Fort Pierre, South Dakota
Planning for Economic and Fiscal Health
Report and Suggested Next Steps
Building Blocks for Sustainable Communities Program

To: Mayor Gloria Hanson, City of Fort Pierre

From: Chris Zimmerman and Roger Millar, Smart Growth America

Date: August 20, 2015

Introduction

Pursuant to our technical assistance award to the City of Fort Pierre, this Memorandum constitutes Smart Growth America’s final report summarizing the workshop on Planning for Fiscal and Economic Health and suggesting possible next steps the City could take to craft a vision for Fort Pierre’s future development.

Representatives from Smart Growth America (SGA) met with municipal leaders and residents on July 22 and 23, 2015 to provide assistance using our Planning for Fiscal and Economic Health tool. Our work was supported by a grant from the U.S. EPA Building Blocks for Sustainable Communities program.

The first day of the workshop featured a presentation open to the public that provided an overview of the fiscal and economic impacts of different development patterns, focusing on the fact that some development patterns do a better job of supporting community economic development goals and can be served more efficiently by local government.

The second day of the workshop brought together an invited group of over 40 stakeholders. The group included diverse representatives from the City, County, nonprofit, and private sector.

Leadership from the following city departments and agencies attended:

- City Council
- City Planning & Zoning Commission
- Fort Pierre Development Corporation
- Stanley County Commission
- Central South Dakota (SD) Enhancement District
- SD Housing Development Authority
- SD DOT
- SD Missouri River Tourism
Other key stakeholders with leadership in attendance included:

- Verendrye Museum Board
- Fort Pierre Tourism & Promotion Council
- Residents
- Business owners
- Developers

The invited group viewed additional presentations and also participated in facilitated brainstorming sessions to identify challenges and opportunities associated with encouraging the development and redevelopment of key sites in the city. Through the two-day program, city leadership was able to engage community stakeholders around the ways in which development patterns, design and strategic infrastructure investments can make Fort Pierre more competitive and reduce taxpayer burdens.

The intent of these workshops is neither for Smart Growth America to create a plan nor bind the community to any particular course of action, but to assist ongoing community efforts to create a more vibrant, successful region, consistent with the goals of their adopted plans.

**Need for assistance**

In applying for assistance from SGA, Fort Pierre noted that, "Citizens are looking to live in an environment that is safe, lively, and affordable," and indicated: "Our vision is that Fort Pierre will have a land use pattern that:

- Preserves small town feel
- Encourages business growth
- Sustains a balanced housing inventory
- Enhances the use and appearance of the riverfronts on the Bad and Missouri
- Increases family recreation opportunities
- Develops a city-wide pedestrian transportation system"

In summary, "We are looking for ways to grow that support local economy and protect the environment."

**National perspective on the built environment and fiscal and economic health**

Communities around the nation are always concerned about their fiscal and economic health. By *fiscal* health, we mean a local government’s bottom line: Does the life-cycle cost of new development—upfront infrastructure, ongoing service provision and eventual repair and maintenance—cost more than it brings in tax revenue? By *economic* health, we mean the general economic well-being of the community: How does new growth and development add to or detract from the creation of delivery of services, economic competitiveness, fiscal efficiency and sustainability, jobs, jobs access, retail sales, and wealth?
In approaching these questions in Fort Pierre, as in any part of the country today, it is important to bear three trends in mind:

**Our nation’s demographics are changing in a way that is profoundly affecting the housing market.**

Demographic trends are moving the housing market strongly away from conventional suburban housing. The two biggest demographic groups in the nation – retiring Baby Boomers and so-called Millennials (18-30-year-olds) are both expressing a strong preference for a more walkable, urban/village lifestyle, as we found in Fort Pierre. Indeed, a growing percentage of Millennials prefer to live without cars altogether or to live a “car-lite” lifestyle. The vast majority of net new households being formed have no children at home, and most of them are one and two-person households – which are much more likely to prefer a walking lifestyle. Furthermore, the number of vehicle miles traveled (VMT) has fallen below population growth, while the demand for public transportation has been rising steadily. These trends are a complete departure from those experienced for decades in the 20th century.

**The formula for economic growth is changing.**

Business growth used to be driven by large corporations that operated in a fashion that was both private and linear. In the past, new research breakthroughs occurred in sealed research laboratories controlled by the companies. Manufacturing and other business processes occurred in assembly-line situations. These conditions led to communities that featured large, sealed-off campuses and tended to be linear in their arrangements.

Today, business growth is driven by collaboration among many types of entities – private companies, research institutions, universities, and others – that must interact frequently and work together creatively. This trend requires cities and communities that encourage interaction and collaboration – the opposite of the older model just described. How communities are designed directly impacts their ability to create interactive and collaborative environments.

Most significantly, the “Knowledge Economy” depends heavily on skilled workers. The companies that are driving innovation are pursuing highly educated talent, especially among the ‘Millennial’ generation. Increasingly, companies find it necessary to locate in places that the workforce wants to live in; this means walkable communities.

Similarly, the market for retail is changing. The suburban shopping malls and “power centers” that thrived for decades are struggling as a result of oversupply, and a shift in preferences. With online buying playing a bigger role for consumers (especially for bargain hunters), many are looking for a more “authentic” experience when they shop in person. This is bringing new value to traditional walkable Main Streets.

**Suburban development patterns are making it more difficult for local governments to balance their budgets.**

Suburban development patterns require extensive investments in capital infrastructure and ongoing service delivery. Low-density development requires more infrastructure to serve fewer people and requires service providers such as firefighters and school buses to travel farther. More compact development patterns reduce both life-cycle infrastructure costs and operating costs.
A 2013 study by Smart Growth America, *Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development*[^1], concluded that, compared to conventional suburban development, smart growth patterns can save up to one-third in upfront infrastructure cost and 10% annually in ongoing operating expenses. Smart growth development patterns can generate approximately 10 times more revenue on a per-acre basis.

Not all of these trends will be completely relevant in every situation. But it is important to bear all three in mind in considering the fiscal and economic health of any community.

**Participant viewpoints**

The concepts described above were elaborated upon in the presentation portion of the workshop, which was followed by a discussion of specific issues facing Fort Pierre, led by Mayor Gloria Hanson and Economic Development Director Dave Bonde. Next was a general discussion session in which all participants had the opportunity to offer their thoughts on opportunities and obstacles to sustainable growth for Fort Pierre.

At the outset of general discussion among participants, Mayor Hanson suggested three considerations: The need for parks and recreational opportunities throughout the city; how to address the City’s marketing needs (including potential uses of hospitality tax revenue); and whether the City is itself a ‘barrier’ to positive changes, through its rules, regulations, policies, administrative practices, and so on.

A wide-ranging conversation explored a variety of opportunities and concerns. Among the specific issues discussed were:

- The role of the fairgrounds and how to connect it physically and programmatically to downtown
- Including key public buildings (City Hall, School, etc.) in planning for downtown
- Walking connections to and through neighborhoods situated between downtown and Teton Island
- The importance of cooperation with regional partners – the two counties, The City of Pierre, the State, and federal agencies.
- Connection between different areas of the City (how to create cohesion)
- Having multiple ‘things-to-do’, multiple destinations; clusters, connected
- The role and disposition of the Corps of Engineers’ property, and related issues
- There should be some kind of design review for the downtown (a “dress code” for buildings)
As the plenary discussion proceeded, the focus was narrowed to three main topics, which were then the subject of discussion in small-groups:

1. Cultural/tourism/branding/marketing
2. Teton Island/Riverfront
3. Downtown

Six groups examined these topics (two tables per topic), with each group asked to address four questions:

a) What do we want?
   a. Describe the topic
   b. What should our goals be?
   c. What constitutes a “win” for the community?

b) What are the barriers in the way of achieving our goals?

c) What are the opportunities? What assets can we leverage?

d) What can we do to achieve wins in the next 6 months? In the next 2 years? In the next 5 years?

A summary of the report out from the tables is attached.

Recommendations

As officials noted in their application for assistance, Fort Pierre is preparing for the update of the City Comprehensive Plan, and this provides a good opportunity to incorporate new strategies and tactics for the realization of long-term City goals. Fort Pierre has a number of significant assets on which to build a more economically vibrant and fiscally resilient future for the benefit of all of its residents. The key is to focus limited resources on key near-term objectives that can contribute the foundation for long-term success.

The following recommendations are based upon the goals articulated by discussion with leadership and participants in the workshop discussion, and our review of the context within which the City must make its decisions.

1. **Focus your revitalization efforts.** As described in the workshop presentations, economic development is increasingly about placemaking. A key to creating a successful downtown is engendering a sense of place associated with a specific area. From a relatively small kernel much more can grow. The challenge is to have enough activity concentrated within a walkable area, to create a “critical mass.” (One rule of thumb is to get a minimum 4-block sequence that is continuously engaging to people walking along the sidewalk.) The overall level of new investment can be positive for many years without fostering any perception of change or excitement, if activity is too dispersed to generate synergy. Thus, in the early stages, it is important to work to help a “hot spot” emerge.
Fort Pierre has two obvious focal points - Downtown and Teton Island. Early stage objectives should include getting an area of a few blocks in each to “gel” as walkable destinations – and enhancing connections between them. The key is to identify particular areas of promise, designating specific boundaries, and focusing all efforts toward success. This means channeling resources (such as capital improvement plans, any funds available for economic development incentives, etc.) to the designated areas; assigning project responsibility to an individual or agency; and continuously working with all stakeholders to create and implement an action plan with specific objectives (short-term, mid-term, longer-term).

2. **Engage a consultant to develop a historic/cultural marketing plan.** Heritage tourism is big business, and Fort Pierre has a good set of historic and cultural assets that could be leveraged (e.g., the Verendrye site, Lewis and Clark, the old train depot, the rodeo museum, and the Verendrye Monument Overlook site). Taking advantage of these assets requires serious planning, coordination, and marketing. Volunteers will be vital to this effort, but a consultant with specific expertise in heritage tourism will provide a plan that meets federal and state requirements to better position the City for success.

3. **Audit zoning ordinance to develop standards and incentives for good urban design.** Once the City adopts a new Comprehensive Plan the community will need updated regulations that make the plan easy to implement. As suggested by Mayor Hanson in the workshop discussion, it is worthwhile to carefully assess current practices that affect anyone seeking to build or engage in activities that are desired by the community’s plans. Oftentimes, administrative processes, local development codes, and related ordinances are obstacles to private action that would serve the public’s goals. As part of a review, it is good to engage all those involved in development and investment in a dialogue about the obstacles that they perceive, as well as members of the broader public.

Developing a walkable commercial center with a “sense of place” requires addressing the built environment through design standards and/or incentives. For Fort Pierre there are two principal challenges:

- Revitalizing the historic downtown area, promoting restoration of old buildings, and development of new ones in forms that are consistent with the traditional Main Street.
- Creating new development with building form and public infrastructure that fosters walkability and a ‘sense of place.’

Both of these imply:

- Mixing uses, especially incorporating appropriate residential uses into downtown and Teton Island
- Placing buildings at back of sidewalks
- Moving surface parking behind buildings
- Filling in empty spaces between buildings, to create a continuous street wall
- Constructing and maintaining good streetscape for pedestrians

These in turn have implications for land use regulations and infrastructure spending.
4. **Fund infrastructure improvements.** Creating an appealing, walkable downtown that builds value implies both private and public investment. The public side mostly involves infrastructure, especially those that improve the environment for walking and cycling. Sidewalks are a key investment. While it is clear that funds are constrained (as they always will be), setting priorities that focus on strategic investments will generate a return in the form of enhanced future municipal revenues.

5. **Leverage the waterfront.** Look for ways to better connect the waterfront to downtown and the rest of the community. Waterfront can bring tremendous value to a city center; communities all around the world are learning to leverage their riverfronts for economic advantage. Connecting Main Street to the river, and making a connection along the river between downtown and Teton Island, would greatly enhance the possibilities for long-term success.

6. **Make better use of events – whether existing or newly created – to create excitement and draw people – both residents and visitors.** Workshop participants’ discussion of the possibilities of connecting to the fairgrounds is obviously relevant. But, this could also mean expanding the use of Main Street for things like festivals, outdoor movies, music and other live performances, rodeos, other sporting events and competitions. Coordination and promotion is important; having a regular schedule of events throughout the year can result in visits to downtown becoming an annual habit, offering a reliable stimulus for both private business and public revenues, and positive marketing for the community.

7. **Maintain on-going dialogue among stakeholders.** Fort Pierre has made a good start in thinking about and planning for its future. The workshop provided a good opportunity for broad constructive engagement. For long-term success, community engagement must be a continuing process, not a one-off event. Part of an action plan should be a strategy for maintaining the community conversation, throughout planning and implementation.

8. **Develop/enhance regional partnerships.** Fort Pierre is a part of a larger regional environment and economy, and partnerships with other entities will continue to be crucial to local success. It was heartening to see representatives from the County and the State actively engaged at the workshop, and the City should work to continue the regional conversation. In particular, the City should work with the County and the State to bring the Corps of Engineers and other federal partners to the table for an ongoing dialogue.

Assistance provided with grant support from U.S. EPA’s Office of Sustainable Communities under their Building Blocks for Sustainable Communities Program.

“Why urban demographers are right about the trend toward downtowns and walkable suburbs,” Kaid Benfield, bettercities.net, February 28, 2014.

“What to Do with Empty Big Box Stores,” Sarah Schindler, sustainablecitynetwork.com, February 12, 2014.

The full report can be downloaded at, http://www.smartgrowthamerica.org/building-better-budgets.