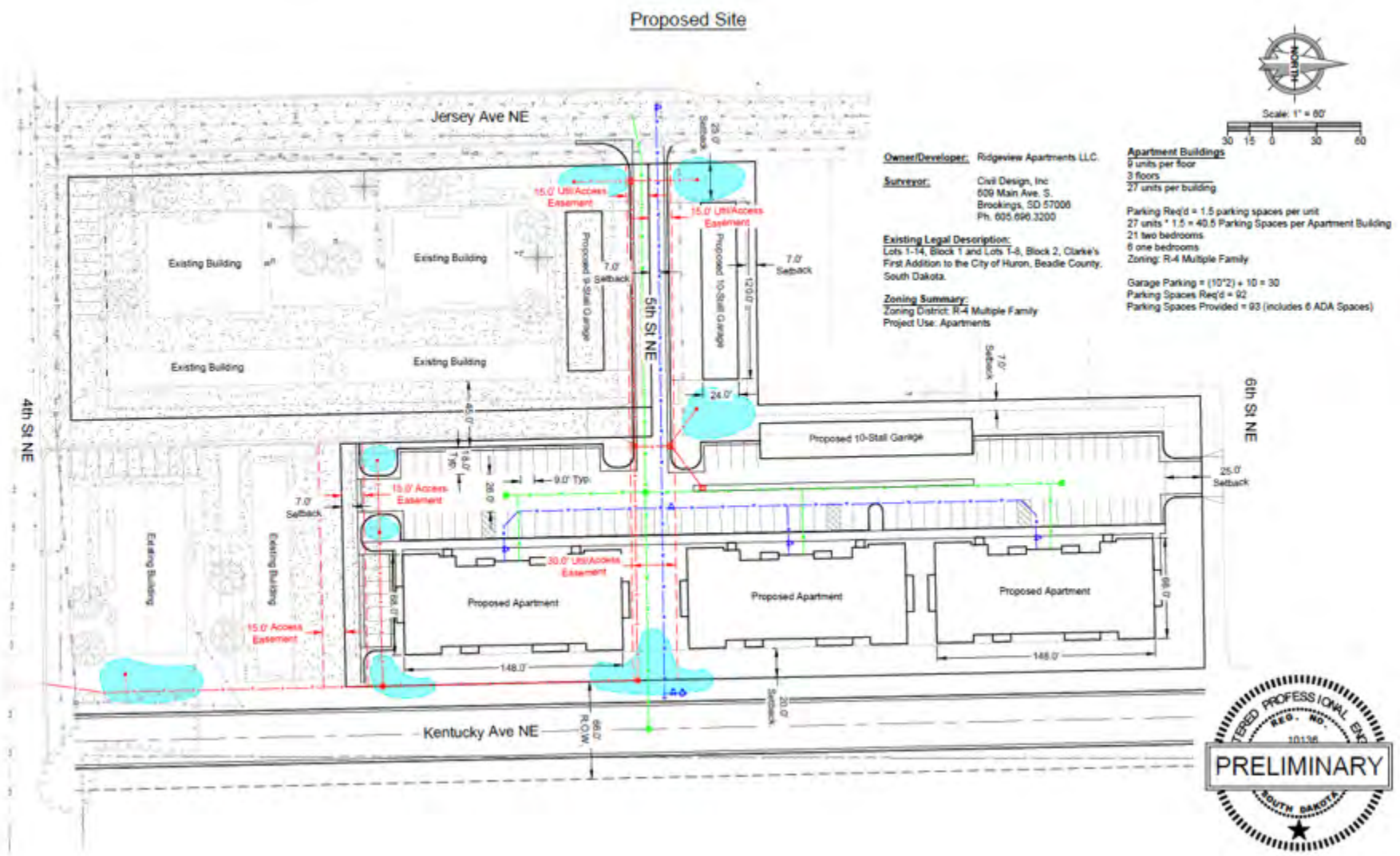
Attachment 3

Conditions picture for the City of Huron Tax Incremental District #10, SDCL § 11-9-16(1)



Attachment 4

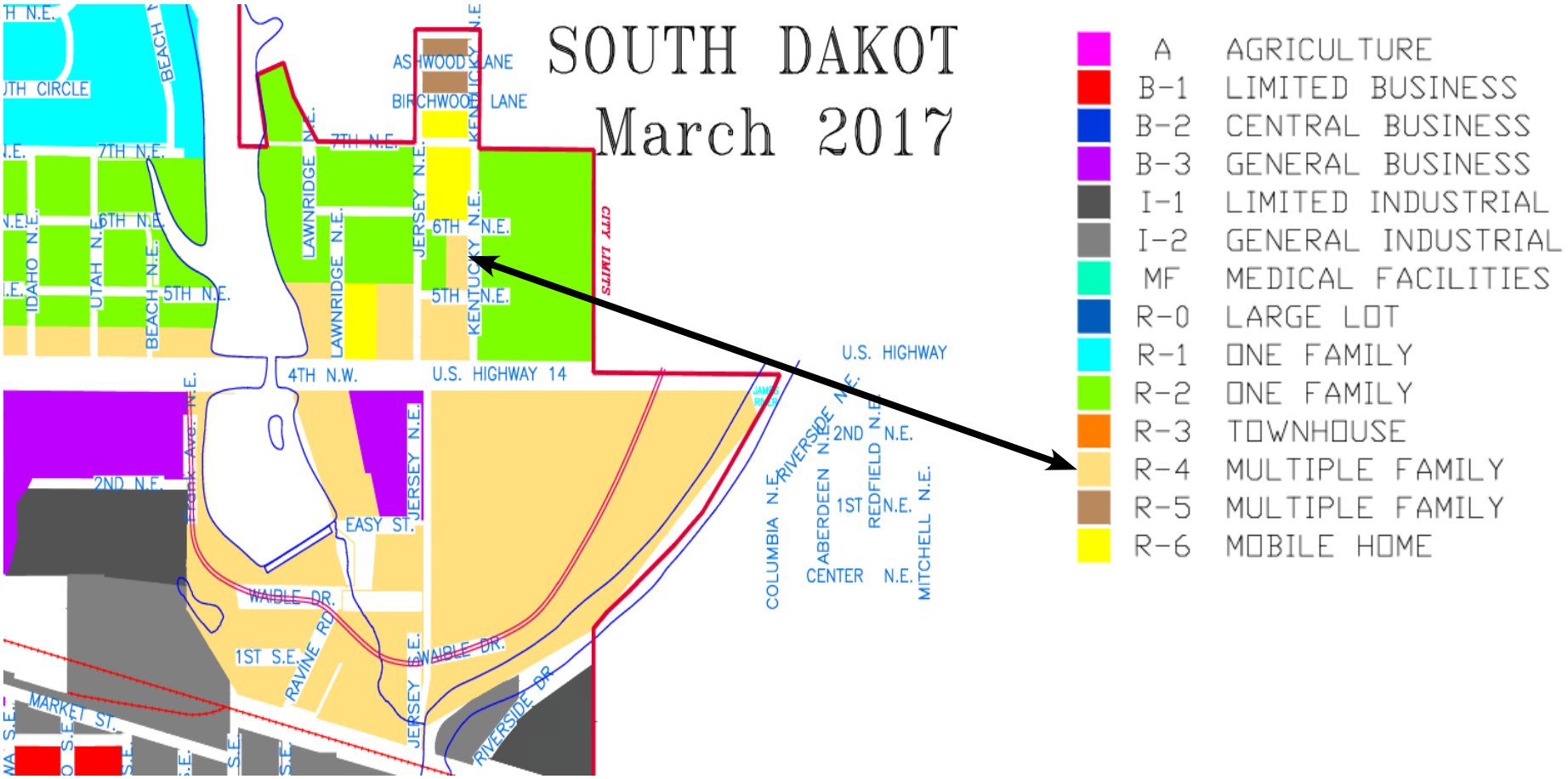
Improvements Map for the City of Huron Tax Incremental District #10, SDCL § 11-9-16(2)



Attachment 5

Zoning Change Map SDCL § 11-9-16(3)

The subject property is already zoned "R-4 Multiple Family" and will not require any zoning changes.



Attachment 6

Department of Revenue Classification Letter

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

September 17, 2026

City of Huron
239 Wisconsin Ave SE
Huron SD 57350

RE: Preliminary Classification of City of Huron # 10

Dear Paullyn Carey:

The Department of Revenue hereby acknowledges receipt of your request for Preliminary Classification of Tax Increment Financing District submitted on 09/17/2026.

Upon review of the provided information, the Department has determined the preliminary classification for the TIF District "City of Huron # 10" 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,

Wendy Semmler, Director
Property Tax Division