

City of Tea
Regular Meeting
September 20, 2021

The regular meeting of the Tea City Council was held at Tea City Hall on September 7, 2021 at 7:00 p.m.

Mayor John Lawler called the meeting to order at 7:00 pm, with the following members present: Jim Erck, Sidney Munson, Terry Woessner, Casey Voelker and Joe Weis. Also present: Finance Officer Dawn Murphy, Planning & Zoning Officer Kevin Nissen, HDR Engineer Ben Scholtz and City Administrator Dan Zulkosky.

AGENDA. MOTION 21-143. MOTION by Weis, seconded by Woessner to approve the September 20, 2021 agenda. All members voted AYE.

CONSENT AGENDA. MOTION 21-144. MOTION by Erck, seconded by Munson to approve the following consent agenda items:

- 1) Approval of September 7, 2021 Minutes
- 2) Approval of the September 20, 2021 Claims (claims will be listed at the end of the minutes)

Plats:

- Lot 23, Block 2 Heritage Addition
- Lot 1, Block 8, Bakker Landing Addition
- Lots 3 & 4, Southwest Industrial Park
- Lots 1-8, Block 2, Pinnacle Addition

All members voted AYE.

There were no public comments.

CUP PUBLIC HEARING. Mayor Lawler opened the public hearing for an alcoholic beverage establishment at 1500 N. Main Ave. Rivals, LLC filed an application for a video lottery bar and casino. The location is within 500 feet of a church and therefore a Conditional Use Permit is required for the alcohol license. Rivals LLC has applied for a on sale liquor license. There was discussion as to whether this would be an appropriate location for an on-sale liquor license due to no food being served. Tea has typically only given malt beverage and or wine licenses to this type of establishment. There were no comments from the public. The public hearing for the alcohol license will be October 4. **MOTION 21-145. MOTION** by Weis, seconded by Munson to approve the Alcoholic Beverage Establishment at 1500 N. Main Ave, Lot 1, Block 1, Carl Soukups Addition, with the condition that Rivals LLC applies and is approved for a malt beverage license. Members Voelker, Munson, Weis and Woessner voted AYE. Member Erck voted NO. Motion carried.

ZOMBIE WALK. Jason Brockberg addressed the council regarding a zombie walk event that they would like to have on October 16. All proceeds would go to the Veterans Memorial. Registration for the event would occur at Sky Lounge. After a lengthy discussion the council agreed that they could walk in and around the athletic complex, to 3rd St., west to Mary Ave., North to 2nd St. and back east to Sky Lounge.

TIF #2 RESOLUTION. Toby Morris, Colliers International, presented the plan for Tax Increment Finance District #2. **MOTION 21-146. RESOLUTION 21-09-15. MOTION** by Voelker, seconded by Munson to approve the following resolution. All members voted AYE.

RESOLUTION PROVIDING FOR THE ADOPTION OF TAX INCREMENT PLAN FOR TAX INCREMENTAL DISTRICT NUMBER TWO AND DEVELOPER'S AGREEMENT, CITY OF TEA, SOUTH DAKOTA

WHEREAS, the City of Tea, South Dakota has recommended and adopted the creation of the District Boundaries for Tax Incremental District Number Two, City of Tea, South Dakota, on September 20, 2021; and

WHEREAS, the City of Tea has recommended the adoption of the Tax Increment Plan for Tax Incremental District Number Two and Developer's Agreement, City of Tea, South Dakota, and has recommended its adoption on August 10th, 2021; and

WHEREAS, the City of Tea, South Dakota (the "City"), has the powers, pursuant to SDCL 11-9-2, to create Tax Incremental District Number Two, City of Tea, South Dakota, and passed a resolution on September 20, 2021 to create the boundaries and establish the base value.

NOW THEREFORE, IT IS HEREBY RESOLVED:

1. **Authority and Declaration of Necessity.** The City of Tea, South Dakota, declares the necessity for the adoption of Tax Increment Plan for Tax Incremental District Number Two and Developer's Agreement in the City of Tea (hereinafter sometimes referred to as the "District"), pursuant to SDCL Chapter 11-9. Further, the City finds that the improvement of the area within the District is likely to enhance significantly the value of substantially all of the other real property in the District and is necessary for economic development within the City of Tea.
2. **Findings.** The City makes the following findings with regard to economic development:
 - a. More than 50% of the property in the District by area will stimulate and develop the general economic welfare and prosperity of the City;
 - b. Improvements to the District will significantly and substantially enhance the value of all property within the District;
3. **Findings of Maximum Percentage of Tax Incremental Districts.** The aggregate assessed value of the taxable property in the District, plus all other tax incremental districts does not exceed ten (10%) percent of the total assessed valuation of the City.
4. **Findings of Annual Appropriation TID.** Tax Increment District #2 will be designated as an Annual Appropriations TIF to ensure that it does NOT count against constitutional debt.
5. **Creation of District.** There is hereby created, pursuant to SDCL Chapter 11-9, Tax Incremental District Number Two, City of Tea, South Dakota was created on the 20th day of September, 2021 to establish the base value.
6. **Designation of District Boundaries.** The District shall be located with the northern, southern, western, and eastern boundaries of the following described real property.

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

 - Tract 1 of Bakker Landing 1st Addition (Except Tract 1A Bakker Landing 1st Addition, Lot 9 in Block 5 of Bakker Landing 1st Addition, Lots 5 and 8 in Block 1 of Bakker Landing 1st Addition, Lot 2 in Block 6 of Bakker Landing 1st Addition, and Except that portion of Lot 6 of Block 1 of Bakker Landing 1st Addition lying within Tract 1 of Bakker Landing 1st Addition) to the City of Tea, Lincoln County, South Dakota; and,
 - Tract 1A of Bakker Landing 1st Addition (Except Lot 9 in Block 5 Bakker Landing 1st Addition, and Lot 2 in Block 6 of Bakker Landing 1st Addition) to the City of Tea, Lincoln County, South Dakota; and,
 - Lot 6 of Block 1 of Bakker Landing 1st Addition lying within Tract 1 of Bakker Landing 1st Addition to the City of Tea, Lincoln County, South Dakota (Except that portion of Lot 6 of Block 1 Bakker Landing 1st Addition lying within Tract 2 of Bakker Landing 1st Addition); and,
 - Lot 9 in Block 5 of Bakker Landing 1st Addition to the City of Tea, Lincoln County, South Dakota; and,
 - Lot 2 in Block 6 of Bakker Landing 1st Addition to the City of Tea, Lincoln County, South Dakota; and,
 - Lot 5 in Block 1 of Bakker Landing 1st Addition to the City of Tea, Lincoln County, South Dakota; and,
 - Lot 8 in Block 1 of Bakker Landing 1st Addition to the City of Tea, Lincoln County, South Dakota; and,
 - Tracts 4 & 5 of Bakker Landing 1st Addition (Except Lot 2 in Block 8 of Bakker Landing 1st Addition) to the City of Tea, Lincoln County, South Dakota; and,
 - Lot 2 in Block 8 of Bakker Landing 1st Addition to the City of Tea, Lincoln County, South Dakota
7. **Creation of Tax Incremental Fund.** There is hereby created, pursuant to SDCL 11-9-31, a Tax Incremental District Number Two Fund, which shall be a segregated asset account. All tax increments collected pursuant to Tax Incremental District Number Two shall be deposited into the Tax Incremental District Number Two Fund. All funds in the Tax Incremental District Number Two Fund shall be used solely for those purposes expressly stated and reasonably inferred in SDCL Chapter 11-9.

8. **Adoption of Project Plan.** The City does hereby adopt the Tax Increment Plan for Tax Increment District Number Two.

9. **Developer's Agreement.** The City does hereby authorize the Mayor and Finance Officer to sign the Developer's Agreement for Tax Increment District Number Two.

Adopted this 20th day of September, 2021

John M. Lawler, Mayor

ATTEST: Dawn R. Murphy, Finance Officer

ANNEXATION. The City received an annexation petition from Ennis Lund asking for annexation of his property along Gateway Boulevard. **RESOLUTION 21-09-17. MOTION 21-147. MOTION** by Weis, seconded by Woessner to approve the following resolution. All members voted AYE. WHEREAS there has been a petition received seeking to include certain real property within the corporate boundaries of the City of Tea; and WHEREAS, the petition has been signed by not less than three-fourths of the registered voters and by the owners of not less than three-fourths of the value of the territory sought to be annexed to the City of Tea; and WHEREAS the property is contiguous to the City of Tea on its east and west boundaries and WHEREAS, said petition complies with all requirements of SDCL 9-4-1; NOW THEREFORE, BE IT RESOLVED BY THE CITY OF TEA, SOUTH DAKOTA that the following described properties be and the same hereby are included within the corporate limits of the City of Tea, and the boundary of the City is hereby extended to include such territory as allowed by SDCL 9-4-1. **Kerslake Addition, W ½, SE ¼, W ½ Lot 2, Block 1, 27096 Kerslake Pl. (100.50.64.G102).**

Dated this 20th day of September, 2021

John M. Lawler, Mayor

ATTEST: Dawn R. Murphy, Finance Officer

REGIONALIZATION AMENDMENT. MOTION 21-148. MOTION by Voelker, seconded by Woessner to approve Amendment #1 to the Scope and Fee Design and Bidding Phase Services, Regionalization Wastewater Lift Station and Forcemain, \$99,275.00. All members vote AYE.

RESOLUTION 21-09-16. MOTION 21-149. MOTION by Erck, seconded by Munson to approve the Resolution Amending Resolution 21-07-12 Authorizing the Execution, Terms, Issuance, Sale and Payment of Sales Tax Revenue Bonds, Series 2021 in the Aggregate Principal Amount Not to Exceed \$9,500,000. All members voted AYE. The resolution was published separately on September 24, 2021.

SITE PLAN. Keven presented a site plan for a 5,500 sq. ft. building in Southwest Industrial Park. The building will be used for cold storage. **MOTION 21-150. MOTION** by Munson, seconded by Voelker to approve the site plan for Richard Peters to construct a 5,500 sq. ft. building, Lot 3, Southwest Industrial Park. All members voted AYE.

CHANGE ORDER. MOTION 21-151. MOTION by Woessner, seconded by Weis to approve the 85th St. Elevated Water Storage Tower Change Order #1, \$408.16, Southeastern Electric's fee to provide electrical power to the tower. All members vote AYE.

PAY APPLICATIONS. MOTION 21-152. MOTION by Weis, seconded by Munson to approve the following pay applications:

- Tea Law Enforcement Center, Visions Construction Group, \$40,950.00
- Hagedorn Industrial Park – Street & Utilities Improvements, Hulstein Excavating Inc., \$55,278.51

All members voted AYE.

ORDINANCE 288. The Council held the second reading of Ordinance 288. **MOTION 21-153. MOTION** by Munson, seconded by Erck to approve and adopt Ordinance 288, 2022 Appropriations Ordinance. All members voted AYE. The ordinance will be published separately.

MOTION 21-154. MOTION by Weis, seconded by Woessner to adjourn at 8:36 pm. All members voted AYE.'

ATTEST:

Dawn R. Murphy, Finance Officer

Published once at the approximate cost of _____.

**CITY OF TEA
WARRANTS PAID SEPTEMBER 20, 2021**

Vendor	Description	Amount
Anderson, Darla	PD Cleaning 9/5	50.00
Auto Dynamics, Inc.	Repair 2016	281.22
Barnes & Noble	Books	695.40
Bumblebee Gibson	Hagedorn dust control	3,700.00
Casey's	Fuel	580.96
City of Tea	Water	1,252.35
Dakota Traffic Services	Sign bolts	11.00
Dave's Service & Repair	Towing	292.50
DeYoung, Keegan	Flag football umpire	100.00
Eastern Farmers Elevator	Fuel	1,043.37
Explorers Credit Union	Stamps & misc. supplies	4,477.35
Get N Go	Fuel	1,757.77
Graham Tire	Tires	146.01
	Pitching machine, flag football supplies	749.75
Hauff Mid America Sports		
HDR Engineering	85th St. Tower	1,691.78
HDR Engineering	Gateway Boulevard	48,924.99
HDR Engineering	On-call engineering	64,771.43
HDR Engineering	Wastewater Regionalization	12,528.58
Innovative Office	Misc. supplies	86.95
Jack's Uniforms	Holster & light	279.89
Kansas City Life	Insurance	439.35
KCI Group Benefits	Insurance	439.35
Konrad, Brennter	Flag football umpire	45.00
Konrad, Rylan	Lifeguard training	185.00
Kuhnert, Caleb	Flag football umpire	45.00
Marco	Copy lease	442.72
Meierhenry Sargent	Services	1,909.50
Menards	T-link signs	57.95
Mid American Energy	Services	569.83
Octane Ink	Flag football hats & sponsor banner	3,203.52
Safety Benefits Inc.	Conference	130.00
SD Public Assurance Alliance	Insurance	72,459.40
SDML	Conference	200.00

SiteOne Landscaping	Parts	256.01
Southeastern Electric	Locates	162.50
Southeastern Electric	Utilities	2,720.81
The Printers Inc.	Printing	130.28
Thompson, Blake	Flag football umpire	150.00
Townsquare Media	Teapot Day Advertising	3,360.00
Tuerk, Carter	Flag football umpire	75.00
US Postal Service	Box rentals	156.00
VanRavenswaay, Trent	Travel expenses	39.44
Vast	Phones	1,189.65
Verizon	Phones	961.28
Watch Guard	Software agreement	2,689.13
Wiemenga, Jessen	Flag football umpire	90.00
Xcel Energy	Utilities	3,567.80

239,095.82