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| MINUTES | Tuesday, October 2, 2018 |
| Informational City Council Meeting | 4 PM |
| Sioux Falls City Council | Carnegie Town Hall |
| | 235 West 10th Street |

Members Present: Janet Brekke, Rick Kiley, Greg Neitzert, Marshall Selberg, Curt Soehl, Pat Starr, Theresa Stehly
Members Absent: Christine M. Erickson and Paul TenHaken

1. Call To Order

Council Vice Chair Marshall Selberg called the meeting to order at 4 p.m.

2. Audit Committee

A. Meeting of Monday, September 24, 2018, at 4 p.m.

Council Member Greg Neitzert provided a review of meeting topics and membership changes to the committee.

3. Administration Communications

Erica Beck, Chief of Staff, stated that an ordinance first reading concerning supplemental appropriations is scheduled for next Tuesday, October 9th. Additionally, within the next few months the Administration will provide an update on the property tax abatement program--what it is, how it is used, and possible revisions to the program.

4. City Council Open Discussion

Council Member Theresa Stehly asked that the property tax abatement program discussion be presented to the Council at an Informational meeting opposed to a Committee meeting. She also spoke about the Audit Committee meeting and follow-up Informational Meeting where the history of Internal Audit was discussed. Stehly highlighted the employee fraud hotline and suggested that consideration be given to making it available citywide. She also stated that a possible means to solicit ideas for the audit plan ideas can be through an employee survey. Council Member Greg Neitzert explained that he has been in contact with the hotline vendor to discuss pricing, use, and possible expansion.

Neitzert spoke about his opportunity to observe the recently held Avera McKennan Readiness Exercise and noted the extensive coordination that is done to ensure preparedness for a variety of situations.

Council Member Pat Starr spoke about his tour of Homefield Condominiums on 8th St. and Sycamore Ave. which is part of a program of the City in partnership

with Affordable Housing Solutions; he noted that programs like this one make housing more accessible to many income ranges. He also reminded the Council of multiple events for Native Americans' Day to include a parade, traditional storytelling, hoop dancing, and a pow wow.

5. Presentations

- A. Tax Increment Financing - Historical Use Summary and Update by Erica Beck, Chief of Staff
Presentation: Approximately 35 minutes followed by discussion

Erica Beck, Chief of Staff, explained how Tax Increment Financing (TIF) is used as a development finance tool that captures the future value of an improved property to assist in reimbursing the current costs of approved project improvements. She showed a graph that conceptually outlined how the increment is determined and for how long. TIF can be used to target areas of specific industry and economic growth; to target redevelopment in specific geographic areas; and leverage current funds to stretch capital funds to ensure they go further. The first Sioux Falls TIF District was created in 1989; to date there have been a total of 21 districts, 12 of which are currently active. Active districts include: Cherapa Place, Minnesota Center, Lumber Exchange, Bancroft Apartments, DeKalb Lofts, Raven Industries, River Ramp/HGI, Sports Complex, Whittier Housing, Phillips Avenue Lofts, Washington Square, and the Cascade. Beck also reviewed several case studies to demonstrate the impact of TIFs.

Beck explained the application and reporting processes. Applications are managed through Planning and Development Services and are required to be complete with fee for consideration. As part of the process, the City Council is required to review and consider the following ordinances: establishing the geographic boundaries of the district; defining the project plan for the TIF, and approval of the development agreement associated with the plan. A TIF dashboard will be included in monthly financial reports, TIF boundaries and plans will be placed on the City's website, and collaboration will include various jurisdictions and organizations for future TIFs.

Discussion followed about: TIF eligibility for single-family housing, neighborhoods, and parking; strategic planning; public financing of TIF projects, how TIFs effect other jurisdictions such as schools, the state, and counties; the status of TIF 19; approval authority for TIFs; the judicious use of TIFs; fairness; determination of estimated project value; the TIF dashboard; and need-based economic tools.

6. Public Comment

Scott Ehrisman spoke about his opposition to tax increment financing and discussed their economic impact, impacts to public education, TIF negotiations, whether the use of TIF is an appropriate incentive, the burden on taxpayers, the original uses of TIF, using TIFs to revitalize neighborhoods, timing of TIF with respect to overall debt, and TIF return on investment.

7. Executive Session

A. Preparing for contract negotiations or negotiating with employees or employee representatives (SDCL 1-25-2(4)).

A motion was made by Rick Kiley and seconded by Greg Neitzert to enter Executive Session at 5:24 p.m. for the purpose of Preparing for contract negotiations or negotiating with employees or employee representatives pursuant to SDCL 1-25-2(4).

Vote to enter Executive Session: Roll Call: Yeses, Rick Kiley, Greg Neitzert, Marshall Selberg, Curt Soehl, Pat Starr, Theresa Stehly, 6. Noes, 0.
Motion Passed.

Council Member Janet Brekke excused herself from the meeting for the vote on this item. She returned for the Executive Session.

A motion was made by Rick Kiley and seconded by Greg Neitzert to exit Executive Session at 6:04 p.m.

Council Vice Chair Marshall Selberg called for a voice vote. All members present voted yes.
Motion Passed.

8. Adjournment

Council Vice Chair Marshall Selberg adjourned the meeting at 6:04 p.m.

Thomas M. Greco
City Clerk