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## Economic Stability & Growth

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**Our community will diversify its economic base, with high-wage jobs that provide an alternative to the tourism, military, and service-based industries prevalent in Rapid City. We will continue to support and grow a strong local and regional economy that attracts and creates new employment opportunities that enables existing and future residents and businesses to thrive.**

## OVERVIEW

Rapid City serves as a regional hub for a 200-mile area, and as a result, industries that draw from a regional audience, including health care, retail, and tourism serve as major economic drivers for Rapid City. Jobs in these three industries account for half of the total jobs in Rapid City. Ellsworth Air Force Base, home to the 28<sup>th</sup> Bomb Wing, is located just outside Rapid City. Ellsworth is another major economic driver for the community and state, with 3,530 active duty military members on the base and another 1,539 civilian workers. In total, Ellsworth generates 6,755 jobs, which is 8 percent of the Rapid City metropolitan area's employment.

In addition to tourism, the Air Force Base, and regional health

services, other major economic assets in the community include the Rapid City Regional Airport, Rushmore Plaza Civic Center, higher education institutions, transportation infrastructure and a vibrant Downtown. Recent studies indicate the Airport alone adds over \$175M to the economy annually and planned improvements at the Civic Center are projected to have an economic impact of \$53M annually.

Rapid City also functions as a service center for workers in the Bakken Oilfields in western North Dakota. Drawing on its local assets, Rapid City will work to expand its role as the regional economic hub by enhancing regional connectivity and relationships, and by supporting new employment opportunities.

The major industries in Rapid City provide average annual wages for workers that are low, and the average wage of all industries in the City is lower than many of its peer communities. The lower wages and seasonality of tourism employment impacts the stability of the economic base. To address this, the City and its local partners are undertaking an ambitious program to attract and grow employment in six targeted industries with higher paying jobs and that are currently a local strength. The City will continue to support these efforts to diversify its economic base, with high-wage jobs that provide an alternative to the tourism, military, and service-based industries prevalent in the community. Moreover, careful planning for new economic growth, coordination with economic development efforts,



### RELATED EFFORTS

Related efforts, organizations, and studies focusing on the Rapid City economy and economic development include the following:

- **Rapid City Economic Development Partnership** – A 501 (c) (6) non-profit corporation dedicated to the economic growth and development of the Rapid City area that helps facilitate a public-private approach to economic development.
- **Black Hills Vision** - A regional alliance formed to build a stronger economy in the four county Black Hills region.
- **Rapid City Vision 2020** - A strategic vision plan that contains five strategic goals for the City to be achieved by 2020. The goals include being recognized as a leader in retaining, attracting and growing unique businesses, and becoming a premier regional hub.
- **Strategic Employment Opportunities Study** - A study commissioned by the Rapid City Economic Development Partnership and Black Hills Vision for input on the creation of a new economic development plan for the region to identify economic opportunities and strategies increasing the presence of higher paying jobs. The six target industries are business and professional services, energy-extraction sector, healthcare and life sciences, finance and insurance, metal work manufacturing, and processed foods manufacturing.
- **Rapid City Regional Jobs Program** - A regional jobs program focused on creating jobs with higher paying wages and growing employment in the six targeted industries identified in the Strategic Employment Opportunities Study.
- **Regional Rail Authority** - In a partnership with Box Elder and Pennington County, Rapid City is exploring a regional rail authority to gain access to the State Rail Trust Fund, which provides low interest loans for rail oriented infrastructure projects. The effort will create a tool that will make it easier to build rail projects that will benefit the manufacturing and energy sectors.
- **Foreign Trade Zone** - The City is exploring creating a foreign trade zone that will be used to allow local companies to avoid or defer duties paid on imported goods that are exported internationally or sold domestically. The hope is the zone will attract new businesses, lower costs for local business, and could lead to an international airport designation.
- **South Dakota School of Mines** - The school's economic development office works to assist with the start-up companies emerging from research occurring at the school and aid in the creation and registration of patents for technology developed at the school. The school has generated 16 start-up companies coming mainly from efforts of the faculty and alumni of the school.
- **Black Hills Knowledge Network** – A project of the Black Hills Community Foundation, this organization assembles a wealth of timely information about efforts and events in the region.

and strategic investments in infrastructure will help bolster the expansion of existing and new industries helping residents and businesses to thrive.

Downtown has become a vibrant community gathering point for residents and a base for tourist activity in the region. The City is committed to fostering development opportunities in and around Downtown to increase economic activity. As the City grows, Downtown needs to remain the focal point of the region and continuing investments in infrastructure and amenities will help ensure Downtown's ongoing vitality.

A more diverse economic and fiscal tool kit is needed to foster economic activity and support the City's economic vision and development goals. A comprehensive, strategic approach to investing in public amenities and infrastructure will help maximize existing assets and take advantage of market opportunities. To accomplish this, the City will pursue development of more tools for spurring economic growth and providing public services and amenities, while ensuring that private development is an equal partner in paying for the costs of growth.

To support the vision for economic stability and growth, the principles, goals, and policies in this chapter address:

- Expanding economic diversity;
- Strengthening Rapid City's role as the regional economic hub; and
- Coordinating to support economic growth.



## PRINCIPLES, GOALS, AND POLICIES (EC)

### Principle EC-1: Expanding Economic Diversity

*Rapid City seeks to foster a strong and diverse economy through activities that are directly targeted at economic development, as well as supporting activities that make the City an attractive place for attracting both employers and those seeking jobs by maintaining a high quality of life. The City will approach economic development activities using a collaborative approach between the public and private sector, as well as through regional economic partnerships.*

#### Goal EC-1.1: Attract and create new businesses within targeted growth industries that will expand the existing economic base.

##### EC-1.1A: ECONOMIC DEVELOPMENT COORDINATION

Coordinate with the Economic Development Foundation and other economic development entities to create an integrated plan to align the City's capital improvement program, public financing tools (e.g. tax increment financing) and development incentives.

##### EC-1.1B: PUBLIC IMPROVEMENTS

Identify, prioritize, and assist with targeted public improvements to support new business development and attraction in Rapid City.

##### EC-1.1C: INCENTIVE POLICIES AND STRATEGIES

Explore and establish policies and strategies to incentivize new business development within the target industries or that supports growth of Rapid City as a regional service hub.

#### Goal EC-1.2: Sustain a high quality of life in Rapid City to attract and retain employers and employees.

##### EC-1.2A: HOUSING STOCK

Maintain diverse and attractive housing options close to employment areas. Support the development of workforce and affordable housing, encourage the development of a diverse set of housing types, and encourage new residential development, infill and redevelopment near major employment centers.

##### EC-1.2B: DOWNTOWN AS ENTERTAINMENT CENTER

Establish and grow Downtown as the main entertainment center in Rapid City by encouraging arts and entertainment uses, supporting the growth of restaurant and hospitality businesses, and providing and supporting diverse services, events, and programming, such as those offered by the Rapid City Public Library Downtown, Rushmore Plaza Civic Center, Dahl

Arts Center, The Journey Museum, Destination Rapid City and others.

##### EC-1.2C: QUALITY SCHOOLS AND LIBRARIES

Coordinate with public and private educational and service providers, including the Rapid City Area School District, secondary education institutions, and Rapid City Public Libraries to ensure educational and lifelong learning needs are met for families in the local workforce.

##### EC-1.2D: SKILLED WORKFORCE ATTRACTION AND CULTIVATION

Cultivate and attract a skilled workforce by supporting the growth of higher and technical educational institutions in Rapid City, ensuring quality and attainable housing options, and maximizing community amenities like parks, recreation, and cultural facilities and Activity Centers.

#### Goal EC-1.3: Support the growth and creation of local, small businesses.

##### EC-1.3A: LOCAL BUSINESS SUPPORT

Support the creation of local businesses by reducing barriers to opening businesses, leveraging existing programs, providing information and business resources through local libraries, and exploring potential incentives and financial tools to assist in new business establishment.

##### EC-1.3B: BUSINESS EXPANSION RESOURCES

Explore and offer resources to encourage the expansion of existing businesses, and reach out to existing businesses to assess their future expansion needs.





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### **EC-1.3C: BALANCE NEW AND EXISTING BUSINESSES**

Ensure that efforts to attract new businesses do not negatively impact existing businesses. Ensure this by evaluating the impacts of a potential new business on existing businesses, before public funds or incentives are provided.

### **Principle EC-2: Strengthening Rapid City's Role as a Regional Economic Hub**

*Rapid City serves as the economic hub of a region serving portions of 5 states, with an economy based on tourism, agriculture, commercial services, education, medical services, and energy. The City will continue to strengthen its role as a regional center by focusing on the economic health of those sectors that serve a broader market beyond the City boundaries.*

### **Goal EC-2.1: Attract additional retail and service commercial development and redevelopment to enhance the City's role as a regional commercial hub.**

#### **EC-2.1A: DOWNTOWN AREA RETAIL AND ENTERTAINMENT**

Support the expansion of retail and entertainment uses in Downtown and the surrounding area by ensuring there are adequate retail space and development sites available,

marketing Downtown as a regional destination, offering incentives to overcome barriers for new or expanding businesses, and supporting efforts to enhance and improve connections between the Downtown Core, the Rushmore Plaza Civic Center, and SDSMT.

#### **EC-2.1B: TARGETED REGIONAL RETAIL**

Concentrate regional retail areas along Interstate 90 from Haines Avenue to Elk Vale Road to take advantage of the interstate frontage. Ensure that retail centers and areas are well-connected to each other to facilitate and maximize exposure of different retail areas, and encourage the clustering of retailers to encourage shoppers to visit multiple stores per trip.

#### **EC-2.1C: REINVESTMENT INCENTIVES**

Explore and offer incentives for reinvestment in existing retail areas and Regional and Community Activity Centers to allow these areas to adapt to attract new retailers and decrease the need for expanding infrastructure to support new outward growth and development.

#### **EC-2.1D: SERVICE COMMERCIAL**

Encourage the expansion of service commercial offerings that serve regional employment activities related to oil, gas, and agriculture by identifying the needs of the industry and workforce and developing a marketing and attraction strategy.

### **Goal EC-2.2: Enhance the quality of health care services in the City to ensure Rapid City is the regional destination for health care.**

#### **EC-2.2A: ADDITIONAL HEALTH CARE SERVICES AND PROVIDERS**

Attract additional medical services and providers that are not currently present or are under-represented in Rapid City. Identify strategies to enhance and expand the medical services offered in Rapid City, support the expansion of existing health care services and facilities, and market the medical services available to the City.

#### **EC-2.2B: ATTRACT MEDICAL WORKERS**

Ensure Rapid City is an attractive community for medical workers to live in by ensuring access to attainable and high quality housing options, supporting vibrant neighborhoods and amenities, and ensuring high quality schools for medical workers' families. Market the quality of life in Rapid City to potential medical service providers and workers.

#### **EC-2.2C: SKILLED MEDICAL WORKFORCE**

Support medical workforce education and skill development by encouraging the continuation and expansion of educational programs that match the skills and needs of existing medical providers. Identify potential opportunities for the City to support educational institutions in providing programs that align with needed medical skills.



**Goal EC-2.3: Provide support to Rapid City colleges to allow them to expand and attract students.**

**EC-2.3A: STUDENT HOUSING AND ENTERTAINMENT**

Encourage quality housing, entertainment, and services for students near Downtown and the educational institutions. Prioritize the redevelopment of the area between Downtown and the South Dakota School of Mines and Technology as an appealing area for college students, young professionals, and school faculty to reside.

**EC-2.3B: COLLEGE PARTNERSHIPS**

Partner with colleges to market Rapid City and its secondary education opportunities. Work with the colleges to incorporate their marketing materials within Rapid City promotional materials. Explore and identify amenities that may attract students.

**EC-2.3C: PRIVATE SECTOR PARTNERSHIPS**

Support and encourage partnerships between colleges and the private sector to expand employment opportunities for students and recent graduates.

**EC-2.3D: STUDENT RETENTION**

Explore options to encourage recent graduates to remain in Rapid City to start their careers.

**Goal EC-2.4: Increase connectivity to Rapid City by providing and enhancing regional transportation connections and related transportation support industries.**

**EC-2.4A: AIRPORT-CENTERED ECONOMIC DEVELOPMENT**

Identify ways to leverage the Rapid City Regional Airport as a way to provide more air transportation connections to Rapid City for residents, visitors, and the movement of goods. Identify uses and businesses that could be attracted to the airport area that can benefit from location next the airport and can increase the usage of airport facilities.

**EC-2.4B: REGIONAL TRADE AND CONNECTIVITY**

Identify potential tools and approaches to increasing regional trade activities in Rapid City. Explore potential regulatory changes, infrastructure improvements and designations that can facilitate improved connectivity for goods and services.

**Principle EC-3: Coordinating to Support Economic Growth and Stability**

*Rapid City will efficiently invest its resources to stimulate economic growth and stability by coordinating land use planning, infrastructure investments, and economic development efforts. The City will aim to align infrastructure*

*investments with economic development efforts in areas identified for growth or redevelopment. The City will ensure an adequate land supply in locations that further catalyze economic development.*

**Goal EC-3.1: Encourage employment growth in targeted community locations.**

**EC-3.1A: EMPLOYMENT AREAS**

Support the expansion of existing and established employment areas including the South Dakota School of Mines and Technology, Regional Hospital, Ellsworth Air Force Base, and the National Guard Training Camp. Prioritize the development of emerging employment areas and business parks, as identified below:

- East Anamosa Street/North Elk Vale Road Area Technology Park
- Old Folsom Road Industrial Area
- Rapid City Regional Airport Area
- Mount Rushmore Road Corridor
- North Rapid Light Industrial Area

**EC-3.1B: TARGET INDUSTRY ALIGNMENT**

Align priority employment areas with targeted industry efforts to support economic development officials in marketing real estate opportunities and amenities to prospective employers. Target industries include: business services, energy/extraction, health care and life sciences,



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finance and insurance, metalwork manufacturing, and processed food manufacturing.

### **EC-3.1C: OTHER EMPLOYMENT AREAS**

Encourage the development, redevelopment, and reinvestment in an array of retail, service, office, and other employment uses in all Regional and Community Activity Centers, Mixed-use Commercial, Employment, Light Industrial, and Heavy Industrial areas, as shown on the Future Land Use Plan. Support home occupations and limited, neighborhood-serving commercial and employment uses in Urban and Low Density Neighborhoods.

### **EC-3.1D: PRIORITY INFRASTRUCTURE IMPROVEMENTS**

Identify infrastructure improvements needed to support target industry growth and development in employment areas and prioritize the completion of these improvements.

### **EC-3.1E: REGULATORY ALIGNMENT**

Ensure land use regulations align with target industry needs in priority employment areas.

### **EC-3.1F: EMPLOYMENT AREA INCENTIVES**

Explore and offer incentives only in priority employment areas. Develop a set of consistent criteria to consider for the use of incentives and public financing tools that reinforce the goals and policies of this Plan.

## **Goal E 3.2: Ensure an adequate supply of developable land for employment and housing growth.**

### **EC-3.2A: PRIORITY AREA MASTER PLANS**

Create master plans for priority employment areas where needed to illustrate desired uses, planned improvements, and distinctive characteristics. Use the master plans to market employment areas and to help identify and support the implementation of improvements needed.

### **EC-3.2B: EXPAND PUBLIC FINANCING TOOLS AND INCENTIVES**

Explore options to expand the set of public financing tools and incentives that the City can use to support employment growth and development.

### **EC-3.2C: INFRASTRUCTURE IMPROVEMENT COORDINATION**

Coordinate priority residential and employment growth areas with public infrastructure improvements to maximize investments and economic returns.

### **EC-3.2D: RESIDENTIAL DEVELOPMENT IN EXISTING INFRASTRUCTURE AND SERVICE AREAS**

Support residential development in areas where infrastructure and services exist as a first priority, and allow expansion beyond the Urban Services Boundary when necessary infrastructure improvements are provided by the developer.