



# YANKTON DAILY PRESS & DAKOTAN

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## The Tiff Over TIFs

Financing Option Hard To Grasp, But Many Use It

BY NATHAN JOHNSON  
nathan.johnson@yankton.net

Talk of a potential \$50 million investment in Yankton County by Dakota Plains Ag Center has also generated discussion of something many people will openly tell you they don't understand — tax increment financing (TIF).

Tax increment districts (TIDs) were first formed in California in the 1950s, and the economic development model has been adopted in a majority of states in the meantime.

However, this method of financing remains a mystery to large swaths of Americans.

Yankton County residents are no exception.

At recent Yankton County Commission meetings, commissioners and the public alike have admitted that they don't fully understand TIDs and how they work.

This story looks at what a TID is, how it has been used by other South Dakota counties and how local officials are proposing to use one in Yankton County as part of the Dakota Plains grain facility development.

**WHAT IS A TAX INCREMENT DISTRICT?**

South Dakota cities and counties have been using TIDs since 1978 as a way to provide money for capital costs, financing costs and real property assembly costs on vacant or underused land.

When forming a TID, the governing body selects an area it wants to redevelop and can then estimate the cost of purchasing the property, removing existing structures, if necessary, and constructing infrastructure to support its plans. Often times, bonds are issued to pay for the costs of the project.

As improvements are made to the TID by developers, the property tax revenues increase. However, the city, county and other government entities continue to receive the same tax money they did before any development took place. The difference goes toward paying off the bonds during, at most, a 20-year period.

The City of Yankton has used TIDs in recent



KELLY HERTZ/P&D  
**Yankton's Fox Run was made into a TIF district in 1989 with a valuation of just more than \$1 million. When the TIF was paid off in 2007, its assessed value was \$56 million.**

years for the Morgen Square and Menards developments.

However, arguably the most successful example of a TID locally is the Fox Run development on the northwest side of Yankton that was formerly property owned by the Human Services Center.

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**5 DAYS UNTIL SPRING**

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## Cedar County Inmate Death Ruled A Suicide

From P&D Staff Reports

HARTINGTON, Neb. — The death of an inmate at the Cedar County Jail in Hartington, Neb., last month has been ruled a suicide.

According to a press release issued Friday from the Cedar County District Court, a grand jury investigation determined that the death of Omar Alvaro Cerrillo on Feb. 12 involved no criminal conduct.

Cerrillo, 26, of Los Angeles was found hanging in his cell after making a court appearance earlier in the day. He was found at approximately 6 p.m., and he was pronounced dead at 6:30 p.m.

On Feb. 10, the Nebraska State Patrol attempted to stop Cerrillo for minor traffic violations near Jackson, Neb., in Dakota County. The driver took off, and the pursuit followed through Dixon and Cedar counties. Cerrillo was eventually apprehended, taken into custody

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## Are Checks Cashing Out?



PHOTO: METRO GRAPHICS

## Check Writing Has Declined, But It's Still Important

BY DEREK BARTOS  
derek.bartos@yankton.net

**H**ow frequently do you write checks anymore?

If you're like many people, it's not as often as it once was.

In 2013, the Federal Reserve processed about 6 billion commercial checks, a 9.6 percent decrease from the year before. Last year's total was also half the volume that was processed in 2005.

The decline in the use of paper checks can be primarily attributed to the preferences of businesses and their customers, according to Curt Everson, president of the South Dakota Bankers Association. Customers prefer the ease of electronic payment methods, and retailers enjoy the fewer risks involved compared to those with checks, such as insufficient funds, he said.

Age is also a factor in consumer preference, Everson said. Younger generations typically prefer electronic transactions, whereas older individuals often feel more comfortable

**"My generation is the last one that got used to doing business primarily by check," he said. "My kids, who are in their 20s and 30s, hardly ever write a check. They got used to using debit cards primarily."**

CURT EVERSON

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"My generation is the last one that got used to doing business primarily by check," he said. "My kids, who are in their 20s and 30s, hardly ever write a check. They got used to using debit cards primarily."

The U.S. government also has been changing to more paperless options, as last year it stopped issuing paper checks for Social

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## Raising Funds For Homeless Shelter

Mary Boyd of Avon (left) and Amanda Washburn of Yankton donate money to the Yankton Homeless Shelter during a fundraising effort held Friday at the Services Center Federal Credit Union in Yankton. The shelter's Carol Pooler (seated) looks on. The Homeless Shelter is the credit union's members' choice charity for the month of March. The credit union will match up to \$1,000 of the donations made by its membership. (Kelly Hertz/P&D)



## Legislature Passes \$4.3 Billion Budget

Senate Votes 59-10 For Passage, Teachers Get Raise

BY CHET BROKAW  
Associated Press

PIERRE — The South Dakota Legislature passed a \$4.3 billion spending plan Friday that gives extra state money to teachers, the state's four technical institutes and some nursing homes and other health care facilities that serve low-income people.

The Senate voted unanimously to approve the budget put together earlier in the day by the Legislature's Joint Appropriations Committee. The House followed with a 59-10 vote to pass the budget as the main run of this year's legislative session came to an end.

Lawmakers said the budget is the best they've been able to pass since deep budget cuts were made four years ago.

"This is a budget that I believe is responsible and will continue to serve our citizens and our state for the coming year and position our state for the future," said Senate Appropriations Chair Deb Peters, R-Hartford.

Members of the Democratic minority said the budget begins to help school districts recover from the 2011 budget cuts and recognizes the need to boost teachers' salaries, but they said they wish the Legislature could do more to help schools and the facilities that provide health services to the poor.

"I consider this budget as just a start," said House Democratic Leader Bernie Hunhoff, D-Yankton.

Democrats in both chambers tried to amend the budget in a last-ditch attempt to expand the state's Medicaid program to provide medical care to an additional 48,000 people. But those proposals died on party-line votes as Republicans said they will continue to seek federal permission to expand the program to cover fewer people than envisioned by the federal health care overhaul.

In hearings over two days, the Appropriations Committee added \$3.3 million to Gov. Dennis Daugaard's proposed budget for the year that begins July 1. The extra



Daugaard

### also

■ \$2.2 Million Located For South Dakota Teachers  
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