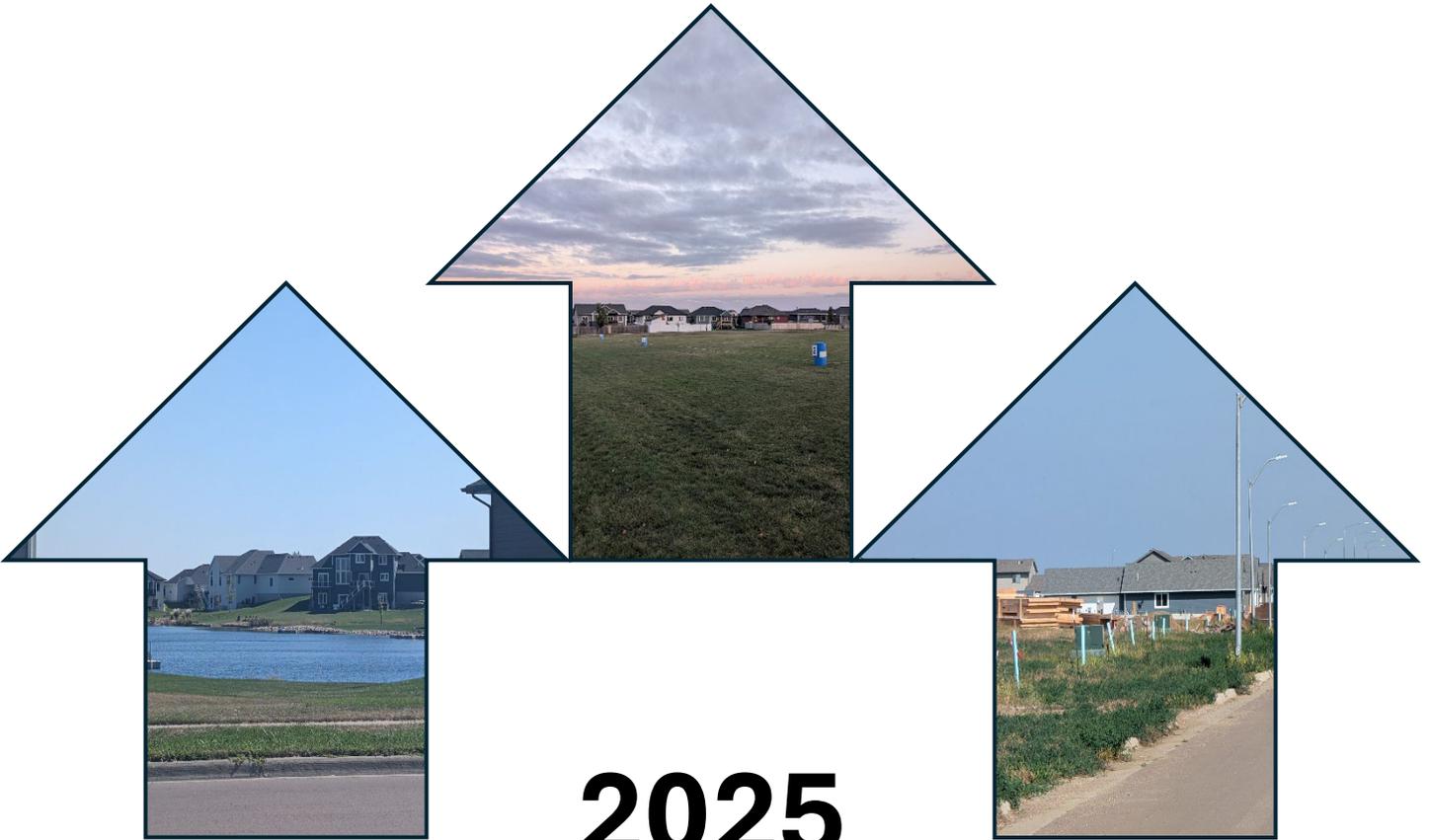


City of Tea



Development Summary

Introduction

This development summary provides a statistical view of the Community Development progress on various community growth issues. These snapshots provide important information on how the city is growing on an annual basis and helps all of us better plan our community. City staff collects readily obtainable information. It is recognized that other forms of measurement may be requested in future reports.

A Word About Data

While numbers and statistics are very useful, they can be confusing. Where does “planning” data start and stop? Here are a few quick facts:

- The 2020 census population of Tea was 5,598.
- The estimated January 1, 2026, Tea population was 8,051.
- The city did not annex any new land in 2025 and remains approximately 22.11 square miles.
- There were 52.7 centerline miles of street surface in Tea as of January 1, 2026.
- Fall 2025 Tea Area School District school enrollment (Pre-K to 12th Grade) was 2,514—up from 2,509 last year. City of Tea currently is located within the Tea Area and Harrisburg School Districts.

Current Planning Activities

- Annexations: None in 2025
- Subdivision Plats: 27 plats in 2025 totaling almost 135 acres, breakdown:
 - 14 new plats, 13 replats
 - 47.2 acres of industrial
 - 41.1 acres of planned development
 - 25.5 acres of agricultural/open space land
 - 17.5 acres of residential land
 - 3.4 acres of commercial
- Rezoning and Conditional Use Permits:
 - 0 rezonings approved in 2025.
 - 4 approved conditional use permits and 2 denied conditional use permits in 2025.

Table 1

| Zone | Plat | Replat |
|--------|-------|--------|
| I-1 | 47.2 | 0.0 |
| GB | 0.0 | 3.4 |
| R-2 | 2.6 | 1.7 |
| PD | 21.5 | 19.6 |
| R-1 | 6.4 | 6.7 |
| NRC | 25.6 | 0.0 |
| Total: | 103.3 | 31.4 |

Table 2

| CUP's | Zone | Approved | Staff Recommendation | Final Action |
|-------|------|-------------------|----------------------|--------------|
| 25-01 | GB | Auto Repair Use | Approval | Approval |
| 25-02 | R-2 | Wireless Facility | Approval | Denial |
| 25-03 | PD | Contrator Shops | Approval | Denial |
| 25-04 | R-1 | Daycare | Approval | Approval |
| 25-05 | GB | Contrator Shops | Approval | Approval |
| 25-06 | R-1 | Home Occupation | Approval | Approval |

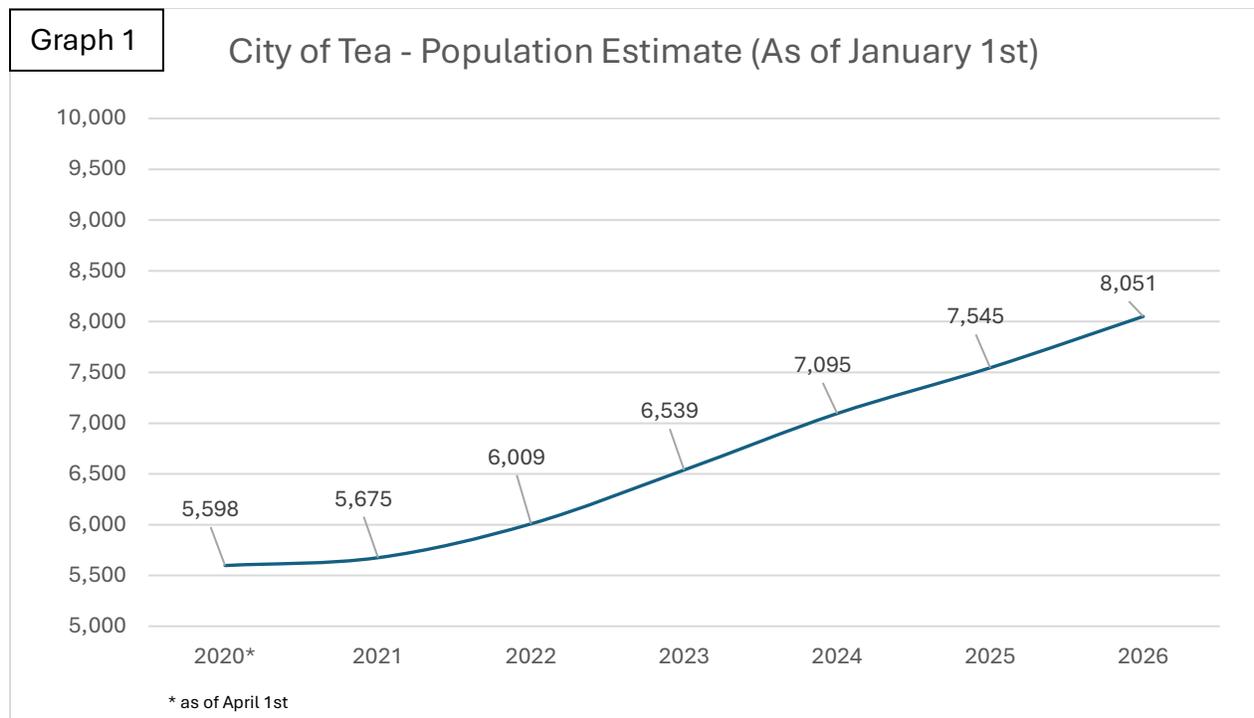
- Variances:
 - 6 variances were approved in 2025. All were for setback changes from 25' down to something else within the full range of zoning districts types.

Table 3

| Variance's | Zone | Type | Change | Staff Recommendation | Final Action |
|------------|------|--------------------|------------|----------------------|--------------|
| 25-01 | R-1 | Rear Yard Setback | 25' to 20' | Denial | Approval |
| 25-02 | GB | Front Yard Setback | 25' to 0' | Approval | Approval |
| 25-03 | NRC | Front Yard Setback | 25' to 10' | None | Approval |
| 25-04 | I-1 | Front Yard Setback | 25' to 15' | Approval | Approval |
| 25-05 | I-1 | Front Yard Setback | 25' to 15' | Denial | Approval |
| 25-06 | R-1 | Rear Yard Setback | 25' to 20' | Denial | Approval |

Section 1: Population Update

January 1, 2026 Estimate: 8,051 people



Methodology: Population estimates for 2021-2025 are based on the number of new units permitted since the last census count on April 1, 2020. Permitted units were divided into single-family and multi-family then tracked for each calendar year then multiplied by a regional historical percentage of housing units that obtained their occupancy certificate within the same year as permit, one year, two years, three years, four years, and more than four years to then calculate the occupiable units. Then the occupiable units were multiplied by the occupancy rate for the City of Sioux Falls (single family and multi-family vacant rates used) to get the number of occupied units. Then the occupied units were multiple by the number of people per household overall found within Tea determined by the Census Bureau (currently 3.13 people per household for single-family, 2.42 people per household for multi-family was used – calculated by using Sioux Falls ratio of single family and multi-family times the Tea census single-family size) to get the yearly added population. Each year was then calculated by adding all prior years since the April 1, 2020, base population to get the yearly population estimate.

Section 2: Building Permit

2025 saw the City of Tea continue issuing building permits for residential, commercial, industrial, and institutional projects throughout the community. After adjusting for inflation by bringing all values to 2025 dollars 2025 ended around \$2.4 million more than the equivalent value from 2024 but significantly less than the City’s historic all time high of \$113.8 million in 2023.

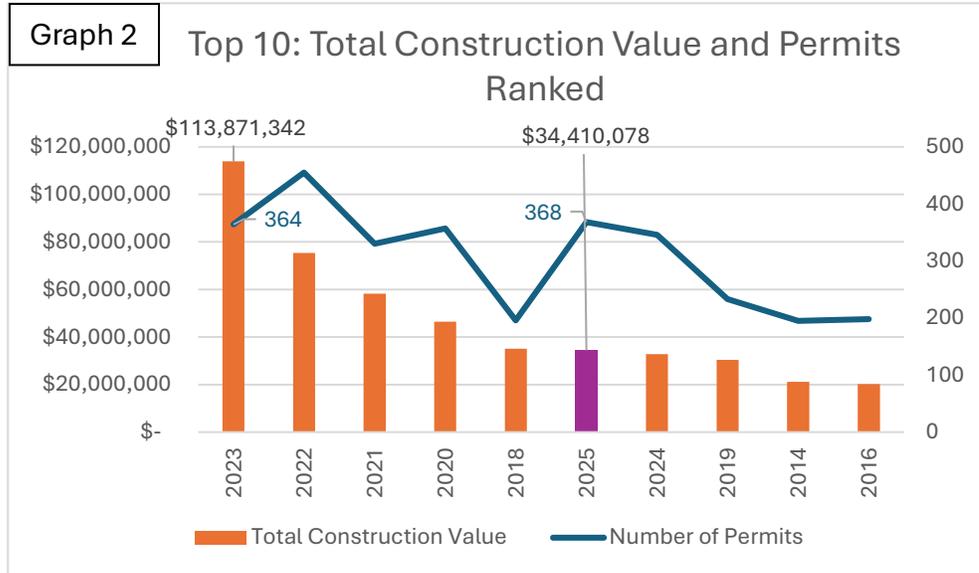
Table 4

Source: City of Tea Community Development Department: February 18, 2026

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| No. of Permits Issued | 357 | 330 | 455 | 364 | 346 | 368 |
| Total Construction Value (Adjusted for 2025 \$'s) | \$ 46,441,234 | \$ 58,198,700 | \$ 75,369,878 | \$ 113,871,342 | \$ 32,806,372 | \$ 34,410,078 |
| RESIDENTIAL | | | | | | |
| Single Family Residential | \$ 14,145,156 | \$ 18,230,199 | \$ 21,239,117 | \$ 11,366,326 | \$ 14,055,189 | \$ 11,790,730 |
| Multi-Family Residential | \$ 14,291,352 | \$ 16,754,892 | \$ 14,853,458 | \$ 14,727,004 | \$ 5,116,687 | \$ - |
| Basement Finishes | \$ 1,825,059 | \$ 1,434,746 | \$ 1,949,325 | \$ 1,533,714 | \$ 1,700,739 | \$ 1,407,238 |
| Additions/Garages | \$ 208,156 | \$ 156,809 | \$ - | \$ 228,110 | \$ 8,306 | \$ 205,994 |
| Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,403,500 |
| TOTAL | \$ 24,572,358 | \$ 31,531,591 | \$ 38,041,900 | \$ 27,855,154 | \$ 20,272,739 | \$ 13,403,962 |
| NON-RESIDENTIAL | | | | | | |
| Commercial | \$ 7,485,508 | \$ 14,498,840 | \$ 37,327,978 | \$ 31,584,290 | \$ 9,741,851 | \$ 12,817,794 |
| Industrial | \$ 8,486,002 | \$ 3,000,410 | \$ - | \$ 13,091,898 | \$ 2,183,600 | \$ 5,679,372 |
| Institutional | \$ - | \$ 4,122,805 | \$ - | \$ 41,340,000 | \$ - | \$ 1,105,450 |
| TOTAL | \$ 12,880,250 | \$ 18,639,702 | \$ 34,245,851 | \$ 81,147,347 | \$ 11,578,108 | \$ 19,602,616 |
| NEW RESIDENTIAL | | | | | | |
| Single-Family Units | 93 | 128 | 119 | 118 | 83 | 60 |
| Multi-Family Units | 104 | 102 | 109 | 20 | | |
| TOTAL | 199 | 232 | 228 | 138 | 83 | 60 |

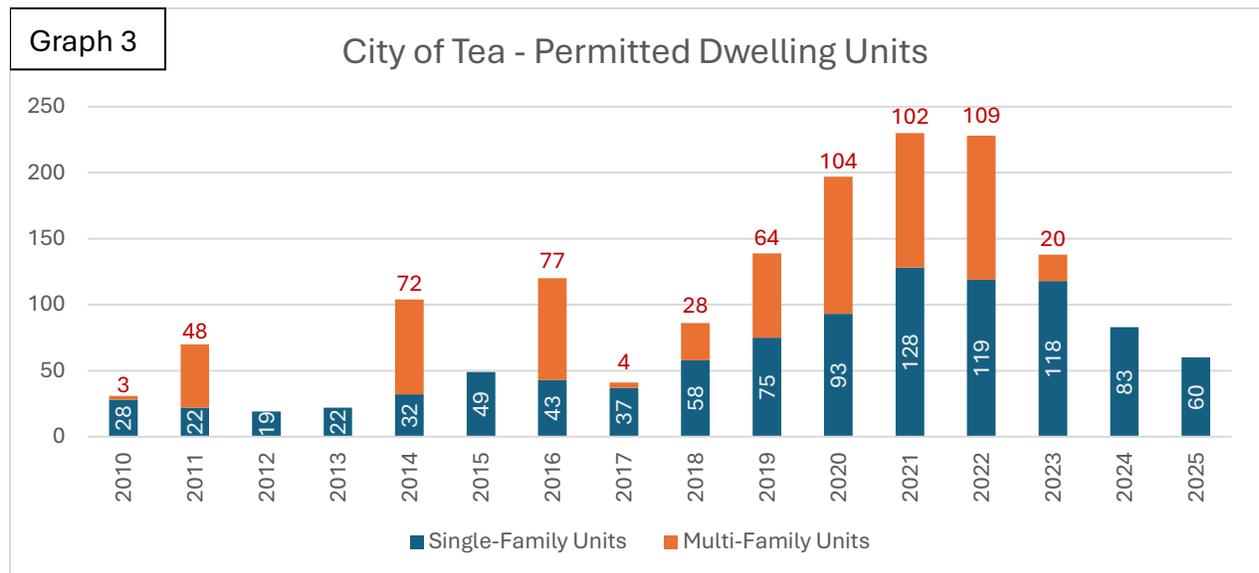
The main differences in permitted value stem from school district projects, major commercial, and new home construction. It should be noted here that single family residential value has and is likely significantly undervalued in these reports compared to the reported market value. For 2025, the market value for the 60 permitted units was nearly \$24 million while the calculated value that’s used for permitting and reporting was nearly \$11.8 million, a difference of over \$12 million dollars. The top 20 years of construction valuation are shown in Graph 2 along with the total number of building permits.

Activity in new home locations was distributed throughout the community, with the highest concentration in the newer developments outside of the core, Map 1 shows the location for all single-family homes permitted in 2025.



There were no new multi-family dwelling units permitted in 2025, Graph 3 shows the breakdown of single-family units and multi-family units between 2010 and 2025. Over these 16 years the City of Tea averaged 39 multi-family units a year and 62 single-family units a year.

Of the 60 permitted units from 2025, 43 were detached units (typical single-family homes) and 17 were attached units (like twin homes and townhomes).



Single-Family units are defined as dwellings units with their own water/sewer service. These units may or may not have property lines dividing them.

Multi-Family units are defined as sharing a common water meter connection to the City water main. These units could be townhomes, apartments, or mixed-use property types.

Table 5: New Nonresidential Buildings – Projects Over \$1 Million

| Project | Value | Contractor |
|---|-----------------|--------------------------|
| Save Our Space Warehouse Addition 2000 E. Mona Street | \$ 2,600,000.00 | Kaleden Construction LLC |
| Culvers Restaurant 2115 N. Bakker Landing Avenue | \$ 2,338,000.00 | Lloyd Construction |
| Spec Warehouse 1626 E. Mindy Street | \$ 1,600,000.00 | Raeco Builders, LLC |
| Multi-tenant Warehouse 2010 E. Industrial Street | \$ 1,581,929.00 | Javers Construction |
| Tea Veterinary Clinic Addition 710 E. Figzel Court | \$ 1,200,000.00 | Van Buskirk Construction |
| HOH Water Technology 2030 E. Merchant Street | \$ 1,106,898.00 | Javers Construction |

For 2025 the City of Tea permitted \$19.6 Million in commercial, industrial, and institutional projects.

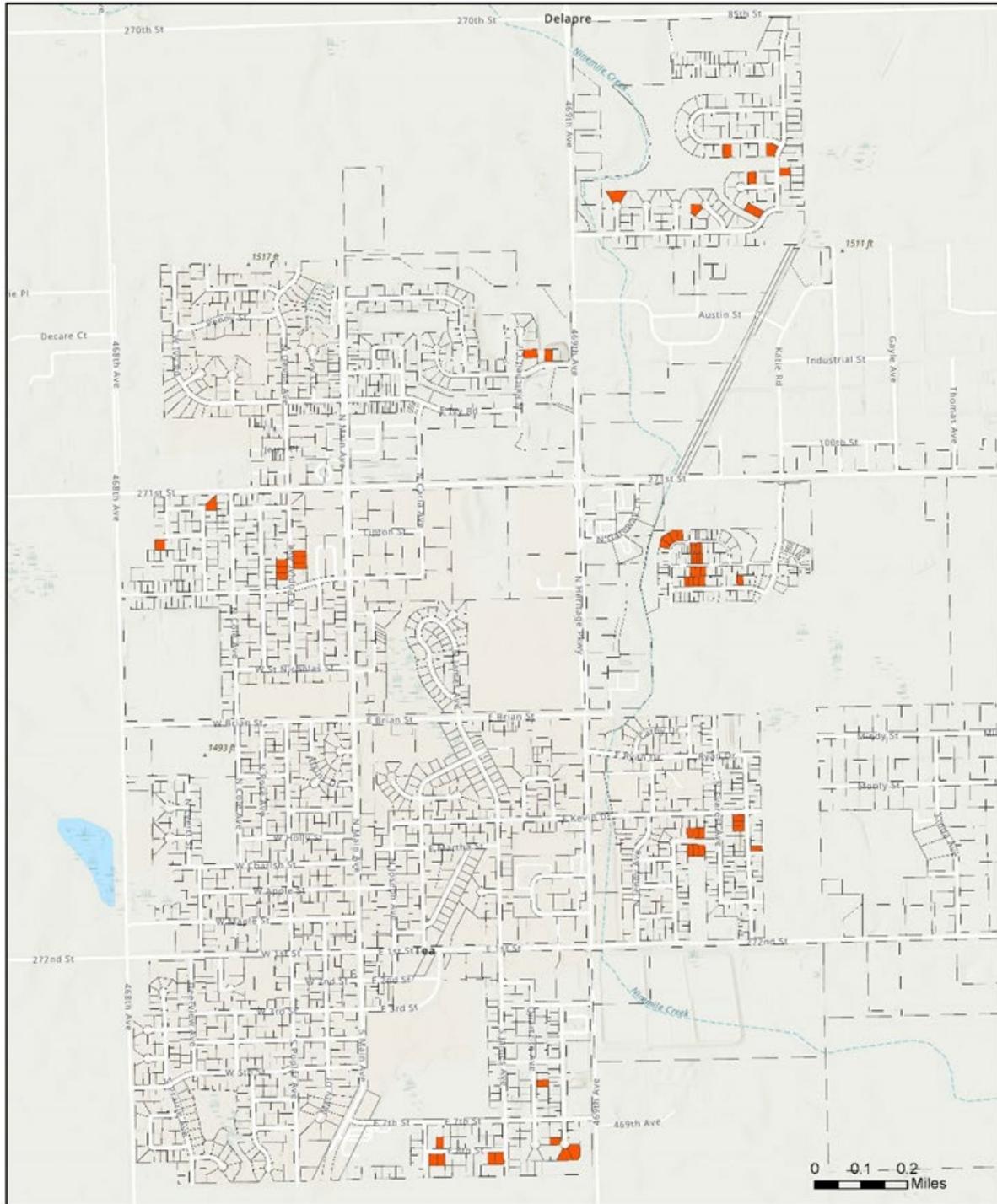
Section 3: Summary

Overall 2025 continued what happened in 2024 with similar number of permits and valuation. Looking forward it's anticipated that housing numbers could continue to slightly reduce due to a limited number of new home lots, continual existing property sales (2025 saw around 250 property sales within the City of Tea). Unless something unforeseen comes up, steady growth and continual buildout of existing properties will likely continue for a few years. The continued population growth within the City of Tea will benefit local businesses and services as more properties and people are available locally, in addition the continue development of commercial properties along E. Gateway Boulevard and the start of construction on the 85th Street interchange at interstate 29 will continue to open up addition development opportunities along the north side of Tea.

Map 1

City of Tea

2025 New Residential Permits



60 Total Permits

43 Single Family Detached Units
17 Single Family Attached Units

