

## **PUBLIC BUILDING ANALYSIS**

One of the urban renewal projects authorized by this Amendment, the development of an indoor turf facility, involves a public building. If this project is ultimately approved by the City, the City intends to finance a portion of the cost of the project through tax increment financing. For the costs of the project to be paid with tax increment funds created by a division of revenue under Iowa Code Section 403.19, Iowa law requires an analysis of alternative development options and funding for this urban renewal project, and reasons why such options would be less feasible than the use of incremental tax revenues to fund the project.

The indoor turf facility would add to the amenities and attractions for the community of Sioux Center and surrounding regional area. The City continues to see strong growth in population and employment opportunities. With ongoing conversations with community residents, employers, Dordt University and City staff, we continue to hear and see the need for additional attractions to keep and retain employees and their families in our community. A survey that was completed in 2018 indicated a strong desire to offer indoor recreational activities for the community. The planned improvement would include an approximate 250' foot x 450' foot indoor turf bubble facility that could be utilized for multiple uses. It would also include an attached facility for offices, restrooms, concessions and lobby type areas for various events.

It is anticipated that the new facility would be constructed during 2021-2022. Total project costs are estimated to be \$6,500,000 - \$7,500,000. It is anticipated that half of this cost could be covered from other partners in the project, grants and fundraising efforts as well as a combination of property taxes, Local Options Sales Tax and no more than 50% of the debt will be from Tax Increment Financing (TIF). This percentage is based on the large number of patrons and participants that will be coming from outside the City that will utilize the facility for various programs and tournaments that will be hosted through the facility. We see the anticipated percentage exceeding 60% for use of the facility from outside groups and entities. This could include such things as soccer, softball, baseball, football, track, lacrosse and other various offerings. The availability of a diverse range of indoor recreational facilities are important to the quality of life factors that companies are looking for to locate their new facilities and also for recruiting employees choosing a place to live. Providing this recreational opportunity is necessary to continue to advance the economic objectives of this plan in the Urban Renewal Area.

As a result, the City feels that it is fair and equitable to pay a portion of the cost of the indoor turf facility by allocating 50% of the total cost of the facility to TIF funds and combination of other funds such as LOST revenues, Hotel/Motel tax, and property tax funds. Cost paid with TIF funds will not exceed \$4,500,000 as authorized in this Amendment.