

AGENDA Tuesday, January 21, 2014
Land Use Committee 4:30 PM Carnegie Town
Hall 235 West 10th
Street
*** Committee Meeting will start immediately following the adjournment of
4:00 pm Informational Meeting. This meeting will take place in the
Carnegie Chambers.
1. Call To Order

2. Approval of Minutes

A. Tuesday, November 19, 2013

3. Discussion

A. Prairie Meadows Subdivision Annexation Update by Jeff Schmitt, Chief
Planning & Zoning official

B. TIF Ordinance Implementation Update by Darrin Smith, Director of Community
Development and Public Parking; and Brent O'Neil, Economic Development
Manager

4. Open Discussion

5. Adjournment

Date: 2014-01-21
SIRE Meeting ID: 2043
Meeting Type: Committee Meeting
Subtype: Land Use Committee
YouTube:<https://youtu.be/z88po8RtJ3A>
Agenda Item: Not Assigned
Item ID: 70101

The following document(s) are public records obtained from the
City of Sioux Falls.

Draft minutes until approved at next meeting.

MINUTES

Tuesday, November 19, 2013



Land Use Committee

4:50 PM

Carnegie Town Hall
235 West 10th Street

Members Present: Council Member Kermit L. Staggers, Council Member Kenny Anderson Jr., Council Member Dean Karsky, Council Member Rex Rolfing

Members Absent: None

Staff Present: Denise D. Tucker, CMC, Assistant City Clerk; David Bixler, Budget Analyst; and Jim David, Legislative/Operations Manager

Guests: Sue Aguilar, Michelle Erpenbach, and Greg Jamison

1. Call To Order

Committee Chair Rex Rolfing called the meeting to order at 4:50 p.m.

2. Approval of Minutes

A. Tuesday, October 15, 2013

A motion was made by Kenny Anderson Jr. and seconded by Dean Karsky to approve the minutes of Tuesday, October 15, 2013.

Rolfing called for a voice vote. All members voted yes.

Motion Passed.

3. Discussion

A. Annexation Studies - Prairie Meadows/Klein Addition by Mike Cooper, Director of Planning and Building Services; Mark Cotter, Director of Public Works; and Jeff Schmitt, Chief Planning and Zoning Official

Jeff Schmitt, Chief Planning and Zoning Official, led a PowerPoint presentation on the annexation studies of Prairie Meadows. He began by providing background information on the project and presented proposed assessment costs. Schmitt explained that it would cost approximately \$25,000 per 100 foot frontage for utilities: sanitary sewer, water main, storm sewer, curb and gutter, surfacing,

MINUTES - Land Use Committee

Tuesday, November 19, 2013

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sidewalk, and lights. He reviewed a potential payment plan for the residents. Schmitt said the majority of residents are in favor of annexation, but are worried about the costs for paying for the infrastructure.

Prairie Meadows resident and board member Merlyn Tieszen, said he is in favor of annexation. He described the current problems with sewer drainage in the neighborhood. Tieszen said there are 72 residents in Prairie Meadows. He requested a 20 year payment plan, for infrastructure costs, to make things affordable for residents.

Anderson Jr. described what he has seen in Prairie Meadows. He also met with City officials, in Prairie Meadows, to discuss the problems of the neighborhood. Discussion followed.

Anderson Jr. and Karsky said they are both in favor of annexing Prairie Meadows. They also were wondering what can be done financially to assist the residents with the annexation costs. Discussion followed.

Council Member Kermit Staggers said he is opposed to forced annexation, but he is in favor of enticing people to be annexed. He questioned if all of the utilities were needed for annexation. Discussion followed.

Jon Brown, with Stockwell Engineers, spoke about a Department of Energy and Natural Resources grant for Prairie Meadows' sanitary sewer improvements.

Karsky asked about the process for Prairie Meadows residents to seek annexation. Discussion followed.

Rolfing asked if work would have to be done in the Daniels' Addition prior to working in Prairie Meadows. Discussion followed.

Anderson Jr. and Rolfing wanted to make sure that there was a policy in place to follow for future annexations, regarding financing. Tracy Turbak, Director of Finance, spoke briefly about an ordinance that would focus on the rate of interest for assessments. Discussion followed.

City staff was asked to return in January with some ideas on financing, terms and how changes can be made to an ordinance to make annexation financing more feasible.

4. Open Discussion

Rolfing said at the committee's last meeting, they posed some questions to Chad Huwe, the City Engineer, regarding insurance. Huwe responded with a memo. Rolfing read the response into record.

MINUTES - Land Use Committee

Tuesday, November 19, 2013

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5. Adjournment

A motion was made by Kenny Anderson Jr. and seconded by Dean Karsky to adjourn at 5:43 p.m.

Rolfing called for a voice vote. All members voted yes.

Motion Passed.

Denise D. Tucker, CMC
Assistant City Clerk

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SIRE Meeting ID: 2043
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Agenda Item: Not Assigned
Item ID: 70102

The following document(s) are public records obtained from the
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PRAIRIE MEADOWS ANNEXATION ESTIMATED COSTS AND FUNDING SCENARIOS

All costs would need to be outlined in an agreement entered into pursuant to a voluntary annexation and signed by at least 75% of voters in the Prairie Meadows Subdivision and owners of 75% of the value of the annexed property.

Sanitary Sewer improvements – estimated costs, \$1,388,000

- City assumes the DENR Consolidated grant for sanitary sewer improvements and the Clean Water SRF loan the Sanitary Sewer District received through DENR. The term is 30 years at 3.25%. The City would want the term changed to 20 years which modifies the rate to 3%. The principle and interest of the loan would be passed onto the residents through a surcharge on their utility statement. The grant and the loan should be sufficient to cover the costs of the sanitary sewer improvements based off of the estimate.

or

- Use the Consolidated grant for a portion of the project and pay for the remainder of the project costs using cash from the Water Reclamation Fund. The costs with interest at a rate set by the City Council would be passed onto the residents through a surcharge on their utility statement.

Water Distribution improvements – estimated cost \$918,305

- City obtains a Drinking Water SRF loan from DENR for the water distribution improvements. The term would be 20 years at 3%. The principle and interest of the loan would be passed onto the residents through a surcharge on their utility statement.

or

- City pays cash for the improvements with funds from the Water fund. The costs with interest at a rate set by the City Council would be passed onto the residents through a surcharge on their utility statement.

Storm Water improvements – estimated costs, \$709,000

- City obtains a Clean Water SRF loan from DENR for the storm water drainage improvements. The term could be 3.00% for a term of 20 years. Reimbursement would be through a special assessment on the property.

or

- Fund with sales tax money with reimbursement coming from a special assessment on the property.

Street, street lighting, sidewalk improvements – estimated costs, \$828,000

- Fund with sales tax money with reimbursement coming from a special assessment on the property.

Outstanding issue - delinquent sewer bill

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PRAIRIE MEADOWS SUBDIVISION

Estimated Utility Costs

Sanitary Sewer Surcharge					
Project Cost	Interest	Term	Annual Payment	Customers	Monthly Surcharge
\$588,000	3.00%	20	\$39,523	72	\$46

Water Main Surcharge					
Project Cost	Interest	Term	Annual Payment	Customers	Monthly Surcharge
\$918,305	3.00%	20	\$61,725	72	\$72

Current Utility Costs

Sewer	\$100.00
Water	\$41.25
	<u>\$141.25</u>

Utility Costs After Annexation

Sewer	\$24.99
Sewer Surcharge	\$46.00
Water	\$27.02
Water Surcharge	\$72.00
	<u>\$170.01</u>

PRAIRIE MEADOWS SUBDIVISION

Estimated Assessment Costs

Assessment total for storm sewer, curb & gutter, street surfacing, sidewalk, & streetlights

Assessment per lot based on front footage

10 Years @ 5.25%	Cost	Annual Cost	Monthly cost
Average Assessment	\$13,972.80	\$1,832	\$153
Maximum Assessment	\$56,544.67	\$7,412	\$618

Assessment per lot based on front footage

20 Years @ 5.25%	Cost	Annual Cost	Monthly cost
Average Assessment	\$13,972.80	\$1,145	\$95
Maximum Assessment	\$56,544.67	\$4,634	\$386

Per Ordinance 29-020 - the rate is established by adding 3.5% to the five-year constant maturity US Treasury note

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Item ID: 70103

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APPLICATION for TAX INCREMENTAL FINANCE DISTRICT
City of Sioux Falls, South Dakota

Received:		
Paid	Date	Initial

APPLICANT DETAILS

APPLYING ENTITY:	
AUTHORIZED REPRESENTATIVE:	
ADDRESS:	
PHONE: ()	ALTERNATIVE: ()
EMAIL:	

PROJECT DETAILS

ADDRESS OF PROJECT:	
TIMEFRAME:	COMMENCEMENT OF PROJECT DATE:
	PROJECTED COMPLETION DATE:
	PHASING (with explanation):

ESTIMATED COST OF PROJECT:
TOTAL TIF REQUESTED:
NARRATIVE OF PROJECT:

REQUIRED SUBMITTAL MATERIAL

- Map of proposed boundaries including property address, county tax ID, owner and legal description of TIF property
- Listing of proposed TIF eligible public improvements
- Provide description of project ownership structure and list principle owners and officers
- Rendering of project
- Statement of conformance to existing comprehensive planning efforts of the City Of Sioux Falls
- Projected property value and assessed value upon completion
- Sources/uses of funds
- Pro forma (when applicable)
- Current and expected property tax revenue from district
- Expected fulfillment period for TIF revenue
- Other relevant information as may be requested

Final evaluation of project and scheduling of public hearing dates will not occur until application is received and complete. Please submit the completed application, including all required materials as outlined above, to the Community Development Department: **100 S. Dakota Ave, Suite 100**
P.O. Box 7402
Sioux Falls, SD 57117-7402

AUTHORIZED SIGNATURE: _____	DATE: _____
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(Adopted: January 01, 2014)

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TAX INCREMENTAL DISTRICTS

§ 37.216 AUTHORITY AND PURPOSE.

This subchapter is adopted pursuant to the authority granted to municipalities under SDCL ch. 11-9 to create tax incremental districts. The city may create tax incremental districts for any of the purposes allowed by SDCL ch. 11-9. Nothing in this subchapter shall limit the city's ability to utilize tax incremental districts unless specifically stated herein.

(Ord. 64-13, passed 10-15-2013)

§ 37.217 APPLICATION.

An application requesting the establishment of a tax incremental district shall be completed and submitted to the community development department on an application form prepared by the department.

(Ord. 64-13, passed 10-15-2013)

§ 37.218 FEES AND COST RECOVERY.

(a) *Application fee.* Any applicant under this subchapter shall submit a nonrefundable application fee with the completed application form in the amount of \$2,500.

(b) *Payment processing and administration fee.* A processing and administrative fee of \$250 per reimbursement payment made during the reimbursement period shall be recovered by the city of

Sioux Falls from the tax incremental district revenue reimbursement.

(c) All direct costs incurred by the city in the evaluation of an application under this subchapter shall be reimbursed by the applicant in a timeframe established by the city.

(Ord. 64-13, passed 10-15-2013)

§ 37.219 EVALUATION, DOCUMENTS, AND PRESENTATION.

The Community Development Department shall be responsible for:

(a) Evaluating each application under this subchapter and providing a recommendation to the planning commission and city council for consideration.

(b) Creating a project plan and district boundary maps.

(c) Presenting the request at all public hearings.

(Ord. 64-13, passed 10-15-2013)

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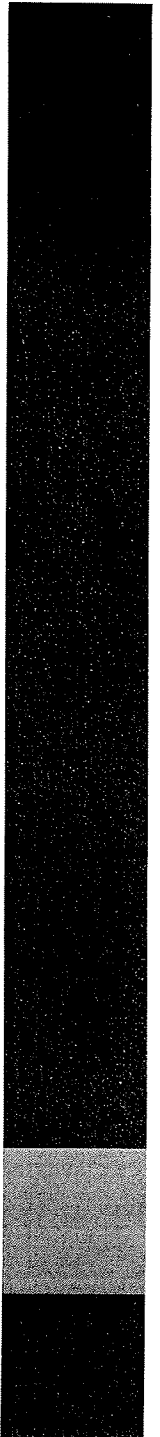
TAX INCREMENT FINANCING

OUTREACH AND FEEDBACK:

- Open Work Session w/CC (January 2012).
- Meetings with City Council Members.
- Meetings with Planning Commission Members.
- Meeting with Sioux Falls School District official.
- Meeting with Minnehaha County Commissioners.
- Development Community Member Meetings.
- Meetings with Legal Professionals.
- Staff Research.

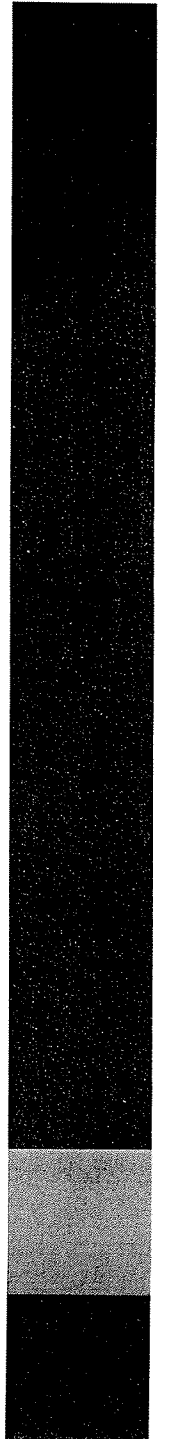
IMPETUS AND INPUT

- Proactively review Tax Increment Financing in Sioux Falls.
- Be responsive to comments received about TIF.



COMMUNICATION

- Provide advanced notice to elected officials.
- Ensure material on TIF in Sioux Falls is available.
- Provide additional opportunities for review:
 - Two planning commission meetings.
 - Two city council meetings.



APPLICATION & COSTS

- Standard application
 - Among information included:
 - Project Summary, Financial Projections, Timelines for Completion, Ownership of Project.
- TIF Costs
 - TIF Application Fee of \$2,500.
 - Payment/Disbursement Fee of \$250.
 - A structure to recover external costs for legal and financial review.

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Omaha City Charter

Section 8.05. Interest in City Contracts Prohibited.

No elected official or any officer or employee of the city shall have a financial interest, direct or indirect, in any city contract. Any willful violation of this section shall constitute malfeasance and shall be punishable by forfeiture of office or position. Any violation of this section with the knowledge of the person or corporation contracting with the city shall render the contract voidable by the Mayor or Council.

TIF Guidelines/Application

An employee of the City of Omaha cannot invest, participate or take a personal interest in a redevelopment project that is funded through TIF. (Line 8, Pg. 6)

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Jamison Amendment

The amended section will read:

§ 37.217 Application.

An application requesting the establishment of a tax incremental district shall be completed and submitted to the community development department on an application form prepared by the department. The application shall identify all persons and entities that have an interest in the project and/or in the entity applying for the tax increment financing district. The disclosures shall require identification of all members of an LLC or LLP, other partners, investors, shareholders and directors of a corporation or any other person who has a financial interest in the project or in the entity applying for the tax increment financing. The applicant shall be under a continuing obligation to update this disclosure within thirty (30) days of any changes throughout the application process and throughout the life of the developer's agreement. If the applicant is a publicly traded company, the applicant shall be deemed to have complied with this provision if it has provided the City a copy of its most recent annual report with the application.