

# PLANNING COMMISSION

## Staff Report

<b>Meeting Date:</b>	September 2, 2020	<b>Agenda Item:</b>	5B
<b>Petition Number:</b>	n/a	<b>Staff Recommendation:</b>	Approval

<b>Project Name:</b>	Tax Incremental Financing (TIF 23) Application Project Boundary
<b>Type of Application:</b>	Applicant TIF Petition
<b>Applicant/Owner:</b>	Sioux Falls Development Foundation
<b>Request:</b>	The applicant is requesting Tax Increment Financing for the development of Foundation Park North
<b>Purpose:</b>	The district is being proposed to facilitate the development of Foundation Park which is located north of I-90 and west of I-29.
<b>General Location:</b>	Northwest Sioux Falls – Foundation Park North
<b>Legal Description:</b>	See Below
<b>Area:</b>	~540 Acres
<b>Existing Zoning:</b>	I-1 – Light Industrial & AG - Agriculture
<b>Existing Land Use/Form:</b>	WM1 – OPEN3
<b>Attachments:</b>	1. Proposed District Boundary
<b>City Council Meeting:</b>	Resolution: September 15, 2020

Tax Increment Financing is an economic development financing tool established by Chapter 11-9 of South Dakota Codified Law. TIF's allow property tax dollars from a specific geographic area to be applied towards eligible public and private capital improvements and to stimulate and develop the general economic welfare and prosperity of the state by utilizing the anticipated increase in property tax—known as positive increment— generated from a project to reimburse for improvements determined as eligible by the municipal governing body. Improvements are typically financed and paid off in future years through the tax increment proceeds.

The City has twelve active TIF Districts:

- TIF #7 – Minnesota Centre (2007)
- TIF #10 – Lumber Exchange (2010)
- TIF #11 – Bancroft (2011)
- TIF #12 – DeKalb Lofts (2011)
- TIF #13 – Raven (2012)
- TIF #14 – River Ramp/HGI (2012)
- TIF #15 – Sports Complex (2012)
- TIF #16 – Whittier Heights (2012)
- TIF #18 – Phillips Avenue Lofts (2013)
- TIF #20 – Washington Square (2015)
- TIF #21 – Cascade (2017)
- TIF #22 – Sioux Steel (2020)

Under South Dakota State Law to allow tax increment financing and the district, Planning Commission shall recommend to the City Council the following items:

- TIF Boundary (September Planning Commission meeting)
- TIF Plan (Future Planning Commission meeting)

**LEGAL BOUNDARY (contains the following properties):**

SW1/4 (EX RY & EX WINTERSTEEN'S ADDN) 13-102-50 SIOUX FALLS CITY UNPLATTED

SE1/4 (EX W 1730.76' E 1770.76' S 562.58') 13-102-50 SIOUX FALLS CITY UNPLATTED

W 956.47' E 996.47' S 562.58' SE 1/4 13-102-50 SIOUX FALLS CITY UNPLATTED

W 774.29' E 1770.76' S 562.58' SE 1/4 13-102-50 SIOUX FALLS CITY UNPLATTED

PART NW1/4 N & E OF BN RR ROW 24-102-50 SIOUX FALLS CITY UNPLATTED

PART NE1/4 LYING N OF BN RR ROW 24-102-50 SIOUX FALLS CITY UNPLATTED

W1/2 SW1/4 (EX NORTHWEST TOWER ADDN & EX MCCROSSAN ADDN & EX LOT H-1) 24-102-50 SIOUX FALLS CITY UNPLATTED

N2020.27 W2766.61 N1/2 LYING S & W OF BN RR ROW (EX FOUNDATION PARK ADDN) 24-102-50 SIOUX FALLS CITY UNPLATTED

S264 W348 NW1/4 (EX LOT H-2) 24 102 50 BENTON TOWNSHIP 102-50

W1/2 E1/2 SW1/4 (EX MCROSSAN ADDN & EX FOUNDATION PARK ADDN) 24-102-50 SIOUX FALLS CITY UNPLATTED

TRACT 1C 24-102-50 SIOUX FALLS CITY UNPLATTED

TRACT 1D MCCROSSAN ADDN SW1/4 & SE1/4 24-102-50 MCCROSSAN ADDITION SW1/4 & SE1/4 24-102-50

N1/2 24-102-50 LYING SOUTH OF RAILROAD R/O/W

All properties legally described are location in Sioux Falls and Minnehaha County, SD.

**SUMMARY OF REQUEST:**

Project Details:

The property included in the district boundaries are part of Foundation Park, which is a development park owned by the Sioux Falls Development Foundation. In an effort to promote development of the property, the Sioux Falls Development Foundation has requested Tax Increment Financing to offset the costs associated with preparing the property for development and to stimulate and develop the general economic welfare and prosperity of the state. The request is substantiated by economic development that will be generated through growth in taxes by a development site of this scale.

**PLANNING CONSIDERATIONS:**

- 1) Proposed developments in Foundation Park will be consistent with the zoning ordinance and any property that requires rezoning will be brought in front of the Planning Commission.
- 2) Future developments in Foundation Park will align with the Shape Sioux Falls 2040 Comprehensive Plan of the City. No amendment to the comprehensive plan is proposed.

**RECOMMENDATION:**

Upon review of the proposed district and communications with the SFDF, City staff recommends the creation of a TIF District based upon compliance with SDCL 11-9 and the Shape Sioux Falls 2040 Comprehensive Plan. Both staff and the SFDF believe the increment that will be created by the district will be sufficient in the needs to expand the development of Foundation Park North and that without TIF, the proposed expansion would be unable to move forward to the degree contemplated.

Staff recommends **approval**.