



CITY OF SIOUX CITY

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Tax Increment Financing Key Factor in Strengthening Local Government & Helping Meet Budget Needs

For the upcoming fiscal year (FY13) the City of Sioux City will release over \$430 million in property tax valuation from tax increment districts, resulting in over \$15 million in property tax dollars being made available for use by local governments. Strong growth in property tax values in Sioux City has resulted from the careful use of Tax Increment Financing (“TIF”).

The use of TIF as a critical economic development tool is currently under debate in the Iowa Legislature. “The legislature needs to understand the value of the City’s past investments in economic development”, stated Mayor Bob Scott, “these funds support Police, Fire, the County Sheriff, teachers in two different school districts, and nearly every essential service in local government” he added.

The City of Sioux City annually releases TIF value in excess of that needed to pay for bonds issued for economic development, including the construction of new streets and other key infrastructure, and other economic development purposes. The General Funds of local governments receive the released valuations, including the City, Woodbury County and the Sioux City and Sgt. Bluff School Districts. Nearly \$314 will be released from the City’s largest TIF District, Donner Park. 40% of that valuation (\$126 million) will be available to be used by the Sgt. Bluff school district, which extends into the city limits of Sioux City.

City TIF dollars have supported growth in industrial and commercial areas. “In addition to property tax growth sometimes overlooked is the additional boost in sales tax revenue that results from commercial development” stated City Economic Development Director Marty Dougherty; “we have seen these numbers grow with the new shopping areas. Many of these dollars used leave our state.” Sales tax revenue in Sioux City currently generates nearly \$78 million annually, (\$67 million of which goes to the State of Iowa and the school systems; \$11 million goes to the City).

TIF is a versatile, effective, and commonly used tool available in 49 states which allows local governments to capture the future value of improved property to pay for the current cost of those improvements. The City strongly supports the continued use of TIF as a critical for Iowa’s cities to help grow jobs and investment in Iowa.