

**2021 State of the City Address
City of Sioux Falls
1 p.m. May 3, 2021**

Mayor Paul TenHaken Presents 2021 State of the City Address (as prepared)

Welcome to the 2021 State of the City address. A special welcome to City employees, community leaders, and residents of Sioux Falls—thank you for joining us.

I am thrilled to present this year's address on the stage of the iconic State Theatre in the heart of downtown. After a 30-year intermission, it is exciting to have the crown jewel of downtown open to the public once again and be a part of downtown's vibrancy. A special thank you to the team of the State Theatre for hosting us and for your dedication to getting the theater to where it is today.

I want to pause and express how thankful I am that we are gathered today in person—something that has been far too rare this past year. As Sioux Falls and the rest of the nation emerges from the recent pandemic, there are numerous lessons learned and new or renewed perspectives on life that each of us have gained. From my lens as Mayor, the challenges of the past year renewed my strong faith in our community to unite and help each other in a time of need, and it reinforced my belief that the strong foundation of Sioux Falls—thanks to previous leaders of the community—helped make it possible for Sioux Falls to enjoy its resilient economy, sense of community, and incredible quality of life.

The state of our city is strong. Despite the challenges of the past three years, I am confident that we have a bright future ahead of us. We are prepared for long-term sustainability and prosperity due to the decisions we have made thus far, along with our plans and determination for the future. It truly is an exciting time to be a resident of Sioux Falls.

Together, as a Council, a team of dedicated City employees, and community members, we are moving Sioux Falls forward as One Sioux Falls. Guided by the One Sioux Falls framework, we have strengthened partnerships to sustainably grow an economically diverse region and improve the lives of our residents.

While much of the world came to a halt this past year and it seemed as if the pandemic was the only thing on people's radar, the wheels of city government kept moving, and in many cases adapted to a new way of doing business. From infrastructure improvements to debt retirement and funding for a new Public Safety Training Center, there were numerous accomplishments this past year.

The official flower of Sioux Falls was in full bloom in 2020 with orange traffic cones and barriers marking a busy road construction season. In total, Sioux Falls constructed, repaired, and rehabbed 55 miles of roadway—the most in recent years. With a system already rated among the nation's best local roadway systems, the 2020 and 2021 projects will greatly improve traffic flow and provide smoother travel for drivers. In 2020, milestone projects included the rehabilitation of the historic Eighth Street Bridge, a vital artery through downtown. The City and the State Department of Transportation also completed the long-awaited 26th Street railroad overpass and Interstate 229 Interchange improvements—offering much improved traffic flow on the east side.

Looking ahead, we are hard at work preparing for the connection of Veteran's Parkway to I-29. Our team worked with state leaders in 2020 to sign a partnership agreement to fund the final 8.5 miles of Veteran's Parkway that will serve as a pivotal transportation network for our region. Design is already underway, and resources for the public are available on the project website. A special thank you to the Governor's Office and the Department of Transportation for their vision in supporting this project.

In September the City Council unanimously supported a \$50 million bond for the construction of the region's premier Public Safety Training Center. It is a long-term public safety investment that will help

prepare our law enforcement and fire rescue teams to respond to emergencies with the quality of service and professionalism we have come to expect during a crisis. It will also create a state-of-the-art 911 Metro Dispatch Center that, quite honestly, is years overdue. We plan to break ground this fall, with a target date to open the campus in fall 2023.

Fortunately, Sioux Falls was able to avoid a long-term economic shock in 2020, due in part to our strong economic foundation prior to the pandemic. Instead of needing to use local government assistance funding to supplement payroll, we had the opportunity to make investments to benefit residents. In 2020, the City retired \$25.2 million in debt—saving taxpayers over \$5 million in future interest payments. Sioux Falls now boasts a per capita debt of \$1,475—more than \$1,000 less per person than our peer regional communities and the lowest we've been in over a decade.

As a Dutch guy, I can't tell you how much I love paying off debt. In addition to this debt retirement, \$11 million in local government assistance funding advanced Phase I of the Sioux Falls for All Initiative. Thanks to the City Council's approval, we are investing in a new downtown ice ribbon and adaptive playground, a new lion exhibit at the zoo, The Link community triage center, the river greenway, improvements to Hayward Park, and roadway infrastructure. These investments will strengthen and enrich quality of life that our residents can experience in the decades to come.

2020 was a record-setting year for building permits, as we saw strong growth in housing activity. We also secured the largest single building permit in the history of our city by welcoming the future Amazon fulfillment center. We did not lose a single day in supporting economic development growth with our internal permit process, even during the height of the pandemic. City teams quickly transitioned in April 2020 to virtual inspections and expanded use of the City's online permit review system. As a result, our online users increased by 86 percent. In total, the City issued more than 7,200 building permits and performed more than 51,000 inspections.

These statistics highlight the competitive advantage that businesses and contractors have come to expect in Sioux Falls. My administration takes a customer-focused approach that partners with builders rather than engulfs them in red tape. It also highlights the appeal of Sioux Falls to businesses, entrepreneurs, and residents. Sioux Falls is a welcoming place to build a new home, start a business, and expand workforce, and our 2020 numbers were reflective of our city's widespread appeal.

Most importantly, during the past year, Sioux Falls residents took care of each other. The generosity of Sioux Falls truly came through. Our community raised \$3.4 million—which included a \$1 million contribution from the City—to support more than 4,700 residents at risk of eviction due to unemployment with housing costs during the pandemic. During the 2021 State Legislative Session, the One Sioux Falls Fund was used as a model to provide housing assistance to residents throughout the state.

Our community's generosity had a positive impact on so many. Last April, after the first set of recipients learned their April rent would be covered, many expressed their thanks. One resident wrote: "As I try to find the words that express my deepest gratitude, I find tears instead. Tears of happiness and joy. Though times are tough, not just for myself, but for countless others as well, I realize we are all in this together. Thank you for everything you've done and continue to do for others like myself during these unexpected times."

Sioux Falls, we have been—and are—in this together. The One Sioux Falls framework moved our city forward in 2020, and it guided us to tackle the tough decisions. Now, as we look ahead to the coming months and years, we will remain focused on taking care of people and the sustainable growth of our city.

A few weeks ago I was at the Diner downtown and was approached by a couple who moved here from California. Before moving here, they had never been to South Dakota. They didn't want to

intrude on my lunch meeting, but felt compelled to introduce their family and tell me how incredibly grateful they are for the economic and government climate in our city. I hear stories like this all the time. It is similar to the story of how my wife Jill and I moved to Sioux Falls after college to launch our careers and start our young family. Many of you have your own story about setting roots in Sioux Falls. The common thread to the stories I hear from long-time residents and newcomers is the quality of our city and the quality of our people.

Our goals remain unchanged in 2021: We will build upon the past successes of Sioux Falls and move forward with a growth mindset that will preserve our great quality of life. This is what makes Sioux Falls incredible. It's why residents call Sioux Falls home, and it's why thousands have been drawn to the opportunities, freedoms, and livability that Sioux Falls and South Dakota offer better than anywhere else in the United States.

As we continue to grow, the City remains mindful of the associated challenges of growth. Our plan to address the areas of workforce, safety, and housing within the One Sioux Falls framework sets us up for success in the decades to come. These are the areas in which I receive the most feedback from the community, and they continue to be the pressing needs of Sioux Falls.

WORKFORCE

The success of our city is in large part due to the work ethic of our workforce and the evolution of our economy throughout our history. Today, as an agricultural, financial services, health care, and industrial leader in the region, Sioux Falls continues to secure its place as a stable community to grow a business and invest in its people. It is exciting to see our entrepreneurial community continue to grow and thrive. Every week I hear new success stories from area entrepreneurs who are sowing the seeds of hard work in a business-friendly city. As an entrepreneur myself, I feel a sense of pride when I see people take that entrepreneurial leap in Sioux Falls.

As our city grows, we must continue to be proactive in our workforce strategy. To do that, we will continue to partner with community stakeholders to support workforce efforts both for existing businesses and new businesses in Sioux Falls. The City's partnerships with the Sioux Falls Development Foundation, the Chamber of Commerce, Southeast Technical Institute, and others allow us to continue to work collaboratively on growing and developing the skilled workers and recruiting individuals for the jobs available today, as well as the emerging trends in our local economy. The City's partnerships and strategic investments in those organizations are crucial to the long-term vitality of our economy.

My commitment is that I will continue to build a city that is welcoming for all. One that provides equitable access to services and opportunities. A city that our young people want to stay in and one that is attractive to those who want to make Sioux Falls their home.

ACCESSIBLE HOUSING

With population growth expected in the region, we continue to address the housing needs of our community. Between 2020 and 2025, Sioux Falls will need at least 7,000 additional homes to meet our projected population growth. Like many of our greatest challenges in Sioux Falls, this is an issue without a single solution or a single entity responsible for the solutions. We must continue to have a multifaceted and multiparty effort for a holistic, long-term plan to provide safe, affordable, and, most of all, available housing.

Our City team has been diligently working with stakeholders across the private sector and nonprofit community to develop our comprehensive housing strategy. Key to this strategy is growing partnerships to facilitate and incentivize new housing by leveraging City resources. Our future housing fund will also play a role in ensuring we can provide affordable housing options for our growing workforce. We also continue to explore projects that build density in our existing neighborhoods to help us build both upward and outward.

The City's approach to improved accessible housing also requires continued emphasis on the preservation and revitalization of existing homes, especially in the core of the city. In 2021, my administration plans to centralize resources to carry out this priority. Starting June 1, the Neighborhood Revitalization Division will launch as a team focused on working side by side with neighborhood residents to address property concerns and to rehabilitate aging properties. While our City team currently provides this role, the new division aims to be more efficient and customer friendly. This approach is a great example of how our City team continues to adapt to better serve our residents.

FOUNDATIONAL GROWTH

The heart of Sioux Falls will also experience continued investment in the months ahead. Construction of the River Greenway Project Phase III will launch soon. Reconstruction of the Sixth Street bridge and Seventh Street cul-de-sac will also be priorities in the planning phases. That will include redesigning and reimagining the Sixth Street bridge. We have a plan in place to rename this historic bridge "Unity Bridge," and through plaques and images, honor people who have been bridge builders in this community over the decades. I am excited to be bringing this forward with more details in the months ahead.

These investments will set the stage for private sector investment in the area. It will also create new opportunities for philanthropic investments. Recent generosity is abundant in downtown. Right here—the State Theatre—is open today thanks to Denny Sanford and countless others; the Kirby Dog Park at Fort Sod thanks to Joe and Jennifer Kirby; the Arc of Dreams and SculptureWalk are pillars of the downtown aesthetics; dozens of music lovers provided us with the Levitt Shell at Falls Park; and most recently, the Jacobson Family's donation for an ice ribbon and accessible playground along Phillips Avenue. Investments from the City, the private sector, and philanthropists will continue adding to this vibrancy, and I'm excited for what downtown's future holds.

Along with expanding industries and increases in new residents, Sioux Falls will continue to invest in the growing infrastructure needs of a growing community. Since taking office, my administration has invested more than \$128 million into road projects. We continue to invest about 80 percent of our capital sales tax budget on roads. That's \$50 million invested just this year. Residents should expect my continued focus and prioritization of road funding.

We've talked about how Veteran's Parkway will have a transformative effect on our community and our entire region. We're also gearing up for a busy construction season. You'll see that work across the city, including improvements along the Minnesota Avenue Corridor, the intersection of 69th and Sycamore, and Marion Road from 41st to 57th Street, just to name a few. Our work on projects is also keeping pace with new development, like work being done on Marion Road at I-90 and South Foundation Court right near Foundation Park.

And let's talk about those potholes—I know that there's interest in making sure we keep up the high quality of our streets, and we have a team hard at work doing that. Our street maintenance program encompasses a lot of city blocks—and, by extension, reaches a lot of our residents. This year it includes over 200 blocks of asphalt, work on 500 blocks of slurry seal, and 71 blocks of concrete reseal and repair. In our last street survey conducted by national pavement expert IMS, results showed the quality of Sioux Falls' roads as above the national average. That goes to show we are making the right investments in maintaining our roadway network.

SAFETY AND HEALTH

Providing a safe community continues to be one of my top priorities for Sioux Falls. Along with moving forward with the Public Safety Training Center, we are close to opening The Link community triage center. Far too often I hear stories from families whose loved ones struggle with addiction and mental health challenges. The Link will connect patients to critical mental health and addiction services in a coordinated fashion. That project is thanks to the great partnership between the City, Minnehaha County, Avera, and Sanford Health that we have reached this point. I also want to thank

the legislature for their support in helping fund The Link. Strong partnerships like this make a tremendous impact in Sioux Falls.

I look forward to opening the doors to The Link in June along with our partners. As services begin, we will work closely with Avera as the contracted service provider to analyze data and assess future needs for the community in the areas of mental health and addiction. The Link has great potential to provide significant and positive outcomes for individuals across our community.

You will also see my continued support of our public safety officials and first responders. We will continue our strong community policing efforts and build on the culture of excellence that our public safety officials have become known for.

I remain committed to providing our public safety team the best training and resources, and we are making great strides forward in that area with the Public Safety Training Center as mentioned earlier. We also moved forward with another key initiative for the Police Department this past year. In partnership with the South Dakota Attorney General's Office and the DCI, we established the Remote Law Enforcement Training Academy for our police force that will allow us to better meet our recruitment and training needs. Thanks to the leadership of Police Chief Matt Burns, two classes have graduated over the past six months.

Without question, one of the most challenging careers in recent years is that of our men and women in law enforcement. That was especially clear to me during a recent ride-along with one of our officers. To stay in touch with the public safety needs of our community, I occasionally will go on ride-alongs. During this shift, as we encountered an aggressive man at a local motel who was also intoxicated, I watched as the officer continued to treat the man with dignity and respect, only to see the man spit directly on the officer.

All the while, our officer remained calm and focused on his commitment to service. He continued to help this man in a way that I would have had a difficult time doing. But this is just another day at the office for our men and women of public safety, and it's one example of what makes their jobs challenging. The work they do to keep us safe cannot be overlooked, and we owe them a debt of gratitude for their service.

ENGAGING PEOPLE

In 2021, you will see additional resources and focus on the youth of Sioux Falls. We have all heard the phrase "the children are our future." It may sound cliché, but it is absolutely true. There is no greater investment a community can make than in its youth. My hope is for each child to achieve their maximum potential. As a society, this also means the time, effort, energy, and resources we invest in children today has a long-term impact. It impacts our future workforce and economy and prepares our future community leaders. It is also the best way to reduce addiction, poverty, and crime issues decades from now.

Mentorship is a key ingredient in impacting our youth. When I started the Sioux 52 Mentoring Initiative in 2020 in partnership with our Downtown Rotary Club, I knew the value of mentorship and its potential to transform our city. After the events of the past year, and the realities of the pandemic, the need for mentorship in our community has never been greater. I, personally, have enjoyed the opportunity to mentor several young people this year in Sioux Falls at the beginning of their careers looking for guidance. Just imagine the impact we can make if each of us committed to giving some of our time to mentoring. The impact could be tremendous, and you'll continue to see more initiatives and support for Sioux 52 in the year ahead.

We also need to reduce youth violence in our community. There have been isolated incidents in recent years, and we will be putting additional resources toward working collaboratively with leadership in the justice system, along with community partners, area nonprofits, and schools to

make sure violent juvenile crime does not become a trend in Sioux Falls. We're managing this well today, and we have the opportunity and want to make an impact before it grows in our city.

I am also working with community partners to establish a Mayor's Youth Council that will give our youth a seat at the table to share their concerns and future vision for our community. This council aims to be a diverse group of students and will help give the next generation a voice with City leaders. I'm excited to share that we are in the process of forming bylaws and structure and hope to open the application process soon and host a kickoff this fall.

INNOVATION

If there's been a buzzword for both in the public and private sector in recent years, it's "innovation." During this year's virtual CityLab—a gathering of City leaders hosted by Bloomberg Philanthropies—I heard from mayors across the United States and around the world about how they have innovated the delivery of city services. I also talk often about "public entrepreneurship" and using innovative, entrepreneurial principles to more effectively deliver public services.

That focus on innovation—and the need to innovate—is not going away for cities. In Sioux Falls, we're constantly expanding how we use data. Digital transformation is not a term exclusive to the private sector, nor is it only about how technology is impacting the way we operate and deliver value to residents. It's also an invitation to shift our culture and mindset around our approach to delivering services. From the current Sioux Area Metro Pilot Project to the digital equity task force, the City team is leveraging data to provide services more efficiently, enhance community engagement, and more.

Sioux Falls has come far in the past year, and there is no sign of us slowing down. It is going to be a busy next few years for us as a city, and the spotlight on our city is not going to fade. Guided by the One Sioux Falls framework, we have proactive strategies in place to prepare us for long-term sustainable growth. We will continue to work collaboratively to grow our brand as a family-friendly community and a stable place to grow a business. We will continue to focus on our people—including preparing our future leaders, taking time to understand each other, and leaning into mentorship. And we will continue to innovate to deliver high-quality services to our residents.

The future of Sioux Falls is ahead of us, and the future is bright. Each of us here today will play a part in the success of Sioux Falls because, quite honestly, each of us has something to offer our community. If there is one lesson from this past year, it is that when Sioux Falls puts its focus and energy into a goal, we succeed. That's why I am confident in the strength of Sioux Falls today and the strength of Sioux Falls in the years and decades ahead of us.

I want to close with this picture. I recently attended an event where these young men were in attendance, and they wanted to connect with me after. They talked to me about some concerns they had with kids getting into trouble and wanted to provide a good outlet for them. To do that, they are working to form a soccer tournament in the community to provide a constructive outlet for youth. They are also organizing a concert event to raise money to help cover the costs of the tournament. Young entrepreneurs, future leaders, caring for their city: This is One Sioux Falls.

Thank you for your time today, and may God Bless Sioux Falls in the year ahead.