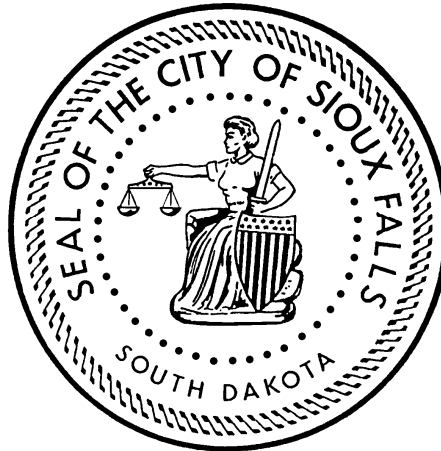


City of Sioux Falls

Neighborhood Reduced
Taxation Application

**Reduced Taxation for New
Commercial Structures or New
Commercial Residential
Structures Thereto, or Additions,
Renovations, or Reconstruction to
Existing Structures Located within
the City's Designated Area of the
City Application**



Filing Deadline

**On or before October 1 in the year in which the
project is completed and shall first appear on the
tax rolls as a completed or modified structure**

224 West Ninth Street, P.O. Box 7402, Sioux Falls, SD 57117-7402

Application Instructions

Pursuant to Article VII "Reduced Taxation for New Commercial Structures or New Commercial Residential Structures Thereto, or Additions, Renovations, or Reconstruction to Existing Structures Located within the City's Designated Area of the City," Section 39-134 et sequence of the Revised Ordinances of Sioux Falls, SD (Exhibit 1), the City of Sioux Falls grants a new construction tax incentive to those new commercial residential structures thereto, or additions, renovations, or reconstruction to existing structures located within the City's designated area as set forth in Exhibit A of Exhibit 1, and to those commercial structures or additions, renovations, or reconstruction located within the City's Folsom's Addition as set forth in Exhibit B of Exhibit 1, which have a full and true value of \$30,000 or more added to real property. The new construction tax incentive shall not be made if the business use changes to a nonqualifying use during the five-year period such that it would be ineligible under the new use. The City shall notify the County in which the real property is taxed of such real property being ineligible.

No new construction tax incentive may be made unless:

- (1) The commercial structure, new commercial residential structures, or additions, renovations, or reconstruction to existing qualifying structures has a full and true value of \$30,000 or more, exclusive of land value, added to real property;
- (2) Such structures are located within the Sioux Falls corporate city limits itself pursuant to SDCL 10-6-35.4;
- (3) The real property complies with all air and water pollution laws and standards which are enacted from time to time by the state of South Dakota;
- (4) The new commercial structure, new commercial residential structures, or additions, renovations, or reconstruction thereto are commenced after May 1, 2007;
- (5) The person makes application for the reduced taxation from the Assistant Director of Planning and Building Services as set forth in Section 39-137 of the Revised Ordinances of Sioux Falls, SD.

Any person desiring to claim a new construction tax incentive shall make application to the Assistant Director of Planning and Building Services so that the Assistant Director of Planning and Building Services and/or a committee created can determine that such construction is eligible for a new construction tax incentive.

Please complete the application attached on or before October 1st in the year in which the project is completed and shall first appear on the tax rolls as a completed or modified structure. The Assistant Director of Planning and Building Services shall send an acknowledgement to the applicant within 30 days stating whether the facility is eligible.

Upon completion of the project, the property will be certified as eligible to the Director of Equalization in the county in which the real property is taxed.

Only properties that have been approved will be certified as eligible for reduced taxation.

Applications may be filled out and returned via mail or fax. Mail or drop off the completed application to:

City of Sioux Falls/Reduced Taxation Application
Attention: Assistant Director of Planning and Building Services
224 West Ninth Street
P.O. Box 7402
Sioux Falls, SD 57117-7402

If you have questions, please feel free to call Planning at 605-367-8888 or by fax at 605-367-8863.



Reduced Taxation Application

City of Sioux Falls
224 West Ninth Street
P.O. Box 7402
Sioux Falls, SD 57117-7402

Company Information

Owner, Partner, or Corporation Name Federal Employer's Identification Number (FEIN)

Address (Street, City, County, State, Zip)

Telephone Number Fax Number Email

Mailing Address (if different from above)

Business Name (if different from above)

Business Address (if different from above)

Type of Ownership Single Owner Trust Partnership LLC—State of Incorporation _____ Date of Incorporation _____
 Corporation—State of Incorporation _____ Date of Incorporation _____

Individual responsible for filing reduced taxation forms (Name, Address, Phone, and Email)

I certify the following:

- (1) The commercial structure, new commercial residential structure, or additions, renovations, or reconstruction to existing qualifying structures will add a full and true value of \$30,000 or more, exclusive of land value, added to the real property; and
- (2) The structure is located within the designated area on Exhibit A or Exhibit B of Exhibit 1 which is within the Sioux Falls corporate city limits itself; and
- (3) The real property complies with all air and water pollution laws and standards which are enacted from time to time by the state of South Dakota; and
- (4) I am making application from the Assistant Director of Planning and Building Services.

Signature of Applicant Print Name of Applicant

Location and Legal Description of the new construction and/or addition to qualifying structures:

Primary purpose of business or if the business has multiple uses, list the primary purpose along with the other uses.
(Provide a separate sheet if necessary.)

Estimated full and true value added to the real property Construction Date Completion Date

Ownership Information

Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip

ARTICLE VII.

Article VII. Reduced Taxation for New Commercial Structures or New Commercial Residential Structures, or Additions, Renovations, or Reconstruction to Existing Structures Located within the City's Designated Area of the City of Sioux Falls, SD

Sec. 39-134. Authority.

This article is adopted pursuant to the authority granted to the municipalities pursuant to SDCL 10-6-35.24 and 10-6-35.25.

Sec. 39-135. Definitions.

(a) The term commercial structure as used in this article shall include:

- (1) Retail services and trade establishments as defined by Section 15.03.020(535) of Appendix B of the Revised Ordinances of Sioux Falls with a total floor area as defined by Section 15.03.020(289) of Appendix B of the Revised Ordinances of Sioux Falls with a building footprint not exceeding 10,000 square feet on the premises, excluding the following uses:
 - a. Adult use, as defined by Section 15.03.020(31) of Appendix B of the Revised Ordinances of Sioux Falls;
 - b. Off-sale alcoholic beverage establishment, as defined by Section 15.03.020(455) of Appendix B of the Revised Ordinances of Sioux Falls;
 - c. On-sale alcoholic beverage establishment when it is the principal use as defined by Section 15.03.020(456) and (496) of Appendix B of the Revised Ordinances of Sioux Falls.
- (2) Personal service establishments as defined by Section 15.03.020(478) of Appendix B of the Revised Ordinances of Sioux Falls.
- (3) Day care center as defined by Section 15.03.020(190) of Appendix B of the Revised Ordinances of Sioux Falls.
- (4) Boarding house as defined by Section 15.03.020(76) of Appendix B of the Revised Ordinances of Sioux Falls.
- (5) Office building as defined by Section 15.03.020(454) of Appendix B of the Revised Ordinances of Sioux Falls with a total floor area as defined by Section 15.030.020(289) of Appendix B of the Revised Ordinances of Sioux Falls with a building footprint not exceeding 10,000 square feet on the premises.

- (b) The term commercial residential structure as used in this article is a residential structure containing four or more dwelling units, excluding group homes, as defined by Section 15.03.020(334) of Appendix B of the Revised Ordinances of Sioux Falls.

Sec. 39-136. Applicability; effective date.

This article shall apply only to those new commercial residential structures thereto, or additions, renovations, or reconstruction to existing structures located within the city's designated area as set forth in Exhibit A, and to those new commercial structures or additions, renovations, or reconstruction to existing structures located within the city's Folsom's Addition as set forth in Exhibit B. It shall apply to new structures or additions thereto on which construction has been commenced after May 1, 2007. It shall also apply to renovations or reconstruction on which construction has commenced after May 1, 2007.

Sec. 39-137. Calculation of tax.

- (a) All new commercial structures or new commercial residential structures thereto, or additions, renovations, or reconstruction to existing structures, which new structures or additions or renovation or reconstruction have a full and true value of \$30,000.00 or more, added to the real property and located within the city's designated area as set forth in Exhibit A, shall be taxed pursuant to the following formula during the five tax years subsequent to the completion of their construction:
 - (1) The full and true value of such structures, additions, renovation or reconstruction shall be determined in the usual manner by the director of equalization.
 - (2) For the first tax year following construction, 20% of the taxable value shall be used for taxation purposes.
 - (3) For the second tax year following construction, 40% of the taxable value shall be used for taxation purposes.
 - (4) For the third tax year following construction, 60% of the taxable value shall be used for taxation purposes.
 - (5) For the fourth tax year following construction, 80% of the taxable value shall be used for taxation purposes.
- (b) The taxable value of such structures, additions, renovation or reconstruction during any of the five tax years subsequent to the completion of their construction may not be less than their taxable value in the year preceding the first year of the tax years following construction.
- (c) For the fifth and all subsequent tax years following construction, such structures, additions, renovation or reconstruction shall be taxed in the same manner as all

other similar industrial or commercial or commercial residential property within the city.

- (d) Any such structures, additions, renovation or reconstruction, the construction of which is only partially completed on any assessment date, shall be assessed for taxation purposes in the usual manner.
- (e) The new construction tax incentive shall be discontinued if the business use changes to a nonqualifying use during the five-year period such that it would be ineligible under the new use.

Section 39-138. Application for reduced taxation on new construction.

Any person desiring to claim reduced taxation on new construction shall make application to the Assistant Director of Planning and Building Services on or before October 1 in the year in which the project is completed and shall first appear on the tax rolls as a completed or modified structure. The application shall be submitted on a form prescribed by the Assistant Director of Planning and Building Services. Upon the Assistant Director of Planning and Building Services' approval of the application, the Assistant Director of Planning and Building Services shall notify the applicant within 30 days stating whether the facility is eligible to receive reduced taxation.

In January, the year following completion of the project, the Assistant Director of Planning and Building Services will certify those improvements which qualify for reduced taxation to the Director of Equalization in the County in which the real property is taxed. Such new construction tax incentives are not assignable or transferable, except as collateral or security pursuant to SDCL Ch. 57A-9.

