

# District III Digest

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**UPCOMING EVENTS:**

- October 4-7**  
Annual SD Municipal League Conf
  
- October 10**  
Native American Day  
*Office Closed*
  
- October 12**  
District III Committee Meeting  
Forestburg
  
- November 11**  
Veteran’s Day  
*Office Closed*
  
- November 24**  
Thanksgiving  
*Office Closed*
  
- December 15**  
**Applications Due:**  
CDGB
  
- December 26**  
Christmas Holiday  
*Office Closed*

## Hazard Mitigation Grant Program (HMGP)

District III has submitted six Hazard Mitigation Grant Program (HMGP) applications to the State of South Dakota requesting a total of approximately \$2.8 million.

The State has reviewed four of the applications thus far, and has passed them along to FEMA’s regional office in Denver with the recommendation that the projects be funded. However, this is no guarantee that the projects will be funded, since FEMA still must review the applications, a process which could take several months.

We anticipate that South Dakota will receive additional HMGP money next year due to the natural disasters that have occurred in the state this year. Eligible HMGP projects include upgrading

**SUBMITTED APPLICATIONS:**

- Jerauld County 230<sup>th</sup> Street Culvert Upgrade
- Mitchell Queen of Peace Hospital Flood Mitigation
- Wessington Springs Drainage Improvements
- Wagner Drainage Improvements
- Charles Mix County 290<sup>th</sup> Street Road Improvements
- Parkston Pony Creek Stabilization

storm sewer systems and other types of improvements to mitigate against flooding; burial of overhead power lines; construction of tornado safe rooms; and acquisition of generators and warning sirens.

Each project must pass a cost-benefit analysis – in other words, it must be shown that the project will prevent more damage over its useful life than it will

cost to construct. If the state does receive HMGP funding next year, District III will contact each county and municipality in our service area about the opportunity. If an application is successful and a project is selected for funding, FEMA will pay 75% of the cost of the project, with the city or county responsible for the remaining 25%.

## Redistricting

District III has a “Districting for ArcGIS” software extension which simplifies the redrawing of political boundaries to account for population changes. This tool transforms what was once a manual process into

a convenient way of defining geographic areas, such as: police beats, sales territories, voting precincts, school districts and fire districts.

Governments will need to review political districts by the end of this year. For assistance with this process, please contact Harry Redman. District III does not charge its membership for redistricting support.



## Director's Corner

*"The only difference between death and taxes is that death doesn't get worse every time Congress meets."*



*"The time to save is now. When a dog gets a bone, he doesn't go out and make a down payment on a bigger bone. He buries the one he's got."*



*"There are three kinds of men. The one that learns by reading. The few who learn by observation. The rest of them have to pee on the electric fence for themselves."*

~ Will Rogers ~

### DISASTER RESPONSE SUPPORT

Many of the counties in our service area were impacted by high water this summer. Whether it came in the form of rain or river flooding, the damages were severe and widespread. District III's Geographic Information System (GIS) capabilities were useful in helping county emergency management officials illustrate potential impacts.

GIS involves the marriage of data and imagery.



Quoting a flood elevation number may convey a meaningful message to an engineer or government employee, but drawing a probable water inundation line on an aerial photograph

illustrates the real world extent of that elevation figure. While the accuracy of topographic contour lines was open to question, the value of visual aids was confirmed. We will seek to help our members develop enhanced GIS tools in anticipation of future disasters. Better information should help improve both disaster preparedness and response capabilities.

### GOVERNMENT PROGRAMS

We will continue to hear about federal and state budget concerns and program cutbacks for the foreseeable future. The national mood appears to be oriented toward a contraction of government assistance. How that mindset translates into action remains to be seen.

The National Association of Development Organizations

(NADO) expects major changes in USDA Rural Development and across the board reductions in many rural development programs. We will probably see the competition for infrastructure dollars become more intense. I do not think there will be a wholesale abandonment of government support.

South Dakota is fortunate to have developed sustainable

sources of assistance, such as the State Revolving Fund in the Department of Water and Natural Resources. Unfortunately, the magnitude of the need still exceeds local financing abilities.

District III will stay on top of the program changes to give its members the best possible chance for project success.

### A MAN OF OUR TIMES

Some things and people are timeless. Starting with this issue of the District III Digest, we will be quoting the wisdom of someone who lived during another challenging time period.

Will Rogers became an American icon for his down

to earth observations and irreverent truth telling. He died in 1935. His commentary could be applied to today's news.

The intent is to give you a little food for thought and perhaps generate a smile.



**Annual Innovation Expo November 2, 2011**  
**Ramkota Hotel & Conference Center**  
**Sioux Falls, South Dakota**



The event features an Exhibit Hall for entrepreneurs, service providers and vendors as well as educational sessions on a variety of topics.

[www.sdei.org](http://www.sdei.org)  
 (605) 697-5015

## Community Health Needs Assessment

When the Patient Protection and Affordable Care Act (AKA “the Health Care Bill”) was passed in 2010, there were provisions included in the bill which pertained to non-profit hospital organizations. Most, if not all, hospitals in the District III region would be affected by this legislation. Interestingly, the federal agency that is most interested in compliance with these provisions is the Internal Revenue Service (IRS).

In order to maintain 501(c)(3) and 501(r) status, hospital organizations must meet four requirements under the new bill. These requirements include: 1) Conduct a community health

needs assessment (CHNA), 2) Establish a financial assistance policy for eligible patients, 3) Limitations on charges for emergency services, and 4) Forgo collection actions against individuals before determining whether the individuals are eligible for financial assistance. The requirements of the CHNA must be met by March, 2012. Failure to provide the documentation of the assessment process comes with a hefty penalty. Organizations that do not meet the requirements of the Act will face a \$50,000 organization tax. The CHNA provision could possibly affect the work plan

of District III in the next year. In conducting a CHNA, hospitals must take into account persons representing the community served by the facility and be made widely available to the public. Hospitals can utilize a number of methods in gathering input from their service base including focus groups, meetings, interviews, and surveys. Whatever methods are employed by each hospital, a written report of the findings will be required to be submitted to the IRS. If your health care organization is considering conducting a CHNA, please give us a call to see how we can help.



## Governor’s House Program

Did you have an opportunity to tour one of the newly redesigned Governor’s Houses this summer? There have been a lot of positive comments. The changes were implemented this past spring and are currently on all newly delivered houses. Those changes include:

- Efficiency – The improved efficiencies towards adhering to the 2009 International Energy Conservation Code (IECC) which was adopted by the State Legislature as the voluntary standard in South Dakota.
- Increase wall insulation from R-19 batt to R-21.
- Add ½ inch foam Structural Insulated

Sheathing (SIS) which creates a continuous barrier around the home helping to eliminate the transfer of moisture and heat loss through lumber and also adds an additional R-3 value to reach a total of R-24 in exterior walls.

- Increase attic insulation from R-38 to R-49.
- Redesign Features – changed interior layout to improve openness, better utilize overall living space, and create more opportunity for GH customers to make the home “their own” after delivery.
- Added “dormer” style roofline over picture

window for first visual change to house since the Program began.

- Entry door now has an arch top window instead of square.
- Update to can lights in the kitchen area.

The current price of the Governor’s House has increased to \$35,500.00. This is the first price increase since the house became \$33,000.00 in August of 2005.

For more information on the houses and qualifications, please contact Fred Binder, Community Development Specialist at 665-4408.

**DISTRICT III STAFF**

Greg Henderson  
*Executive Director*

Travis Acklin  
*GIS Analyst*

Eric Ambrosion  
*Community Development Specialist*

Fred Binder  
*Community Development Specialist*

John Clem  
*Community Development Specialist*

Lori Cowman  
*SBDC Consultant  
ABC Manager*

Pat Hansen  
*Financial Officer*

Brian McGinnis  
*Community Development Specialist*

Harry Redman  
*GIS Coordinator*

Sue Stoll  
*SBDC Director*

Kristy Welker  
*Administrative Professional*

**DISTRICT III  
EXECUTIVE BOARD**

Delayne Persson  
*Aurora County*

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Richard Lewis  
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## Tax Increment Financing Districts ~ TIFs

A Tax Increment Financing (TIF) District consists of two elements, a method of financing and a specific geographic area. In order to better understand TIF's it is important to recognize the two elements and their dependence upon one another.

The first part of the relationship includes the phrase, "tax increment financing". Tax increment financing is a way to borrow money to complete a project by utilizing future "new" tax revenues to retire the project related debt. Simply stated, if a community needs to build infrastructure such as a road or utilities to serve a new or expanding business, TIF is an option. The taxes generated by the new business(s) or expansion will retire the infrastructure debt, thus allowing the improvement to be completed without burdening the existing tax payers.

Generally, when discussing tax increment financing the word "district" is included. A "district" is the second element of TIF's and makes

a project real by defining its location and impacted parties. Defining the district within a TIF process includes setting a geographic boundary which identifies where money borrowed through the TIF process can be utilized. A TIF district cannot be implemented without defined boundaries.

Tax increment financing is not without potential pitfalls. Any debt incurred as part of a TIF does count against the local government's constitutional debt limit (10% of its assessed valuation). One option smaller communities may want to pursue is "transferring" the TIF to the County which has a much larger assessed valuation thereby enabling the community to finance a larger project while preserving its debt ceiling for future needs. This process is currently being explored by the City of Kimball and Brule County. As stated earlier, the TIF process facilitates acquiring debt and as such a responsible party for

repayment of the debt must be identified. TIF's can be structured where the local government is either held harmless or partially if not completely responsible for repayment of the debt. The safest route is to structure any TIF so that the local government is not responsible for repayment. A final point to consider is that state law does allow for an administration fee when creating TIF's. Structuring the TIF to allow for an "administration fee" provides for flexibility as to where and how the proceeds can be spent. Revenue generated by an administrative fee is free of the TIF restrictions and can be dispersed on TIF and non TIF related expenses.

A TIF process is not something to be taken lightly but it should not invoke fear upon the governing body or general public. The key point to remember is that no matter the name or phrase, debt is being incurred. Please contact District III if you have any questions regarding TIF's.



### Planning & Development District III

PO Box 687  
1808 Summit Street  
Yankton, SD 57078

Phone (605) 665-4408  
Fax (605) 665-0303

[www.districtiii.org](http://www.districtiii.org)

## Areawide Business Council, Inc.

### Successful New Client

Jason & Carmen Sudbeck of Yankton opened **Zero Gravity Tower Services, LLC** in February. Zero Gravity Tower Services provides quality, professional service for the construction and maintenance of communication towers of all types and sizes including guyed towers, self-supporting towers and monopoles. Zero Gravity subcontracts work for a variety of wireless providers including ALLTEL, Long Lines, AT&T, and Verizon. They also work with AM/FM and TV providers as well as GPS providing companies such as IH, John Deere and CAT. Their trade area covers virtually the entire Midwest. The company started with a crew of 3 men and they have since added a second crew. Congratulations to Zero Gravity on a successful business start in South Dakota!!

