

## **2024 State of the City**

Mayor Paul TenHaken

April 18, 2024

Sioux Falls Convention Center

Good morning and welcome to the 2024 State of the City Address. Before we get started, as we do with official City business, we need to take a roll of our City Council members here today. I'll take a moment to recognize them individually, and please hold your applause until the end.

David Barranco, Sarah Cole, Alex Jensen, Rich Merkouris, Greg Neitzert, Marshall Selberg, Curt Soehl, Pat Starr.

Thank you all for being here and for the effort and energy you provide in your roles to help guide our City. A special thank you to Alex Jensen, Greg Neitzert, Marshall Selberg and Pat Starr who will be finishing their terms of service this May.

As we do with most of our meetings, we're honored to be able to start with an invocation. I asked Rabbi Mendel Alperowitz to lead us in our opening invocation.

Thank you Rabbi Alperowitz. Now I ask that you rise and please say the Pledge of Allegiance with me.

Additionally, I want to welcome members of Senator Thune, Senator Rounds and Representative Johnson's offices, State legislative leaders, County Commissioners, community leaders, and our esteemed residents of Sioux Falls, good morning and thank you to those joining us.

Thank you to my wife, Jill, and our three kids, who are hanging out with us here this morning. Their support as I enter my sixth year as Mayor of this great city has been an incredible blessing.

And special thank you to the OVER 1,700 full-time and part-time city employees who serve this growing community, many who are with us this morning. Your contributions and commitment to this around the clock work inspires my own service daily.

It is both an honor and a privilege to be standing before you, reflecting on our city's journey over this past year and envisioning the opportunities ahead.

As we transition from the unprecedented growth of the last several years and our continued focus on strategic planning and financial stewardship, we anticipate another significant year ahead for Sioux Falls....We are in the midst of incredible investments being made in this city.

This will be a fun morning for us to celebrate a few of these major investments. Investments made possible through the bold vision and commitment of remarkable partners across our city, both public and private, alongside our elected leaders. They're like pieces of a puzzle, slowly coming together over time, defining what Sioux Falls is and can be, and shaping how the world views our community.

This progress will continue to draw people here to live, to work, to raise a family, and to stay and play... for generations to follow.

Today, I want to begin by reflecting on and celebrating the milestone anniversaries of two community assets and recognize the vision-it took decades ago to make these dreams a reality in Sioux Falls.

It was in October of 1993 that voters approved by a very slim margin, 51 to 49 percent actually, Sioux Falls moving ahead with a \$33 million bond providing funding for the construction of a new convention center and renovation of the former Washington High School into what is now the Washington Pavilion.

The rest is history, still in the making.

When the approval of the bond was announced on election day back in 1993, Dan Kirby, a founding Washington Pavilion Board of Trustees member and a champion for the project, said: “The future called tonight and Sioux Falls answered.” What a great line. Remember that...as we keep talking here this morning.

Six years later, the doors to Washington Pavilion, as we know it, first opened to the public. It was June 1, 1999. Millions have visited since, bringing with them energy and economic impact that is hard to fully define.

I couldn't be more excited today in being asked to announce and unveil that in celebration of the 25th anniversary, a new privately funded, interactive, outdoor art installation, called *CYCLICALITY*, will be added on the Pavilion grounds later this year. This continued contribution to the cultural vibrancy and economic vitality of our growing community is indicative of the value this visionary investment has had on Sioux Falls.

Please help me in recognizing the team from the Washington Pavilion who are here with us today along with any Washington Pavilion board members.

Another Sioux Falls landmark celebrating a major milestone in 2024 with its 10<sup>th</sup> anniversary is the Denny Sanford PREMIER Center.

The PREMIER Center truly has become a destination for families and friends to connect and take in unique experiences. And our community continues to reap the benefit of the investment voters made in funding this facility. The PREMIER Center and Convention Center itself in 2023 reported \$19 million in revenue, nearly 2.4 million more than the previous record year in 2022.

These aren't just buildings, they're investments in our community's economic vitality and overall well-being. I can't imagine a Sioux Falls without the PREMIER Center or the Washington Pavilion. And neither can many of the individuals and families that now call Sioux Falls home.

Over the past five years, we've added a population to Sioux Falls, equivalent to that of Aberdeen – the third largest city in South Dakota. In response, our teams have worked hard to meet the demands of growth while maintaining some of the lowest utility rates and development costs in the region. Making this community, investment friendly – with businesses and residents.

Utilities and transportation infrastructure are the foundation of city growth. Development and growth, in fact, cannot happen without utilities – wastewater, water and energy. Development and growth also cannot occur without a safe and reliable transportation network to support it.

Caring for our utility and transportation networks is a cornerstone of our vision statement, *Taking Care of Today for a Better Tomorrow* and our team in the Public Works department provides world class system care, triaging the problems of today and making investments to establish our future growth potential.

We recently passed the halfway point on the expansion of the Water Reclamation Plant. This project expands the treatment capacity of the plant by 50%, taking it from 21 million gallons per day to 30 million gallons per day. And I've been told that we might get to finish this project before my time in office is up.

In addition to wastewater, we are investing in building Well 25, which we anticipate will be the largest water-producing groundwater well for the City. In addition, we are also actively supporting the next phase of the Lewis and Clark Regional Water System, and we are an active member of Dakota MainStem, which is a collaborative of water utilities and other stakeholders across southeastern South Dakota working to secure our water security and capacity for the region in the next 100 years.

We also focus on street construction projects that preserve, rehabilitate, reconstruct and expand our community's transportation network, including vehicular, pedestrian and bicycle routes.

South Veteran's Parkway is a transformational investment aimed at developing the southeast area of Sioux Falls and connecting it with the rest of the City and region. This critical corridor is designed for not only vehicles but other modes of transport, like biking and walking. This 8.6 mile project is underway now and reshaping our community.

This year, we are also set to welcome the first Diverging Diamond Interchange (DDI) at 41<sup>st</sup> Street and Interstate 29. DDI's are used across the country and are proven to enhance traffic safety and flow. With this innovative interchange design, we will be able to support increased traffic capacity at the state's busiest interchange as we continue to grow. The DDI design will be introduced at two additional projects in future years – including Benson Road and Interstate 229 and 85<sup>th</sup> Street and Interstate 29.

Another bold investment that has been years in the making is the transformation of our public transit system. Late last year, the City awarded its management contract for public transportation services to Via. Since our partnership with Via began on January 1, we have seen ridership increase across the system, AND by 25% on microtransit specifically, compared to the same time last year. More than 80% of total rides this year to date were booked using a new Via-powered app called "SAM Transit".

Just last week, Via and the City announced expansion of the SAM On Demand weekday service to more than 40,000 residents in southeast Sioux Falls. This is exciting as we continue to work on modernizing the system – helping our residents and visitors get to where they need to go throughout the day. Accessible, user-friendly and affordable micro-transit is what people have come to expect and what we are working diligently with our partners at Via to provide.

Throughout my tenure as Mayor, our team has also focused on one of the most fundamental aspects of our community's well-being: housing. Housing stability is not just a matter of having a place to live; it is the foundation upon which individuals and families build their futures. Over the past year, our city has made significant strides in this area, and I am proud to share with you a few of our accomplishments and future plans.

In 2023 alone, the City of Sioux Falls, was able to expend \$5.4 million and directly impacted nearly 3,000 individuals through our housing programs and partnerships. These efforts are a testament to our commitment to strengthening access to safe and affordable housing.

Among our most significant achievements last year was the continued partnership with Interlake's Community Action Partnership, also known as ICAP, for the Bright Futures program. This initiative targets at-risk-of-homelessness families, primarily single mothers, providing them with crucial support. Utilizing our federal funding, we were able to offer education, case management services, and rental assistance to 75 families, impacting the lives of 240 individuals. I am pleased to share that this is an annual program, reaffirming our ongoing dedication to supporting vulnerable families in our community.

Looking ahead to 2024, there are several exciting developments on the horizon. We anticipate the relocation of families from the Bishop Dudley downtown facility to the Community Commons building, formerly occupied by Children's Inn. This transition, expected in May/June, will provide these families with improved housing options.

The City, also this month, announced the hiring of our new Homelessness Services Coordinator, Michelle Treasure. She will breathe new life and focus into collaborating with partners and coordinating data collection that can help identify solutions to the challenges of this hard, yet important work.

These are initiatives the *City* is involved in or helping to lead. There are so many more individuals, organizations, and businesses working diligently to offer a hand up as well as hope to families in need where housing is concerned. We want to recognize just a few of those people this morning.

Jeff Nelson, a longtime Sioux Falls realtor with 605 Real Estate, has dedicated decades of his career to helping families find affordable housing. Jeff has served on multiple boards, including the Sioux Empire Housing Partnership, the Homelessness Advisory Board and most recently, our Accessible Housing Advisory Board. In fact, he's been the chair of this board since its inception in 2019.

While Jeff's advocacy and work in the affordable housing arena is commendable, he has shared that this is simply what you do when you're the citizen of a community and state, you get involved and see where you can give back.

Jeff is with us here this morning, please help us thank him for the work he continues to do on behalf of ensuring affordable housing for Sioux Falls residents.

We also want to introduce you to a couple this morning who have been advocates for children and families. Charlie and Carol Childerston both had long careers in the Sioux Falls school district. Charlie is actually still the announcer for the basketball and football games at Sioux Falls Lincoln, where he once taught.

Retirement though just wasn't fulfilling for the two of them unless they were doing something meaningful. So, when Carol got a call from a friend in 2003 to help a few hours each week in the office at the Furniture Mission, which provides people in need with gently used furniture and household items, she agreed. Before long, she was managing the office and Charlie was in the back refurbishing the furniture that would come in through donations.

21 years later, both still volunteer several days a week. When asked why they do this, Carol said, "It's helped a lot of people that have nothing. Our whole purpose is to help give them a jump start, and a lot of people we help, we never see again."

Thank you both for sharing your time and talents with our community. Please share with me a heartfelt round of applause Charlie and Carol.

I want to take a moment and express my gratitude to our dedicated housing team, our partners, and the entire community for the partnering spirit they act upon daily. Together, we are making tangible progress toward our vision of "Taking Care of Today for a Better Tomorrow." By investing in housing stability and the lives of our neighbors, we are not only building stronger neighborhoods but also ensuring a brighter future for all residents of Sioux Falls.

This bright future is also reliant upon community leaders who are willing to serve each other.

In my time as Mayor, I've had overwhelming gratitude for the steadfast support our community has shown for our public safety team members. Yet, despite this support, as I stand here today, we are 22 police officers down from operating at full strength. I remain committed to investing in our public safety teams and enhancing our recruitment efforts so that our Sioux Falls Police Department, Sioux Falls Fire Rescue, and Metro 911 teams remain fully equipped to serve as the backbone of our city - tirelessly working to keep us safe, day and night.

Just last year, we celebrated a significant milestone with the opening of the new public safety campus. This cutting-edge facility operates as a statement of resiliency, providing our public safety women and men with modern, state-of-the-art training facilities. These facilities are not just buildings; they are investments in the future of Sioux Falls. They equip our dedicated public servants with the tools and resources they need to excel, ensuring they are prepared to serve our city today and tomorrow.

Our commitment to public safety goes beyond infrastructure. It extends to the very structure and governance of our Metro 911 services. Last year, we worked closely alongside our Minnehaha County partners to reconstruct the governance of the agency. This collaborative effort moved Metro's dedicated employees into the City of Sioux Falls' Public Safety Team, where they are now officially recognized as full-time City of Sioux Falls employees. With a new home at the Public Safety Campus and within the City's Public Safety Team, Metro has the resources and support to serve our growing community and region well into the future.

To the incredible individuals of our Sioux Falls Police Department, Sioux Falls Fire Rescue, and Metro 911, I ask you to please stand and be recognized. Your dedication, your sacrifice, and your unwavering commitment to the safety and well-being of our community do not go unnoticed and we are deeply grateful.

Another way in which we are working to enhance the quality of life for residents of Sioux Falls is through investments to our parks and recreation system. For the past two years, you've heard me speak about Jacobson Plaza, largely because of the positive impact I know this truly unique, family-friendly regional park will have on Sioux Falls.

After years of planning and preparation, Jacobson Plaza is scheduled to partially open later this year with a dog park, a spacious, inclusive, and accessible playground, and the city's largest and most unique splash pad. This project will be fully completed in early 2025 with the opening of the region's first refrigerated ice-skating ribbon!

I am excited for the community connection and memories that will be created through this investment. A great example of community assets that provide both memories and education with each visit is the Great Plains Zoo and Butterfly House & Aquarium.

Leaders Becky Dewitz and Audrey Otto-Pepper just unveiled a 15-year \$150 million master plan. This plan is the result of years of research, planning, and dreaming big about improvements that will transform the 45-acre campus into a regional destination.

Plans for phase one include the construction of a world-class aquarium which will feature a full shark tank, a jellyfish gallery, coral and more, and a raised walkway to better view all of what is inside.

The full master plan additionally calls for new spaces on the zoo campus, including the new splash pad that is set to open this summer, wider walkways and viewing area improvements, updates to each of the animal habitats, an expanded rehabilitation space for animals that will be reintroduced back into the wild, and importantly, the ability to generate revenue and a sustainable business model.

The changes are expected to nearly double the number of visitors to the zoo each year and the goal is to begin construction of the first phase in 2026. Like so many other long-term investments being made in this community, this too is coming together thanks to the bold vision and philanthropic contributions of community leaders.

And with summer just around the corner, it is fitting that we talk about pools!

At McKennan Park, the end of this summer season will bring with it the start of construction on a new wading pool that will offer more spray features, a larger deck, shade areas, and a new support building with public restrooms and year-round gathering space. The old pool, built in 1971, has been well-loved and heavily used for generations, and is at the end of its life-expectancy. While it can be tough to say goodbye to an old friend, neighbors are eager for the chance to have a larger and more user-friendly space to cool off throughout the summer months.

Neighborhoods around Frank Olson Park on the east side of Sioux Falls and Kuehn Park on the west side are optimistic as well, they have been working with the City's Parks Department to envision the replacement of the city's two oldest public pool facilities with new, modern spaces and more year-round indoor access. City leaders, in the coming month, will be asked to fund up to a \$77 million dollar Aquatics and Recreation Bond to support these efforts, the largest parks and recreation investment in the city's history.

Plans at Frank Olson Park are generating considerable excitement and anticipation within the community, as they call for a new indoor aquatics and recreational facility. Neighborhood feedback indicated strong support for an indoor facility providing space for recreation, swimming, exercise, indoor play for kids, and community gathering, year-round.

On the west side, the Kuehn Park neighborhood indicated strong support for both an outdoor pool as well as indoor recreation opportunities. This was no surprise to our team, as we have heard feedback from across the community on the need for more indoor recreation space.

With so much discussion happening on this important community need, it wasn't surprising that leadership at Sanford Health stepped forward and proposed selling their west side indoor wellness center to the City of Sioux Falls for public use. Just yesterday, we held an announcement alongside Sanford leadership and shared that this \$77 million bond will include the proposed purchase of the Sanford Wellness Center, located just off of Tea Ellis Road.

As Sanford shifts its focus towards a more medical-based care model across the region, the sale of this facility, coupled with their commitment to assisting us in meeting the growth demands of our community, allows for investments in indoor recreation on both the west and east sides of Sioux Falls.

I want to take a moment and recognize the community spirit of our leaders at Sanford Health. Time and again, they along with so many other partners, step forward to help meet the growth demands of our community. Their offer for the public to acquire this existing wellness center is no different. While the property appraised for significantly more than the proposed purchase price, we were advised by their leadership team that they were willing to discount the property as a sign of their support on the bold vision we cast in creating even more future access to indoor recreation space and new convention center space in the future.

This is the unique partnering spirit that continues to build Sioux Falls and move it forward.

If anyone from Sanford is in the audience, I want to take a moment and recognize your leadership and commitment to community with this proposed transaction.

While financially significant and critical to our future growth, these commitments represent a pivotal moment in enhancing the health and vitality of our community, elevating our quality of life here in Sioux Falls. Our team is thrilled at the prospect of working closely with our City Council to move these projects forward and positively impact the entire city.

For the population of our community today, best practice standards suggest we should have roughly 320,000 square feet of indoor recreation space to meet the needs of our community — not counting indoor aquatics. Currently we have about 20,000 square feet.

Given the overwhelming need for indoor recreation space, we shared earlier this spring right here in this building, a bold vision for Sioux Falls, carrying us into the year 2050.

2050 is almost 25 years from now. Just as we are celebrating the 25<sup>th</sup> anniversary of the Washington Pavilion and the 10<sup>th</sup> anniversary of the Premier Center today, 25 years from now, we could be celebrating the transformation and milestone anniversary of this facility we are in today, from convention center space to indoor recreation and entertainment space.

Look at the ceiling heights in this room. Now imagine no walls and instead of meetings like this, coming here with your kids, grandkids or even your spouse, to play pickleball, use a climbing wall, basketball courts, a walking track, turf soccer fields, and indoor play spaces.

Centrally located – this space, when repurposed, could not only transform our community's health but also our physical and mental wellness.

Additionally, 25 years from now, we could also be sharing the *State of the City* address from the Riverline Center – a new, modern, and appropriately sized convention center in downtown at the Riverline District.

Positioned on the east side of downtown and along a critical transportation corridor, this potential future investment, when realized, will undoubtedly become an anchor for community events, exhibitions, conferences, and conventions.

Imagine the Sioux Falls spirit that would be captured and celebrated in that future State of the City event.

We envision the Riverline Center investment serving as a catalyst for urban revitalization, spurring further development and investment in the surrounding areas. Such a dynamic addition to Sioux Falls' vibrant downtown skyline would enhance our reputation as a destination for both leisure and business.

Visions like this take time to become a reality. While the *Friends of the Riverline District* Committee have been meeting for several years, there remains work to do to bring this vision to life. An important next step includes completion of a feasibility and economic impact study that will likely be finalized this summer. Additionally, later this year in our budgeting process, we will be working with our City Council to make an important decision on funding the purchase of land for this bold community vision.

While we cast bold vision, we also maintain a steady hand on the challenges in front of us.

Time and time again, Sioux Falls moves forward because a group of visionary community leaders push for something bigger, bolder, and lasting that will impact our community far beyond any of our lifetimes. This isn't for us. This vision is for what Sioux Falls will someday be for our kids, and grandkids.

The pandemic threw a very bright spotlight on what a great place South Dakota is to live, the incredible job opportunities here, and the beautiful quality of life that comes along with all of it. As a result, the cost of living has increased to a point that it's had noticeable impact on families, individuals, and community resources.

As we look toward the future, it's imperative that we continue to approach our growth with wisdom, foresight, caution, and optimism.

We are confident in our team's capacity to navigate and oversee our unprecedented growth, we are also mindful of the uncertainties ahead, including an effort that you may not even realize is underway to repeal the tax on all consumable goods. Some are saying, that if approved, this anticipated ballot measure could lead to a future state-wide income tax.

If this ballot measure is approved in the upcoming fall election, our community would see a substantial reduction in sales tax revenue that would profoundly impact the services we currently deliver to the public.

What might sound like a good plan and a win for the average person or family, to have to pay a few cents less on consumable products, depending on how it would be structured, could instead lead to decreased funding for essential services like street repair, snow removal, parks and libraries programming, and critical staffing for public safety.

In the face of such uncertainty, we must be prudent in our fiscal decisions, holding the line while continuing to provide high quality services, ensuring that every dollar is spent wisely and every plan meticulously crafted. That's how we will be approaching the budget ahead.

Yet, in the midst of caution, we dare to dream big. The Riverline project, the unveiling of Jacobson Plaza, the prospects for additional development across Sioux Falls, and the ambitious new Zoo Master Plan— all stand as testaments to our unwavering commitment to progress, even in the face of challenges.



As we look ahead, I urge you to resist the temptation to succumb to the negativity and cynicism that often pervade political discourse. There is so much good happening here in Sioux Falls—so many reasons to be hopeful, so many reasons to believe in our collective future.

As we move to close today, I want to do something I *don't believe has been done before but I feel it might be a great way to remind ourselves of the significance of the vision we are casting today. Please welcome Siyanne Redda, a Senior at Washington High School, and one of my Mayor's Youth Council members, to share a few words about this city that we're building together.*

*"Good morning to you all, my name is Siyanne Redda, and it is an honor to be here with you today. I've been a member of the Mayor's Youth Council now for two years and in that time, I've had the opportunity to learn quite a bit about this city, the changes happening to it, the opportunities being made available and some of the thoughts going into planning for growth years down the road. While I prepare later this year to move to a new city, Cambridge, Massachusetts, and attend medical school on the east coast, I am grateful for the opportunity to continue to call Sioux Falls my home. No matter what, it will forever be. I was born here and have been raised here by my parents, who emigrated from Ethiopia to the United States and Sioux Falls in 1999. They chose this beautiful city of ours at that time because we had other family living here. We've moved to different areas of the city over the years, but my parents and our family have stayed because we love it here. It feels safe here. There is an incredible quality of life here; we love the parks, the pools, the downtown, the arts scene, the investments being made not just in the heart of the city but throughout the city, I love our schools and the programs they offer, and the opportunity to continually meet wonderful new and genuine people. Sioux Falls is an incredible place to grow up. My hope for you, Sioux Falls, while I look for growth in my own life, is that you maintain that strong sense of who you are – that tight-knit supportive community - as you grow too. In 20 years, I still want it to have the feel that it does today, like we have a say. I did go and vote this week and I was 25<sup>th</sup> in the middle of the day. That's not a lot of people. I want people to be more aware of how they can impact this place through voting, going to Council meetings, and by getting involved anywhere. Even though we're growing bigger, the community is here to serve every single person, which you can't say of all communities. I love this place. It's small in comparison to some other cities but that's not a bad thing because you don't feel like you're a small fish in a big pond, instead you still can feel like you have a voice and can make a difference. Be a mentor and a connector where you can, explore new neighborhoods, meet new people, see people that don't feel seen, help translate for someone still needing to learn the language, and learn about each other and the opportunities here and live life the best you can. I love Sioux Falls because of the open-mindedness and consideration the people have here for each other and how welcoming they are. Our differences and stories allow us all to learn from one another and become better, as individuals, and as a community. Even things like improving the city's walkability, adding more bike lanes, and giving people encouragement to leave one part of town and explore another, can bridge gaps for families and create space for future generations. Sioux Falls may be smaller than some cities, but therein lies its strength. Everyone has a role to play in shaping our collective destiny. Thank you, Sioux Falls, and Mayor TenHaken, for the opportunities and the foundation you've given mine."*

As we embark on the final leg of this journey together, my wish is to see our community engaged and united.

We recently held citywide elections for city offices, and we had 7 percent of the registered voters exercise their right to vote. The things we're talking about don't happen by accident, they don't just happen. They take smart leaders, they take people who can build consensus, and they take people willing to elect the right people to move these visions forward. I hope you vote in our upcoming runoff election on April 30.

We must continue to look at getting involved in our community, not just being a consumer, but a participant. And the best way to participate in a community is by getting involved in local elections and local office. The price for an opinion is participation. If you want to have an opinion on your city, you must participate.

We've got a great thing going here in Sioux Falls, friends. But the future is calling. How will we answer that call? Let's continue to dream big, to invest boldly, and build a future that we can all be proud of.

Thank you for joining me today, and may God bless Sioux Falls in the year ahead.