

Sioux Falls, SD
2015: A Growth Management Plan

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ABSTRACT

The City of Sioux Falls has developed according to a comprehensive growth management system since the late 1970's. This system has allowed our progressive community to address difficult situations with the support of the elected officials and the community. The growth management system is based upon fiscal responsibility with utilities, as well as neighborhood and downtown conservation, quality schools, quality and quantity of parks and conservation space, and emergency service protection.

Our current growth management boundaries are based upon the drainage basins and their serviceability for sanitary sewer. A matrix for "Average Utility Costs and Development Limitations" is then created based upon costs per acre as the primary factor, but also environmental constraints, land uses, and the transportation system capacity. If these items were not considered, the developments quality and efficiency would both suffer.

INTRODUCTION

Sioux Falls is approaching the 25th anniversary of “Growth Management” in our region. The Planning Office with the support of the community will be completing a minor update of the 2015 Comprehensive Development Plan this summer. Growth Management is a valued practice in our region in all aspects of the community. When *Sioux Falls 2015: A Growth Management Plan* was adopted back in 1996, it was a continuation of the progressive planning tradition in the Sioux Falls area. The community was updating the Year 2000 Comprehensive Land Use Plan, which was adopted in 1979. Planners, community leaders, and citizens all realized the importance of fiscal responsibility and proper controls upon both public and private development.

The 2015 Plan went a step further as a planning document and assisted the community with implementation steps based upon an action plan that was developed with a citizen based task force prior to the comprehensive development plan. Implementation goals were based around neighborhood conservation, open space preservation, planned growth, environmental quality, transportation, and utilities.

“For Sioux Falls, the challenge is very clear: The community must be prepared to deal with the problems accompanying continued growth and change or lose the unique quality of life which the city now enjoys. The Comprehensive Development Plan is intended to provide the city with the tools it will need to respond to this challenge. Its purposes are to improve the physical environment of the community, to facilitate implementation of community development policies, to inject long-range considerations into short-range actions, and to bring professional and technical knowledge to bear on the making of political decisions concerning the physical development of the community. If fully utilized by decision makers, the plan will serve as a practical working guide for the continued orderly development of Sioux Falls and its environs.”

Sioux Falls 2015 p. I-1

OVERVIEW

Sioux Falls is a regional hub for transportation, health care, employment, retail, and services. The city with an existing population of 131,000 is located along the banks of the Big Sioux River, at the junction of Interstate 29 and Interstate 90, and due to its geographic placement within the United States, the city benefits from rail and air infrastructure.

Growth is a characteristic of a dynamic, healthy community and from that standpoint population growth is the major indicator of a strong community. Sioux Falls’ population has been projected to grow at a conservative rate of 1.8% per year, and will be at 165,000 in 2015 and 200,000 in 2025. [Geometric Method]. However, the population increased 24% between 1980 and 1990 and 23% between 1990 and 2000. This growth has required us to increase our projections to 2.0%.

A review of the 2000 Land Use Plan for Sioux Falls shows a well-planned community with a land use inventory of eight categories and 59 square miles. The two largest uses of land are

single-family residential developments at 8,364 acres and transportation* at 9,370 acres [*includes all street right-of-way]. As a result of abundant developable land in the Sioux Falls area, residential uses have developed at a relatively low density. Housing densities in newer subdivisions will generally range from 4 to 5 units per acre.

Downtown gives Sioux Falls its identification and its sense of community. It remains the region's employment center, and the commercial district continues to thrive. The cultural center of the city is also located downtown, which helps to sustain a population of citizens that can live, work, and play without the need for a personal vehicle.

The 2015 Growth Boundary showed a need for an additional 15 square miles of land from the 1995 city limits. The 2025 Growth Area shows a need for an additional 20 square miles of land from the 2015 Growth Area. The growth areas will be added in a contiguous manner to existing city limits. The City does annex large tracts of land ahead of anticipated growth.

GROWTH ANALYSIS

The growth of Sioux Falls is incredibly consistent, fairly easy to explain, and very difficult to compare to other communities.

Table 1. Growth of Sioux Falls

	Existing	Annual Growth	Percentage Growth
Population	131,000	4,000	2.5%
Square Miles	59	1.5	2.5%
Employees	117,000	2,500	2.1%
Households	55,531	1,400	2.5%
Parks / Open Space	2,600 acres	50 acres	2.1%

To have five major categories of growth, all increasing between 2.1% and 2.5% annually, is a very interesting phenomena. Is one based on the other or is it managed growth? Sioux Falls is the largest community in South Dakota and the largest community between Minneapolis and Denver. We have a very diverse economy of medical, financial, agricultural, and goods/services. Our health care community continues to grow each year in staff and infrastructure. Our crime rate remains extremely low. Our school district receives high grades for test scores and student/parent satisfaction. We continue to invest funds in both our older neighborhoods as well as our new growth areas. All of these things are reasons why people continue to move here year after year.

We have yet to find another community in the United States to compare with ourselves. Is there another that has a population base of 130,000; has \$300 million in construction each year; has a Uniform Crime Report of 3,599; increases their employment base by 2,500 jobs each year; and invests millions each year in their parks and schools?

INITIAL STAGES OF GROWTH MANAGEMENT

Sioux Falls has not always been this utopian. A quick review of growth management strategies will show you the pros and cons of what good planning can bring about. Prior to the late 1970's, the Sioux Falls area had problems with growth as well as the proper thought process of the impacts of our decisions.

During the 1960's, the community consisted of the city of Sioux Falls and Minnehaha County and a lack of planning. Residential septic systems were allowed within the municipality, as well as outside the municipality on the edge of our growth areas. Due to inadequate sewer planning, larger lines ran into smaller lines, sewer lift stations were overwhelmed, and lines ended up being pumped directly into the Big Sioux River. Residential subdivisions were being allowed without forethought for environmental issues and impacts or connectivity with future urban development. This type of development, sprawl(?), continued into the 1970's.

Toward the end of the 70's, the community started to understand the consequences of their earlier decisions. But it was not until June 1978, when the City and the County denied the rezoning request of two developers from agricultural land to rural residential that the community really made growth management an issue. The Heatherwood Hills housing development [SEC Hwy 11 and 41st Street] was an application for 128 one-acre home sites on 160 acres of land. This request was later re-submitted as 40 one-acre lots. *Sioux Falls Argus Leader* articles from this time had the following comments: The developers Mike McMonagle and Don Bechtel claimed; "...it's a simple case of abuse of city power because we have a weak County Commission" McMonagle said. "If the county commission would have had the guts to stand up (to the City Commission), we wouldn't have this problem." Hinkley

"McMonagle said the comprehensive plan, which lays out specific areas of growth to minimize costs for city services, is a scare tactic used by Knobe [Mayor]." "No one out here wants city services. They never wanted them and they will never ask (for services). These are scare tactics the mayor is using." "At the time, the feeling was that if the amendment passes, it would eliminate city control over land outside the city limits. The zoning dispute grew into an initiated measure that Sioux Falls voters would vote on. The city initiative, as outlined in petitions, would allow "... one non-farm single family dwelling per each acre not already containing a farm or non-farm dwelling..." The existing ordinance regulated residential development on agricultural land within three miles of the city limits. Hinkley

The media, the Homebuilders Association [HBA], the Chamber of Commerce, and numerous other community organizations all came out against the initiative. "The city's plan and resulting zoning ordinance as it applies to the three-mile zone is based on hindsight. It is an attempt to avoid recurrence of lessons learned by homeowners and the city from the Western Heights Addition and other outlying areas. The lessons have been expensive ones – for homeowners and the city alike." Hinkley

As this fight moved forward, the city adopted our second comprehensive plan, *Sioux Falls 2000* in February 1979. In it, we started our growth management principles and referenced *The Costs*

of Sprawl. The *Sioux Falls 2000* plan was an update of the 1950 Harland Bartholomew & Assoc. comprehensive plan.

In December, the President of the HBA stated “Efficient planning is the key to holding down costs. If efficient planning is taken away, how can the city begin to determine future costs and taxes?” Rich. On December 12, 1979, the initiative was defeated 80% to 20%.

Thus began our community’s investment in growth management. The public understood that unmanaged growth was harmful. Growth management is usually explained as using the wrong land, and/or using land the wrong way. In Sioux Falls, they related it to cost of using land. Unmanaged growth is expensive to taxpayers, and they have not and will not support it. Therefore, we use this as our basic principle for educating the public on growth management and what lands will be developed, when they will be developed, and how they will be developed.

Long before the term “growth management” became fashionable, localities had decided that land use decisions would not be left entirely to the marketplace, and developed a reasonably elaborate regulatory system: zoning ordinances, subdivision regulations, and building codes. Their rationale was that land markets do not work perfectly because developers might not necessarily take into account the costs or the benefits they might confer on others by their decisions concerning the precise use, density, design, and timing of the development. Chinitz p. 5.

SIOUX FALLS 2015

Our current comprehensive plan, *Sioux Falls 2015: A Growth Management Plan* spent two years being developed with the help of a citizens task force, and more than 35 public and private organizations were involved in the review prior to approval in December 1996.

The 2015 Plan is really a comprehensive plan that has the support of the community. Planning staff uses the document to address each current development proposal, long range plans, and capital improvement proposals, including school district investments. The plan has the following sections:

- Growth Management Strategy
- Socio-Economic Data
- Growth Area Analysis
- Development Plan
- Utilities
- Transportation
- Schools, Parks, and Open Space
- Neighborhood Conservation
- Public Buildings/Facilities
- City Image, Aesthetics, and Preservation
- Rural Development Plan
- Implementation Program

A comprehensive growth management plan should address as many previously stated sections as possible. Because as critical as the Growth Area Analysis is to new development, what happens to your older neighborhoods has to be addressed in Neighborhood Conservation, and you should make sure that you plan cooperatively within your region on Rural Development plans.

PLANNED AND FUTURE URBANIZED AREAS

The areas of planned and future development consist of lands along the urban fringe where new development will occur through the year 2015, thus creating new demands on City government for new public facilities and services. Following are policy guidelines through which the City can promote orderly and attractive growth of the urban area:

- Allow only compact, contiguous growth along the city's fringe.
- Maintain an adequate supply of development land within the urban service area at all times.
- Preclude development of land which is environmentally unsuitable for construction by retaining floodplains, drainageways, and other significant natural areas as open space networks for recreation and environmental enhancement.
- Require that new development be compatible with existing adjacent development.
- Require clustering of neighborhood and convenience commercial uses in accessible locations.
- Provide for sufficient multifamily housing around commercial and industrial areas.
- Allow high density housing only in close proximity to major streets and activity centers.
- Allow flexibility in density and land use when subject to detailed project review by the City.
- Provide for a mix of housing types in all new residential growth areas.
- Secure suitable park, school, and fire station sites ahead of development within growth areas.
- Integrate park and open space areas into residential neighborhoods wherever feasible.
- Provide direct pedestrian and bicycle access from residential neighborhoods to schools, commercial centers, and recreation areas.
- Design residential street layouts to minimize both overall street lengths and the quantity of site grading required.
- Prevent heavy through traffic on minor residential streets by requiring a system of collector streets between adjacent subdivisions.
- Secure sufficient rights-of-way with development to accommodate the city's major street system, including a perimeter system of arterial streets.
- Guide new development with urban design amenities that enhance community aesthetics and local identity.
- Prevent unlimited outward expansion by maintaining urban growth area boundaries with provisions for phased annexation and extension of streets and utilities.
- Require adequate provision of City services before development is approved in future growth areas.

- Encourage development of employment clusters which can be served by public transit, and promote higher density housing near employment centers to promote greater transit use.
- Establish an areawide approach to cooperatively manage future growth including City and County governments, schools districts, townships, and other public utility providers.

Sioux Falls 2015 pp. I-3 and I-4

WHAT GOES INTO A GROWTH AREA ANALYSIS?

Chapter 3–Growth Area Analysis of the 2015 Plan states:

Effective growth management is based on a plan, which designates where different types of new development should go, and determines when those areas should be opened for development. Identification of desirable future growth areas with sufficient land appropriate for development is a central component of the Comprehensive Development Plan. The growth management philosophy of Sioux Falls is to provide developable land when it is needed in amounts sufficient to prevent limited supplies from artificially driving up land costs. It is also important that the timing and location promotes orderly, compact new growth that allows the most cost-effective provision of services. *Sioux Falls 2015* p. III-1.

While the costs of extending water and sewer services are the primary consideration in designating future growth areas and the timing of their development, other factors have also been considered. The capacity of the transportation system to serve each area efficiently, the environmental suitability of land for development, and existing land use patterns are other key considerations. Both the quality and efficiency of development may suffer if the plan does not recognize these factors. *Sioux Falls 2015* p. III-1.

The City of Sioux Falls uses a system of cost recovery for sanitary sewer—as well as, storm drainage basins, and arterial streets—and therefore pays for the initial costs up front of the infrastructure and assesses the developer a per acre cost / lineal foot cost when they develop their land until the full cost of the infrastructure has been recovered.

In the 2015 Plan, a matrix and a corresponding map was developed to show the basins and the order of their development:

Average Utility Costs and Development Limitations				
Low				High
Basin Number				
9,14,18	6,16	7,13,15,22	17	19,21

We then proceeded to design, construct, and have cost recovery on the sanitary sewer lines for each basin starting with the lowest and moving to the highest. The analysis of the growth areas is an extensive study between the technical engineering aspects and the art of planning. The

planner must be able to work within the system to provide the underlying data for which the service boundaries are developed. They must be able to study and present the secondary impacts of both the sanitary sewer on the land and the land on the sanitary sewer. It has been stated that no data may be as important to this analysis as the population projections that the planners produce and, therefore, the planner's role is critical. In Sioux Falls we have a good trend line, historic knowledge of indicators, and what growth and population projections to expect. This allows us to properly rely upon using a simple Geometric Method of population projections.

During 2001, we approved our most recent sanitary sewer cost recovery district. This district included 290 property owners, 9,540 acres of land, and the final costs were \$1,991 an acre for a total cost of \$19 million. We only have one proposed lawsuit based upon all the public meetings and hearings. Our new wastewater master plan will be completed this spring updating our 2015 study with an improved phasing plan and looking beyond to 2025.

The three essential elements in the process of suburbanization and land development in the US are highways, water supply and sewerage. To a large extent, highways have been completed. Water systems are seen as essential to public health and as a result tend to be available when required. Sewers, are expensive and are public goods provided by tax dollars.

As a result, at present the battle over land use and land use planning is centering on the extension of sewerage facilities before large scale, moderate density, single family housing developments—frequently described as sprawl—can begin. So p. 202

So is Sioux Falls growing, or are we spawling? What are the characteristics? What journal articles are you reading? As mentioned earlier, our population growth rate is averaging 2.35% over the last 20 years, and we have been growing by approximately 1.77% in land area over the last 20 years. A “growth analysis” since we adopted our 2015 Plan shows the following data:

Table 2. Growth Analysis

	1996	1997	1998	1999	2000	2001
Number of Annexations	8	6	11	11	19	16
Number of Annexations (acres)	373.46	371.85	3005.48	798.17	1048.01	1062.48
Number of Square Miles	49.61	50.19	54.89	56.14	57.77	58.66
Number of Rezonings	61	35	56	41	41	53
Number of Rezonings (acres)	912.9	165.5	1623.4	1249	762	1644
Number of Preliminary Plans	14	22	19	14	11	24
Number of Preliminary Plans (acres)	588.2	770.5	414.6	722	491.7	1284.56
Number of Plats (lots)	1758	2084	2742	1523	1685	1935
Number of Plats (acres)	N/T	N/T	N/T	N/T	1461.04	1328.4
Number of Building Permits	4,777	4,989	5,252	5,756	5,968	7,659
Number of Housing Units	1,149	1,208	1,253	1,341	1,896	1,955

N/T = Not Tracked

This type of analysis is very valuable to the planning office, elected officials, and our “customers” who inquire about growth in Sioux Falls. It also gives us a much better picture on our inventory of land within our growth boundaries. Are our growth rates comparable to other communities, do we have an appropriate mix? That is a question that still needs to be answered. “The New York metropolitan area’s population increase over the past 25 years has been only 5%, but the developed land has increased by 61%, replacing nearly 25% of the region’s forests and farmlands (Peirce 1994).” U.S. Principles pp. 2-5.

To evaluate Sioux Falls’ growth even further we may want to look at the issue of sustainability. The Smart Growth Network published the following list of characteristics for sustainable new communities:

The following list of other goals provides additional criteria for more sustainable new communities. These topics overlap and can be consolidated down to a much smaller set of principles.

1. Re-develop vacant or low-density development within currently developed areas at higher intensities. [Sioux Falls has accomplished this in neighborhoods such as the Beadle Greenway; and by supporting infill development.]
2. Design comprehensive, mixed-use neighborhoods instead of isolated pods, subdivisions, and developments. The spaces between neighborhoods should consist of functional open space such as farms, grazing areas, gardens, parks, playgrounds, bikeways, jogging trails and the like. [Sioux Falls has a comprehensive trail system linking neighborhoods, and only supports mixed-used neighborhoods].
3. Encourage telecommuting and the infrastructure necessary to make it work.
4. Do a comprehensive accounting of infrastructure costs that reflects social and environmental costs as well as economic costs. Current investments based on partial and incomplete accounting systems are considered to be factors in urban sprawl and the inability of infrastructure capacity to keep pace with these urban development patterns. [Sioux Falls’ cost recovery system is completely accountable for sanitary sewer, arterial streets, and storm drainage.]
5. Develop a community designed for people first, that does not damage the natural environment, that enables a healthy, active lifestyle, where human interaction is an every day event (Goldstein 1997). [Sioux Falls’ Plan strives for this.]
6. Housing, stores, and employment will be accessible (less than 20 minutes) to each other by walking, biking and transit (Goldstein 1997): [Sioux Falls has enough diversity in housing, retail and employment center, plus geographic size to meet this goal.]
7. With regard to environmental impacts, the City of Dreams will have the following benefits (Goldstein 1997):
 - a. Reduce energy demand by 75%.
 - b. Reduce water use by 65%.
 - c. Reduce solid waste by 90%.
 - d. Reduce air pollution by 40%.” U.S. Principles p.2-18

Our Growth Management Plan seems to work based upon some other factors also, items that are not quite as easy to quantify. In Sioux Falls, our older residential neighborhoods are as popular as the new growth areas. McKennan Park, All Saints, Cathedral, Veterans Hospital neighborhoods all have very low vacancies and have property values that are increasing at the same or greater than other neighborhoods. The school district also continues to invest capital funds in these older neighborhood schools as does the Park Department.

IMPLEMENTING A PLAN

As many cities have experienced, the adoption of a comprehensive development plan does not, in itself, ensure that the recommendations of that plan will be implemented. Without a firm commitment by both public and private interests, there is very little possibility of achieving the orderly, efficient development of a community over the ensuing decades. If growth management plans are to be successful, they must be meaningful to the people who are expected to implement them. A community's growth management strategy should involve the public, other city agencies, and elected officials throughout the planning and implementation phases. In addition, planning administrators need a good understanding of the political process in order to work closely with various groups aimed at implementation of the program.

The 2015 Plan is viewed as a framework within which a range of specific growth management policies and recommendations are outlined. It is both dynamic and flexible to accommodate the changing needs of a community, yet specific enough to allow for reasonable long-term investment strategies by both the public and private sectors. A key function of the plan is to provide some predictability about the potential land uses and timing of development so that more informed decisions are made for future capital investments.

The comprehensive development plan provides one element of Sioux Falls' overall growth management program. Other elements include zoning and subdivision ordinances that provide for innovative development projects, a capital improvements program to stage public investments in conformance with the comprehensive plan, an annexation policy that limits services outside corporate limits by annexing areas prior to development approval, private capital investment requirements through assessments and development fees, and coordination of development with other jurisdictions through formal agreements and voluntary cooperation.

Based on the Sioux Falls experience, growth management can become more effective given the following conditions:

- a good analysis of social, political, and economic factors that anticipates future development patterns;
- public support for the plan by elected officials and the business community, including citizen involvement in the planning process;
- strong capital improvement program that relates to the plan and is used by other city agencies as a planning tool;
- periodic review and revision of plans to maintain updated information and relationship to current development issues;

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- leadership by planners and planning commissions to enhance implementation processes and maintain support of the plan.

The City of Sioux Falls continues to spend approximately \$35 million a year within the Capital Improvement Program; 75% on streets and utilities. The remainder is generally spent on parks, school land, and public buildings such as libraries. The Planning Office has recently begun tracking these street and utility CIP projects for environmental justice issues to document our investment in low and moderate income neighborhoods and minority neighborhoods.

CONCLUSION

Based upon a 2.0% growth rate, in the year 2025, the City of Sioux Falls should expect a population of 200,000. Based on 2.32 people per household, future land use projections show a need for approximately 80,000 dwelling units. In 2000, there were 51,680 dwelling units within the city limits. As mentioned earlier, housing densities in newer subdivisions will generally range from 2.5 to 3 units per acre. Therefore, the growth area for residential land may consist of 5,480 additional acres (using a 50% multiplier) and 13,650 total acres.

We know that we still have some existing 1970's rural residential within our proposed growth areas. We also understand that we have environmental constraints with steep terrain in the northeast, the airport on the north, the floodplain to the north and west, the wetlands and potholes to the south, and the Big Sioux River to the east. These issues have to be included within the overall transportation system and land use plan. Because we will not support development in areas where the public will end up having to support high maintenance costs.

With the data that we have available we are able to continue to inform and educate the public about growth and the need to be proactive in our approach. We are also working on using new technology advances to make the education process more readily available. Hopefully, we have learned from our past experiences and will continue to receive the support of the community as we move forward.

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Mr. Schmitt is responsible for administering planning and development programs and policies for the orderly, efficient, and safe development of the city of Sioux Falls. His main emphasis is on coordinating the federally mandated transportation planning process and the long- and short-range planning issues including transportation, land use, and neighborhood conservation.

Prior to his position as the Assistant Director, Mr. Schmitt was the City's Transportation Planner, where he developed the Long Range Transportation Plan for the year 2025, and administered the 41st Street Corridor Analysis. Mr. Schmitt was also involved in planning management for the City of Aurora, Colorado, and helped to facilitate the redevelopment of Stapleton Airport, Lowry Air Force Base, and Fitzsimons Army Medical Hospital.

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