

## **Ag Event Center Feasibility Study and Project Development Plans**

The proposed project would finance the cost of a study to determine the viability of developing a regional event center and agricultural stewardship center at the County fairgrounds. Additionally, the project includes the financing of Ag Center development plans. The existing Sioux County fairgrounds are currently utilized by County and City residents, Dordt College, and various local clubs. These organizations began discussing the need for upgrading the current fairground facilities and it was identified that additional space was needed for agriculture and livestock events. The proposed complex includes a 31,200 square foot Regional Events Center, an 18,000 square foot Agricultural Stewardship Center, four agriculture buildings, a 45,000 square foot indoor arena, an outdoor arena, and a  $\frac{3}{4}$  mile track. The estimated total cost is \$10,000,000 to \$15,000,000.

Providing a facility that can be used year-round for both small and large events will attract a broader range of activities, increase usage of the fairgrounds, enhance existing and expanding agribusiness and animal biotech industries in the area, bring visitors to the community, and support the strong agriculture program at Dordt College. It is anticipated that with the new facility the number of events will increase from 24 in 2015 to approximately 55 once completed. These potential events include conventions/trade shows, consumer/specialty shows, ag-related events, meetings, banquets/weddings, concerts and festivals, and other community events. The projected annual attendance is expected to increase by approximately 19,000 people once the new facility is operational. It is calculated that by Year 5, attendees at events are projected to generate \$4.0 million of total spending, \$1.5 million of increased earning, and support 42 full-time equivalent jobs, annually.

Due to the sizeable cost of such a facility, the City feels that an in-depth evaluation of the viability of this regional event center and design development plans should be completed. The benefit to the City of Sioux Center, Sioux County, and the surrounding area could be substantial and will be assessed. These additional events and visitors would enhance the economic development potential and growth of the community.

### **Alternative Funding Options**

One alternative funding option for the City is the issuance of general obligation bonds for the feasibility study and design development project. These bonds would be paid by the City's debt service levy (i.e. without using incremental tax revenues). The issuance of general obligation bonds is less feasible than the use of tax increment financing because the new Ag Event Center, if found to be viable, will not only be utilized by residents of the City, but also those living outside the City limits of Sioux Center.

The City may also consider state, federal, and/or local grant programs to help finance a portion of this project. Due to the nature of the project, and the amount of funding available from state and federal sources, this alternative is limited but the City will continue to explore available grant programs to help with the financing of this feasibility study and design development project.

The use of TIF funds as a funding mechanism for the feasibility study and design development work is appropriate when considering the additional number of visitors and dollars this facility could bring to the community and the surrounding area. The construction of this facility would enhance the economic development potential of the area and may contribute to growth of the area.

Issuing general obligation bonds that would only be paid with a combination of the City's debt service levy or LOST funds is less feasible than including the use of TIF funds because there would be no contribution of tax increment revenues from the schools and County. Because the proposed urban renewal project could potentially benefit County residents and school patrons, the use of tax increment is the most appropriate funding mechanism and it is fair for the Sioux Center Community School District and the County to share in the costs of the feasibility study and design development plans. If the event center is constructed, regional benefit to both the County and the School District would result.

For all of the aforementioned reasons, the use of TIF funds to finance the expected costs is the most feasible, fair, and equitable mechanism for funding the project described above.