

Horizon 2035 **DOWNTOWN SIOUX FALLS PLAN**



HORIZON
2035
DOWNTOWN PLAN



INTRODUCTION + PROJECT BACKGROUND

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The upward trajectory of downtown is absolutely incredible; this is such an exciting time for our city!



–Jeff Eckhoff, Director of Planning and Development Services

PREPARED BY

Sioux Falls Planning and Development Services

City Council

Mayor Paul TenHaken
David Barranco
Sarah Cole
Alex Jensen
Rich Merkouris
Greg Neitzert
Marshall Selberg
Curt Soehl
Pat Starr

City of Sioux Falls

Chris Anderson
Jourdyn Brown
Erica Beck
Jeff Eckhoff
Dustin Powers
Adam Roach
Kevin Smith
Brandon VanWesten
Christy Williams

Advisory Committee

Erik Nyberg, Chair
Joe Batcheller
Ivy Oland Dandar
Chris Daugaard
Apolonia Davalos
Natalie Eisenberg
Penny Klinedinst
Brienne Maner
Arthur McCray
Ann Nachtigal
Darrin Smith
Curt Soehl
Dan Statema
Riccardo Tarabelsi
Kevin Tupy

Planning Commission

Janet Kittams, Chair
Bradyn Neises, Vice Chair
Dana Fisher
Kurt Johnson
Erica Mullaly
Aaron Norman
Erik Nyberg
John Paulson

Minnehaha County

Kevin Gansz
Adam Nyhaug

Consultant Teams

Confluence
Abbey Hebbert
Jane Reasoner
Chris Shires
Leland Consulting Group
Ted Kamp
Chris Zahas



Resident Work Group

ACKNOWLEDGMENT

Amenities + Services

Facilitators

Joe Batcheller
Mike Patten

Members

Barry Hoogland
Matt Zobel
Madelyn Grogan
Kyler D. Krogh
Larry Rehfeld
Reece Chambers
Rich King

Environment + Design

Facilitators

Adam Roach
Mitchell Woldt

Members

Michaela Carlson
Justin Johnson
Amber Lively
Jacob Ricke
Libby Stengel
Amy Pokela
Chris Brockevelt
Mike Smyth

Identity + Branding

Facilitators

Allie Hartzler
John Kiesow

Members

Tenley Schwartz
Joel Engel
Nichelle Lund
Jeff Hanson
Morgan Frahm
Jordan Haeckel
Ryan Martin
Ashley Lawrence

Parking

Facilitators

Tim Konda
Matt Nelson

Members

Lynne Jones
Jackie Swanstrom
Rochelle Vela
Alex Steed
Zon Tran
Zach Mulder
JP McLaren
Michael Jauron

Transportation, Connectivity + Mobility

Facilitators

Fletcher Lacock
Sam Trebilcock

Members

Jeremy Dambach
Angie Brown
Stacey McMahan
Tyler Klatt
Jordan Priebe
Sarah Spencer
Erica Mullaly

Arts, Culture, + Entertainment

Facilitators

Kellen Boice
Diane deKoeyer

Members

James Clymer
Jennifer Hoelsing
Danielle Fritz
Casey Kelderman
Wally Wolanin
Andrew Olson

Growth + Development

Facilitators

Jason Bieber
Dustin Powers

Members

Joshua Bloom
Janet Kittams
Brady Aldrich
Craig Markhardt
Brad Rehfeldt
Moses Idris
Brett Anderson
Tress Knoff

Infrastructure + Public Improvements

Facilitators

Heath Hoftiezer
Wes Philips

Members

Marissa Brinkman
Anita Rau
Brad Hearst
Chris Motz
Jeff Hayward
Zach Dickson
Lance Dunlap
Sarah Delaney
Mike Gray
Zach DeBoer

Safety

Facilitators

Vanessa Sweeney
Rene Velasquez

Members

Dean Christenson
Betty DeBerg
Lucinda Noronha
Karl Hernes
Amy Scott-Stoltz
Susan Perry
Darren Lee





THANK YOU

Sioux Falls

... To everyone who contributed to the **2035 DOWNTOWN PLAN** by sharing their **IDEAS AND VISIONS** for downtown, participating in interviews, resident work groups, interactive engagement, website contributions, community events, or public workshops — **THANK YOU!**

Community plans are best written by **COMMUNITY** members, and hundreds of local voices helped shape this one. Neighbors, employees, businesses, artists, community organizations, students, visitors, City staff and leadership — your words and vision are the **FRAMEWORK** for the plan that follows.



 Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody. 

—Jane Jacobs



Introduction + **PROJECT BACKGROUND**

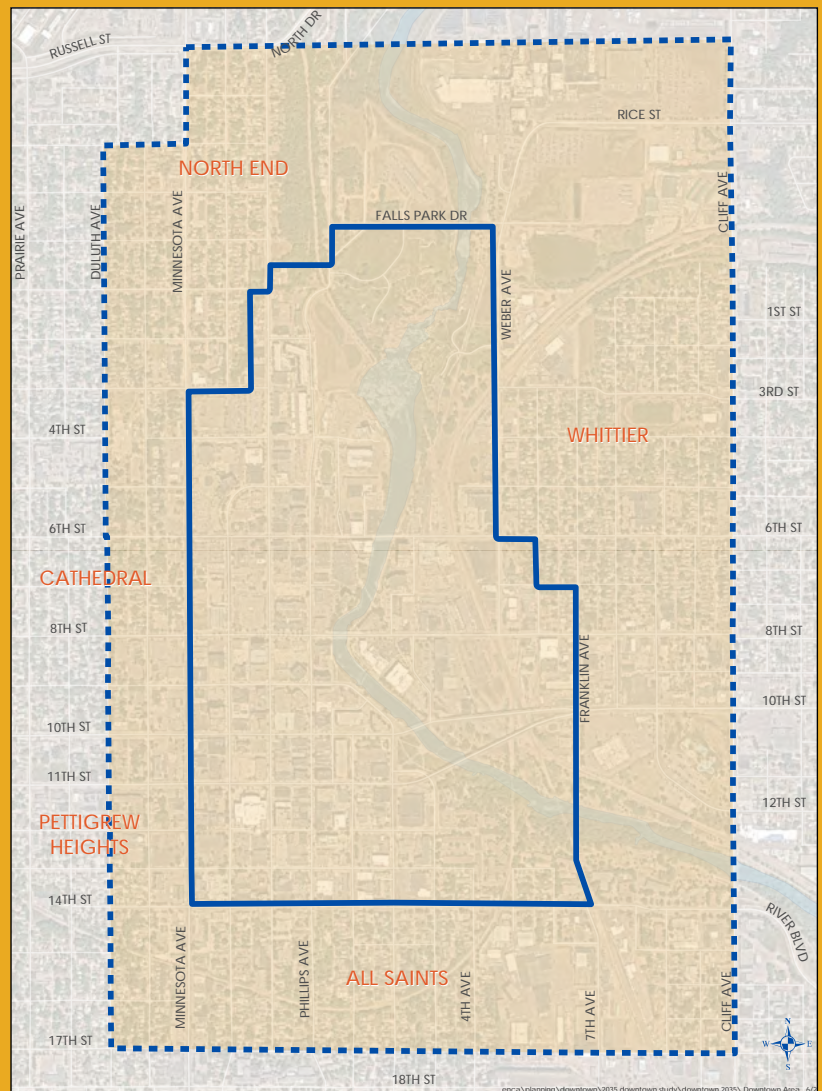
DOWNTOWN STUDY AREA

Downtown is the heart of Sioux Falls, surrounded by residential neighborhoods, historic districts, and regional parks. There are great opportunities for continued growth and investment. The official boundaries for downtown, established by City Ordinance, are in the map to the right. Boundaries extend from Falls Park Drive to 14th Street and from Minnesota Avenue to Franklin Avenue.

An initial step taken by the Advisory Committee was to determine if the official boundaries should expand over this 12-year planning cycle. The Advisory Committee determined the plan's study area should expand to create more cohesive transitions from downtown into the surrounding neighborhoods. The objective is to connect downtown with surrounding opportunities, eliminate physical barriers, and promote a better connected and welcoming environment.



Any revisions to the formal boundaries must be considered carefully, as a variety of programs and services apply to the present boundaries. Changing them will have numerous effects on properties included in the proposed expansion area. During the previous planning period, downtown boundaries were not changed.

Though established neighborhoods do surround the current downtown area, growth opportunities have driven discussion of changes to areas north and east of the current boundaries. The plan's study area provides additional review of these areas to better understand how future growth will be driven during this plan's timeline.



Map 1: Downtown Boundaries

**Downtown
Boundaries**

 Current Downtown Boundary
 Study Area

WHY PLAN?

To effectively prepare for and maintain the upward growth trajectory of downtown, the City is updating its 2025 Downtown Plan, by creating a new vision with the horizon year of 2035. The need to update the plan is driven by significant development and achievements met under the previous plan. With sustained population growth, development demand, and interest from the community and region to establish businesses and services, there is a continued desire to build Downtown Sioux Falls into a national destination that supports tourism and the economy of the Sioux Falls Metropolitan Statistical Area.

The updated plan will build upon the success of previous planning and development efforts, look at current market potential, identify new growth and development opportunities, while recognizing the amenities and services needed to achieve desirable growth. It enhances connectivity throughout downtown and will make recommendations to seamlessly connect even more of downtown's districts. Most importantly, it provides a visionary framework of Sioux Falls residents' dreams, wishes, and desires for downtown over the next 12 years.



Downtown, Present Day

STREET TALK
 These handy boxes are found throughout this document to call out and **define specific jargon** and terms found within.



Downtown has significantly evolved over the past 20 years.

We need to continue adding amenities to become an emerging regional hub for visitors and commerce.



—Stakeholder Interviewee



DOWNTOWN PLANNING HISTORY

Over the years, Sioux Falls has successfully implemented several downtown plans that have shaped the area into what it is today. The City acknowledges and embraces the goals, values, and projects stemming from these previous plans. Looking back to the late 1960s, the Urban Renewal Plan focused on removing blight and opening sites up for redevelopment. The 1987 Downtown Development Plan looked to strengthen downtown as a regional central business district by providing financial, cultural and entertainment services, and expanding the retail sector.

More recently, plans drafted for 2015 and 2025 reflect the collective vision of community members who pushed to achieve a prosperous and vibrant downtown. The 2015 Downtown Plan, adopted in 2002, sought to protect and enhance downtown's aesthetic appeal, integrate downtown's core with the Big Sioux River and Falls Park, invest public resources to stimulate new growth, and designate downtown as the city's arts, culture, and entertainment district.

The 2025 Downtown Plan was adopted in 2014 and supported the community's vision for downtown Sioux Falls to be one of the most livable, prosperous, and vital central business districts in the Midwest. The community's aspirations and market opportunities were distilled into an action plan guided by three clusters of programming and implementation. These clusters, meant to facilitate goals and action steps of the plan, included:

- **Economy:** Attract new jobs, businesses, and investments downtown.
- **Environment:** Improve the public atmosphere and built environment downtown.
- **Experience:** Create initiatives to activate, celebrate, and maintain downtown.



STREET TALK

Built Environment refers to the elements that traditionally make up a city that includes buildings, public infrastructure, transportation, and open space and how people interact within the urban ecosystem. These curated spaces provide the setting for human activity and were created to fulfill community desires and needs.



DOWNTOWN PLANNING HISTORY

Beyond the plans that captured the community's overall vision for downtown, there are several guiding documents that focus more on individual elements or areas that have been reviewed and considered to create a cohesive vision with previous planning efforts. Those plans and studies include:

- The **Sioux Falls Greenway and Riverfront Master Plan**, which laid out the vision and goals for the Big Sioux River corridor, primarily focused on the 20-mile loop corridor within city boundaries while paying special attention to harnessing the river as a downtown amenity.
- In 2014, the **Downtown Streetscape Assessment and Standards** provided a cohesive vision and review of the streetscape and laid out recommendations for standards to set a level of quality and investment for the public right-of-way within downtown.
- **Sioux Falls Imagined: A Cultural Plan for a Vibrant and Prosperous City**, adopted in 2014, renewed the community's resolve to strengthen the cultural and creative sector to enhance the region's quality of life and unique sense of place, help build community, and grow the economy. The plan defined strategies to strengthen the cultural sector and integrate arts, culture, and creative industries into Sioux Falls.
- In 2015, the **Sioux Falls Bike Plan** set out priorities to complete the vision to "make Sioux Falls a place where people want to ride their bicycle in all areas of the city."

2004

Sioux Falls Greenway and Riverfront Master Plan

2014

Downtown Streetscape Assessment and Standards

2014

Sioux Falls Imagined: A Cultural Plan for a Vibrant and Prosperous City

2015

Sioux Falls Bike Plan



DOWNTOWN PLANNING HISTORY

- In 2016, the **Rail Yard Redevelopment Plan** was created to provide a redevelopment concept for a 10.25-acre site acquired from the Burlington Northern Santa Fe Railway within the Eastbank area of downtown. The plan has been used as a guide to solicit development that meets the plan objectives.
- The 2021 **Sioux Falls Pedestrian Plan** includes recommendations and policies leading Sioux Falls to be a more walkable and pedestrian-friendly community.

In conjunction with the 2035 Downtown Plan, additional plans are being drafted that include:

- The **Falls Park Master Plan**, which will lay out the vision for Falls Park, including details for future improvements, programming, and funding.
- The **Sustainability Framework** sets the community goals, strategies, and tactics aimed at improving Sioux Falls' sustainability to enhance the environment and community quality of life.
- The **Downtown Traffic Impact Study**, develops a long-range plan for the downtown and was initiated to focus on key elements of the downtown area transportation network.

2016

Rail Yard Redevelopment Plan

2021

Sioux Falls Pedestrian Plan

FUTURE

Falls Park Master Plan
Sustainability Framework
Downtown Traffic Impact Study



PLANNING + PUBLIC ENGAGEMENT

Planning Process

The City of Sioux Falls launched the 2035 Downtown Plan in February 2022. It was led by the City’s Planning staff and assisted by Confluence and Leland Consulting Group for public engagement and economic and market analysis tasks, respectively. The process was driven by actively soliciting community engagement and evaluating downtown’s previous, current, and future market conditions. The process also included a series of public engagement events to petition feedback. These engagement activities included an interactive online engagement tool called Social Pinpoint, a series of stakeholder interviews with a diverse group of community leaders, and resident work groups that consisted of passionate community stakeholders and advocates. Figure 2 (page 11) highlights interactions and feedback from Social Pinpoint, and a full Sioux Falls Public Engagement Summary prepared by Confluence that recaps the public engagement in more detail in the appendix.

Public Engagement Process

Public participation is critical to any planning process. The consultant team and City staff sought out a wide cross section of downtown residents and business owners to ensure there was representation in the feedback. Community members are the primary stakeholder, and it is imperative they provide information regarding opportunities and challenges, unmet needs, and priorities when implementing the plan. This section lays out the robust efforts to capture a collective community vision.

Spreading the Word

To raise awareness of the upcoming public events and direct participants to the interactive engagement website, the following marketing methods were utilized:

- **Postcards:** Mailed to all properties within the study area.
- **Social Media Flyers:** Posted to City’s social media platforms to capture a wider audience.
- **QR Code Sidewalk Stickers and Handouts:** Strategically placed throughout downtown to spread the word about the 2035 downtown planning efforts and provide the opportunity to participate via the interactive engagement website.
- **Window Signs:** Displayed by downtown businesses to further generate interest in the process.



Figure 1: Planning Process Timeline

STREET TALK

Social Pinpoint is a web-based application that allows users to provide public comment on challenges and opportunities throughout downtown on an interactive map.



PLANNING + PUBLIC ENGAGEMENT

Community Involvement

The diversity in engagement activities throughout the public input phase allowed community members to share their vision and identify needs or desires for downtown in a variety of ways. These opportunities are listed below.

Advisory Committee

A 15-member committee made up of downtown property owners, business owners, and stakeholders was one of the most influential components in helping to shape the 2035 Downtown Plan. The committee met with City Planning staff throughout the process and provided instrumental insight on the plan and how it will shape the future of downtown over the next decade.



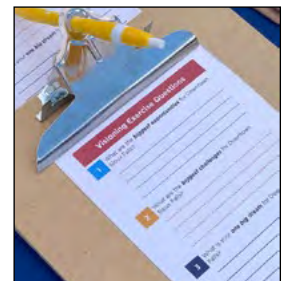
Advisory Committee

Stakeholder Interviews

One-on-one interviews were conducted by Leland Consulting Group with key stakeholders to receive candid feedback from community leaders on the state of downtown. They shared their personal and professional views about key issues and opportunities specific to the downtown area.

Key stakeholders interviewed by the consultant team included:

- Luke Tibbetts—First Premier Bank
- Jeff Scherschligt—Pendar Properties
- Erica Beck—City of Sioux Falls
- Chris Thorkelson, Jake Quasney, and Raquel Blount—Lloyd Companies
- Jodi Schwan—Align Content Studio and SiouxFalls.Business
- DeAnn and James Echols—Great Outdoor Store
- Vaney Hariri—Think 3D Solutions/DTSF, Inc. Board of Directors
- Jessie Schmidt—Better Business Bureau/DTSF, Inc. Board of Directors
- Anita Wetsch—605 Real Estate/DTSF, Inc. Board of Directors
- Greg Garry—The Bancorp
- Reggie Kuipers—Bender Commercial Real Estate Services
- Karla Santi—Blend Interactive
- Norm Drake and Daren Ketcham—Legacy Development and Consulting
- Teri Schmidt—Experience Sioux Falls



Public Engagement Process

Key stakeholder interview feedback was summarized into the nine main themes below:

- Downtown as a Social Hub
- Economic Development
- Attractions + Amenities
- Parks + Recreation
- Infrastructure
- Urban Growth + Development
- Transportation + Accessibility
- Housing
- Administration + Programming



PLANNING + PUBLIC ENGAGEMENT

Resident Workgroups

70 community members volunteered their time to participate in detailed discussions about specific elements identified as important topics for downtown’s progress by the Advisory Committee. These topics include:

- Amenities + Services
- Arts, Culture + Entertainment
- Environment + Design
- Growth + Development
- Identity + Branding
- Infrastructure + Public Improvements
- Parking
- Safety
- Transportation, Connectivity + Mobility

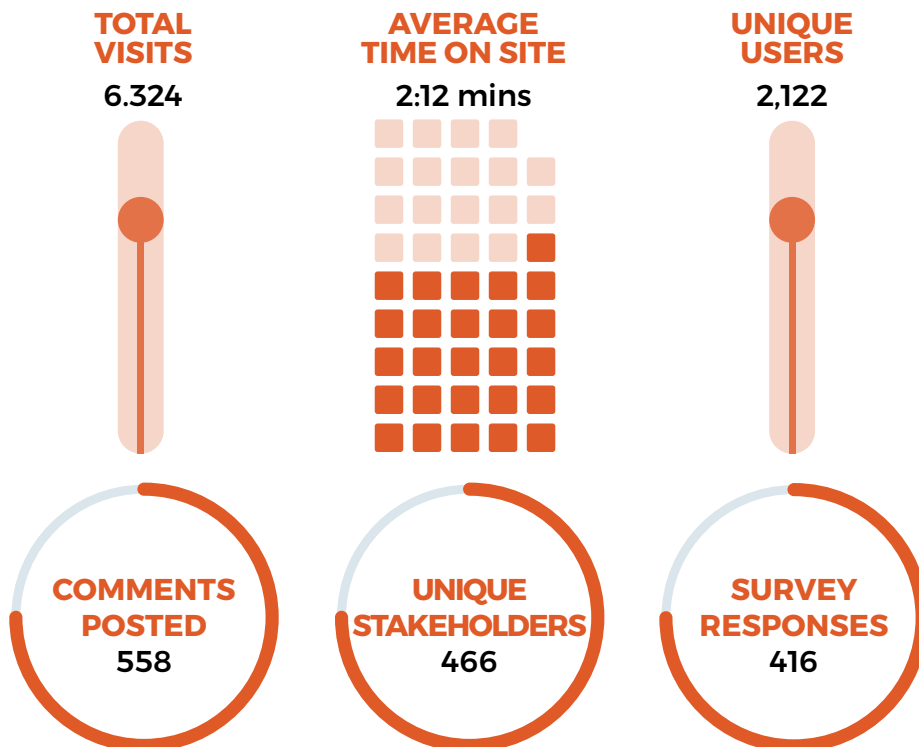
Social Pinpoint (Interactive Engagement Website)

This tool was used from April 2022 to August 2022 to provide an alternative means to gather traditional feedback from a broad audience that may not have been able to attend in-person events. Two activities were provided:

- 1) Community Survey: Gathered feedback on an array of topics for downtown.
- 2) Interactive Mapping Activity: Allowed participants to sketch out ideas with mapping tools, provide comments on specific areas by dropping a pin, or provide general concerns throughout the downtown area. A variety of comment types included “more of this,” “needs work,” “favorite place,” “trail or sidewalk idea,” “idea,” and “redevelop this area.”

Engagement Website Statistic Summary

Figure 2: Website Statistics



PLANNING + PUBLIC ENGAGEMENT

Public Workshops

Two public workshops were held that provided an opportunity for the community to learn about the planning process and provide in-person feedback on their ideas and vision for the future of downtown. Different engagement strategies were used to collect community feedback and input on a variety of topics related to the future of downtown.

These strategies included visioning exercise questions via instant polling, public input boards, and a puzzle piece mapping exercise.



Public Engagement Process, Workshops and Mapping Exercises

Community Events

Several community events were hosted to provide yet another opportunity for the community to engage staff with their ideas and vision for downtown. This was an opportunity to meet people where they were, at events they were already attending, versus asking them to attend an additional event. Planning staff set up interactive booths to collect feedback and received a variety of valuable feedback and suggestions from community members.

Market Analysis

This report leverages historic population and employment growth, development trends, stakeholder interviews with industry professionals, and information from staff to steer development and conversations down an attainable path for the continued success of downtown development.



Community Input Events



Downtown PLAN FRAMEWORK

HISTORICAL CONTEXT

A Short History of the Development of Downtown by Kevin Gansz and Adam Nyhaug

Image Source: Old Courthouse Museum

1856-1857

Sioux Falls established as a speculative venture between two rival land companies, the Western Town Company of Dubuque, Iowa, and the Dakota Land Company of Saint Paul, Minnesota. Together, they formed Sioux Falls City.



Fort Dakota, 1860s

1862-1869

First, Sioux Falls was abandoned in 1862 resulting from the Dakota War spilling over from nearby Minnesota to the Sioux Falls area. By the end of the decade, after the 6th and 7th Iowa Cavalries established a military post in 1865 on the banks of the Big Sioux River (between 7th and 10th Streets) known as Fort Dakota, it was abandoned yet again in 1869. With the withdrawal of the military reservation, the community was opened for settlement by civilians.



Cataract Hotel, 1870s

1871

Dr. Josiah Phillips first filed a plat for downtown and laid out lots and blocks from 6th to 9th Street and Phillips to Minnesota Avenue. Businesses moved in and the need for goods and services grew. Over the years, the area added rooming houses, hotels, saloons, restaurants, banks, and livery stables.



8th Street Bridge, 1876

1876

Richard Pettigrew was authorized to use county funds to build a single-span steel bridge at East 8th Street over the Big Sioux River. It connected east to west, affording downtown the opportunity to expand its footprint.

HISTORICAL CONTEXT

1878

The first train arrived in Sioux Falls, making a dramatic, lasting impact. Over the next decade, the town's resident population would grow from 2,000 to 10,000.

1889

A new Minnehaha County courthouse was built (today known as the Old Courthouse Museum) at the corner of 6th Street and Main Avenue. The courthouse served as a catalyst for additional development in the area, including the 6th Street bridge installed that same year.

End of the 19th Century

As the 19th century ended, downtown established itself as the hub of southeast South Dakota. Speculative ventures, grandiose architectural plans, and syndicates from across the country attempted to shape the look and growth of the city. Its vibrant commerce and rail access made Sioux Falls a destination. The downtown was an impressive array of sturdy quartzite and brick buildings with the occasional business block or home of wood.

1903-1904

Downtown became home to Carnegie Public Library in 1903. The following year, the Sioux Falls School Board voted to build a new high school (currently the Washington Pavilion), expanding its educational foothold in the area. A few years later, the Orpheum Theater was completed in 1912.



Phillips Avenue, 1880s



Downtown, 1886



Old Courthouse Museum, 1889



Federal Courthouse, 1900



Depot on 5th Street and Phillips Avenue, 1900s



Washington High School, 1903



Carnegie Library, 1900s



HISTORICAL CONTEXT

1910-1929

During this period, downtown was heavily shaped by transportation, retail, and banking.

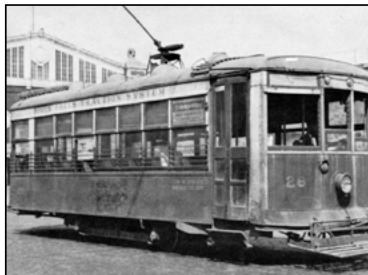
Advancements in transportation began to change and shape how people moved throughout downtown. Electric rail service to East Sioux Falls required the installation of the 10th Street viaduct to safely move streetcars over the railroad tracks. As trolley lines were expanded, riders could begin their journey from downtown and travel as far south as Augustana College or take the line as far west as Sherman Park. Horse travel was giving way to automobiles and downtown began to adapt to the influx of motorized traffic. An expanding automobile dealership district developed around 9th and Dakota.

Retail quickly became the most important indicator of downtown's health. Locally owned and nationally recognized brands invested heavily in downtown, opening storefronts along Phillips Avenue.

Banking has always been an important part of the downtown business landscape. The Sioux Falls National Bank building, built in 1918 at the corner of 9th and Phillips, was then the tallest bank building in South Dakota. The Minnehaha National Bank was chartered in 1885 and later became the First National Bank. It was the only bank to survive the Wall Street Crash of 1929.



Phillips Avenue, 1919



Trolley System, 1900s



Trolley System, 1900s



Phillips Avenue and 9th Street, 1917

1930-1939

Like most downtowns around the nation, Sioux Falls struggled through the Great Depression. However, advancements took place that were a direct result of Federal programs that infused funds into the labor and construction market—additions to Washington High School, the Federal Courthouse, Courthouse Annex, and the Post Office.

1940-WW II

As a result of World War II, the Army Air Corps added a radio training school at the new airport site. Sioux Falls' population almost doubled with the influx of servicemen, with downtown merchants reaping the benefits of these newcomers.

HISTORICAL CONTEXT

Sioux Falls: Mid-Century and Beyond

By the mid-20th Century, Sioux Falls had a population of over 50,000. Business continued to boom downtown but planning efforts started to look outside of downtown for new development types like suburban and strip mall developments. The Coliseum was deemed inadequate, and plans were being drawn up for the future Sioux Falls Arena. East of the viaduct, Howard Wood Field served local high school and college teams but was sold and moved out to the Sioux Falls Arena, which changed the landscape on the east end of the viaduct. Passenger rail service ended as ridership decreased due to the automobile. Victorian façades deemed old and shabby were given new modern looks utilizing materials such as polished stone, tile, concrete, and glass blocks. However, downtown was about to enter a phase that would change it forever.

The 1960s saw the rise of suburban strip malls and shopping centers. Sears and Roebuck bought the former Howard Wood site and constructed a new Sears Shopping Center. The mall concept with large anchor department stores and adjoining smaller retailers was sweeping the nation. The Western Mall opened in 1968 and attracted downtown businesses to leave for the suburbs. Also, in 1968, City officials began to look at ways to redevelop and revitalize the downtown area and took advantage of several federal programs which today are simply known as Urban Renewal.

The concept behind Urban Renewal was to assist urban centers to define blighted areas that were poised for reinvestment, redevelopment, and modernization. The City primarily looked at areas downtown and north of 10th Street. Many of the goals consisted of improved parking, removal of substandard buildings, and construction of a modern hotel with conference space. Entire blocks were cleared all at once leaving generations of history in piles of rubble. In 1973, the Cataract Hotel was torn down to make way for Northwestern National Bank. All the buildings from Phillips and Main Avenue, along 7th and 8th Street, were cleared to build the Holiday Inn. The block to the west was also cleared for a new library building that was built in 1972. Today, there is a conflict between what was considered progress and those who felt Urban Renewal caused downtown to lose its history and cultural identity.



Near 10th Street and Phillips Avenue, 1958



Phillips Avenue, 1950s



11th Street and Phillips Avenue, 1950s



Downtown Pedestrian Mall, Phillips Avenue



Phillips Avenue Pedestrian Mall at 10th Street

HISTORICAL CONTEXT

To help bolster retail business, Phillips Avenue was closed to traffic in 1973 between 9th and 12th Streets and was transformed into a pedestrian mall. That did little to help as major retailers gave up their downtown locations in favor of the suburban shopping malls. Although thought to be a good idea, the pedestrian mall was ultimately abandoned in 1986 as Phillips Avenue reopened to traffic between 10th and 11th Streets. The block between 9th and 10th Streets lasted two more years, until 1988.



Downtown Pedestrian Mall, Phillips Avenue

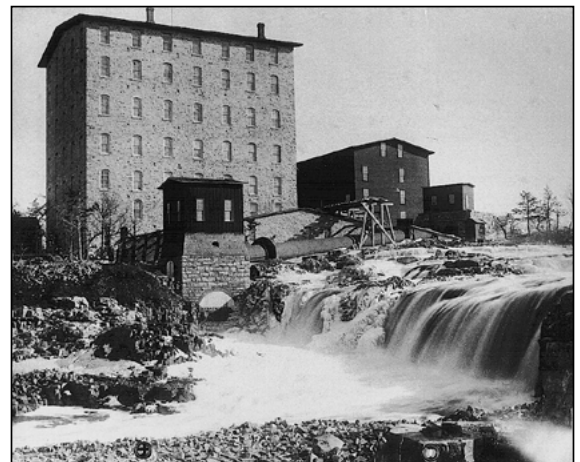
As businesses left downtown, their vacated buildings remained empty or were demolished for additional parking or redevelopment. The businesses that remained struggled and left the area as an 8 a.m. to 5 p.m. destination and was nearly deserted in the evenings. Teenagers and their cars designated a “loop” on the one-way streets and cruising the downtown “loop” by young people became an evening activity that presented numerous challenges.



River Ramp

In 1992, the future of Washington High School and the massive stone building hung in the balance. Voters approved a plan to save the building and turn it into the Washington Pavilion of Arts and Science, which opened to the public in 1999. Once again, there was a reason to come downtown in the evening and investors and developers began to look at downtown opportunities. While much of the historic center of downtown had been removed for urban renewal, the area to the south between 10th and 12th Streets remained intact. City officials made efforts to see these buildings revitalized and started the Façade Easement Program in 2002 to return façades to their historic integrity in exchange for a permanent easement on the exterior of the structure. The Façade Easement Program led to preservation of over 40 buildings and injected millions of dollars of economic development throughout downtown.

The namesake of our community has also seen significant revitalization efforts. Since its earliest days, the Falls have been a focal point of the community, and many have attempted to capitalize on its power. The Queen Bee Mill was built between 1878 and 1881 and ran for only a few years before it sat idle. Other subsequent attempts failed to materialize over the years, and the Falls area became overgrown with vegetation and uninhabitable. At one point, a large pit served as a landfill site west of the Falls. In the 1990s, the City made a concerted effort to rehabilitate this iconic part of its history. Trees and brush were cleared, modern power plants were removed, walkways were established, and kiosks detailing the history of the area were installed. Later, a visitor center and observation tower were built and turned what had become an eyesore into a beautiful park and one of the most visited areas in the state.



Queen Bee Flour Mill at Falls Park

HISTORICAL CONTEXT

A major milestone of cleaning up Falls Park included the removal of Pitts Salvage, a 15-acre salvage yard in the north end of downtown that is known as Falls Park West today. The old scrap yard and rail lines were removed, and Phillips Avenue was developed to connect Falls Park to the up-and-coming downtown. The decades-old vision converted a once contaminated brownfield into an attractive pedestrian and vehicular connection to Falls Park by expanding Phillips Avenue north from 5th Street. The area has since seen incredible growth and development to include the addition of mixed-used developments like Uptown Exchange, Phillips Avenue Lofts, Stockwell Engineering's corporate office, Cascade Lofts, new bike trail connections, and the beloved Levitt at the Falls. Enhancements at Falls Park and Falls Park West have led to redevelopment of the former Sioux Steel site, which is currently under construction and will provide a mixed-use village consisting of residential, retail, office, and Sioux Falls' newest upscale hotel. The area will also house the Jacobson Plaza that will include an ice ribbon, warming house, and playground for all.



Falls Park and Revitalization Process

SculptureWalk Sioux Falls was implemented in 2004 and is the largest annual display of outdoor sculptures in the world. The famous street art gallery draws thousands of visitors and residents downtown each year. The program has been tremendously successful and has served as an anchor for street activation and activity over the past two decades. The community has rallied around SculptureWalk, and each year, several pieces are purchased and permanently displayed downtown and throughout the city.

In 2005, the old Zip Feed Mill, a 202-foot-tall grain elevator was razed to make way for Cherapa Place, the first new development on the Eastbank. After the initial set of explosives merely tipped the building over rather than imploding it as projected, it took an extra effort to raze the entire building with a wrecking ball. Removal of this iconic tower led to the state's first certified Gold LEED building and has been a catalyst for redevelopment of a once tired industrial Eastbank. Fast-forward to today, and the site is currently under development with Cherapa II, III, and IV, which will continue to orient development towards the Downtown River Greenway with a mixed-use village consisting of residential, office, retail, and several on-site amenities.



Phillips to the Falls Archway



Downtown Zip Feed Mill

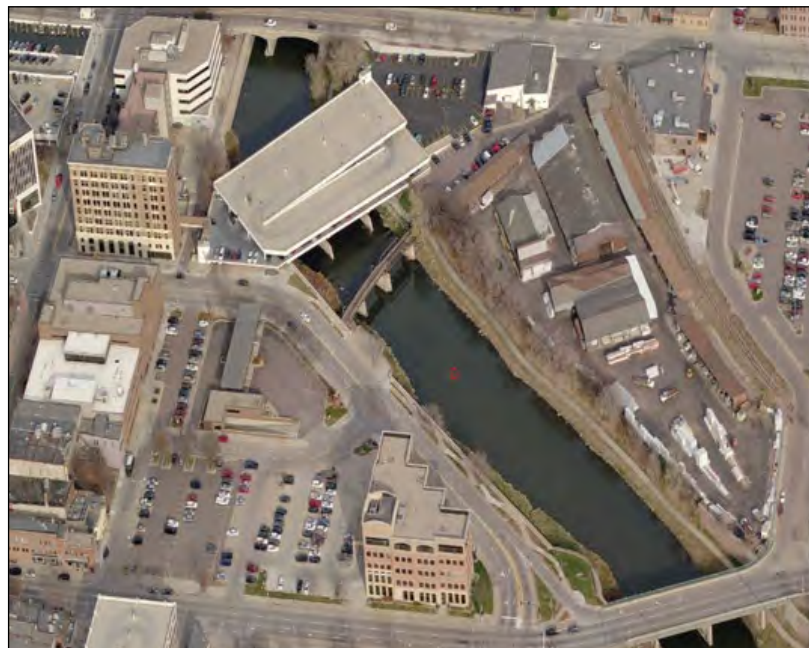
HISTORICAL CONTEXT

In 2010, the City took a risk when it opted to proceed with redevelopment of the River Greenway by removing the 50-year-old parking ramp coined “River Ramp.” The parking ramp was built over the Big Sioux River just south of the 8th Street bridge. While construction of the ramp was an engineering marvel in its day, the parking ramp was unsightly, complicated redevelopment efforts, and was a hindrance to connecting the Eastbank to Phillips Avenue. Implementation of the River Greenway Master Plan provided a vision and framework for removal of the ramp.

While the parking ramp was fully paid for and generated income for the public parking system, City officials knew the site had great redevelopment potential. Since the structure was removed in 2012, this area of downtown has seen incredible growth. Demolition of the River Ramp paved the way for the Hilton Garden Inn, Lumber Exchange office building, and rehabilitation of the pedestrian bridge that connects East 8th Street to River Boulevard over the Big Sioux River. The implementation of River Greenway Improvement Phases I (2012), II (2013), and III (expected to begin in 2024) has opened the river to several recreational and economic development opportunities.

The business and professional community has evolved throughout the decades since the inception of downtown. Many traditional jobs and services have given way to employment in tech, banking, government, and healthcare.

Families with more disposable income have looked for new shopping and entertainment opportunities. Small boutiques, along with unique eateries, line downtown streets. Arts and culture blend with retail and business to provide entertainment and experience for residents and visitors alike. The vision presented for the future of downtown builds upon the rich history of the community and is incorporated into the goals and strategies so that it is maintained for the next generation of Sioux Falls residents.



Aerial View of Former River Ramp



Downtown Skyline, 2022



Collective
**VISION
STATEMENT**

2035 DOWNTOWN PLAN

By 2035, downtown Sioux Falls will transform into a world-class urban environment where people from all walks of life are invited to not only live, work, and play, but to dream and thrive.

People will see and experience a spirit of South Dakota hospitality, creativity, and community during each of our four seasons.

Downtown will be a new frontier for the arts, culture, commerce, and entrepreneurship.

CORE VALUES

To bring the collective vision statement to light, the 2035 Downtown Plan is guided by core values that summarize the vision, aspirations, and market potential that were identified through the 2035 Downtown Plan engagement process. They are used to test ideas for improvements, leverage community investments, and spur policies that guide the goals, action steps, and priorities of the plan.

Downtown is a place of opportunity that is WELCOMING FOR ALL and where dreams can be made. It is a year-round destination that is inviting and safe for residents and visitors, filled with variety and offers family-friendly amenities and services that keep it a desirable place to live, work, play, and dream.

Downtown is a place that is CONNECTED, easy to access, and navigate. Downtown's urban fabric will offer a variety of mobility options and be known as one of the most walkable downtowns in the country. Downtown is a collection of districts, attractions, and amenities seamlessly woven together and connected to its adjacent neighborhoods, so those experiences permeate throughout the community.

Downtown provides opportunity for tremendous GROWTH. It is the hub for careers, innovation, entrepreneurialism, and economic development. **DEVELOPMENT** is dense and offers a walkable mixed-use environment that will support continued efforts of infill development and exceptional growth.

Downtown's COMMUNITY SPIRIT is a representation of all Sioux Falls and tells our story through history, art, entertainment, and the culture of our city. The downtown community's philanthropic support cultivates creativity and innovation, and tackles community challenges head-on.

Downtown's BRANDING showcases a vibrant and diverse neighborhood that pushes boundaries between work, culture, play, and home. It is made up of eclectic districts that uniquely tell a story about the history of Sioux Falls, celebrating the heart of the city. Downtown's **IDENTITY and MARKETING** will build national awareness of the brand.

Downtown is an urban area with ample greenery, active streetscapes, and public spaces of the highest QUALITY AND DESIGN. It has the most well-designed buildings that provide the highest and best use and create a neighborhood of beauty for all to experience.



Figure 3: Core Values

WELCOMING FOR ALL

CORE VALUE

Downtown is a place of opportunity that is WELCOMING FOR ALL, and where dreams can be made.

It is a year-round destination that is inviting and safe for residents and visitors, filled with variety, and offers family-friendly amenities and services that keep it a desirable place to live, work, play, and dream!



Our downtown has a small-town feel, yet it maintains an important social and civic status.



—Stakeholder Interviewee





WELCOMING FOR ALL



Why This Is Important

When you think of downtown Sioux Falls, you may envision a stroll down Phillips Avenue on a warm summer day or perhaps taking in the latest version of SculptureWalk with a latte from a local coffee shop. It may include dining at a locally sourced restaurant while people-watching from a sidewalk patio. Maybe it is taking in a concert at the Levitt at the Falls. Downtown has an abundance of fair-weather offerings; however, we can and should strive to harness that fair-weather energy into activity year-round.

Downtown is an ecosystem of residents, visitors, businesses, and cultural amenities that must be welcoming for all, for all to thrive. It will support a year-round atmosphere that provides activity and draws patronage to local businesses by delivering family-friendly experiences. It must be safe and inviting to create an environment in which residents, visitors, and businesses feel comfortable and want to be.

Downtown must continue to foster and enhance unique experiences for residents and visitors that connect the energy of an active streetscape, thriving retail districts, world-class culinary offerings, eclectic art scene, and synergies of the Big Sioux River Greenway and the city's namesake, Falls Park.



Downtown Architecture, Streetscape

WELCOMING FOR ALL

Goal 1:
Foster Downtown as a Year-Round Destination

1.1 Utilize the built and natural environment of downtown to support a more active year-round destination.

Jacobson Plaza at Falls Park is a prime example of how to create a year-round destination. It will provide a refrigerated ice-skating ribbon with a warming house, café, open-air shelter, inclusive playground, and add improved River Greenway trail connections to even more downtown destinations and the greater bike trail network. Festive amenities such as lighting, sound, and fire pits will also be incorporated into the plaza to enhance the ambiance.

The plaza was designed to accommodate a variety of recreational activities on a year-round basis. It will be available for a multitude of uses for large and small events. The ice ribbon will create an activity hub with synergies and spin-off activities throughout the Uptown District that could include winter activities that include sporting events, family-friendly activities, business promotions, medallion hunt, or even ice sculpting contests.

Another element important to our community is a year-round public market. Many cities have them like NewBo City Market in Cedar Rapids, Iowa, Mill City Farmer’s Market in Minneapolis, Minnesota, Freight House Farmers Market in Davenport, Iowa, or the Milwaukee Public Market. More than just a place to shop, a public market offers customers a bustling and vibrant cultural experience and is a civic resource for everyone. Public markets bring people together to taste new flavors, learn from makers and local artisans, watch the process of food and goods being made, or develop new friendships and connections. Indoor markets are making a resurgence around the country. Given the popularity and success of the Falls Park Farmer’s Market, the addition of a year-round market in a well-connected location would be a family-friendly amenity for residents and visitors.



Figure 4: Jacobson Plaza

Uptown District is a downtown neighborhood generally defined as the geographic area north of East 6th Street, east of North Minnesota Avenue, west of the Big Sioux River, and south of Tower Park.



Downtown Ice Sculpture



WELCOMING FOR ALL

1.2 Add a centralized, multifunctional visitor center to enhance the user experience.

When asking a local the location of the Sioux Falls Visitor Center, you may get a puzzled look or blank stare. If a visitor is downtown, it is a long walk to the Falls Park viewing tower and visitor center. If you walk to Falls Park during the winter, you may be surprised the center has limited weekend hours. A centrally located and welcoming visitor center should provide family-friendly restrooms with changing stations, visitor information, souvenirs, and goods from local makers, and could serve as the central hub for the Downtown Ambassador Program.



Downtown Knoxville, TN Visitor's Center (Source: VisitKnoxville.com)

1.3 Activate and beautify underutilized spaces.

The City and its partners should continue to work on creative ways to embrace the seasons and keep street activity humming year round with programming and improvements. For retail businesses to thrive, a constant flow of downtown patrons is important 365 days a year. Finding ways to activate underutilized spaces not only adds to the user experience but assists by eliminating dead space to promote a more connected and inviting environment.



Purposefully Placed Elements Create Tactical Urbanism

Food trucks have been part of downtown for years, becoming an increasingly popular culinary option. Circa 2016, Sioux Falls was home to over 20 licensed food trucks, whereas, in 2022, there were 57 licensed food trucks. Given their uptick in popularity, the City should explore the creation of designated food truck parking in an appropriate and centralized location. Strategic on-street locations should also be considered to assist with activating public spaces such as Fawick Park, Pioneer Plaza, Van Eps Park, or Heritage Park.

Downtown sidewalk patios have been extremely successful during the warmer months. They add to the overall ambiance while providing additional seating and customers to downtown businesses. One creative idea to extend the season for sidewalk patios was to allow for natural gas fire pits within the patio spaces. Opportunities to expand the concept to additional patios and even incorporating an artistic fire feature could expand upon this. Exploration of new ideas should not be hindered by existing ordinances as rules should evolve with technological advancements and public opinion to shape what residents want downtown.

Tactical urbanism is the art of reimagining a public space to create lasting change in a community. This approach is about seeking cost-effective and timely solutions to create spaces that are people focused. Additionally, it is a way to pilot projects before major investments are made as tactical urbanism projects are temporary in nature to 'test drive' installations before being made permanent. The City should continue working with community members and other partners on ways to recreate and reimagine spaces quickly, and at little cost. A few tactical urbanism examples include parklets for dining or recreation, creative enhancements to crosswalks, pop-up bicycle infrastructure, or other low-cost elements that enhance the public realm.



WELCOMING FOR ALL

1.4 Create a more welcoming streetscape environment.

The pedestrian environment is a crucial element individuals use to determine whether a place is safe, comfortable, and attractive. If even one of those elements is subpar, it can affect a person’s decision to visit downtown. Many features of a streetscape are important to the pedestrian environment. Planters create a sense of beauty and natural character and provide separation from the pedestrian pathway and vehicular traffic. Street furniture also plays an important part by allowing people to rest or take in the ambiance.

Unique identifiers in the streetscape help create unique identity, experience, and provide a sense of direction. Examples of existing streetscape features include SculptureWalk pieces, sporadic murals, Eastbank piers, banners, streetlights, Falls Park gateway arch, historic district pier on 6th Street, 8th Street and Dakota Avenue median beautification, Phillips Avenue piers, and River Greenway signage. Creativity and the use of public art celebrates artists from the region and world while creating an engaging experience for residents and visitors.

The City should refresh the 2014 Streetscape Assessment Plan. Significant public and private investments have occurred since the last plan and a cohesive effort to provide a welcoming streetscape is imperative to downtown’s walkability and success. A street tree replacement plan and implementation of additional street trees should also be addressed as part of the study. With the removal of trees damaged by storm events, emerald ash borer, or due to other environmental constraints, it is imperative that the City fosters expansion and growth of the urban canopy, especially in an environment dominated by hardscaping.

The use of sphere-shaped, precast planters was implemented as a feature on Phillips Avenue in 2009 to provide separation and protection from traffic at outdoor dining areas. The large planters help make the outdoor patio scene on Phillips Avenue feel safe while also providing a sense of beauty with the annual plantings. The City and its partners should continue to explore new ways that create a safe and inviting pedestrian experience (see “Connected” segment starting on page 32 for more specific pedestrian safety enhancements).



8th Street Streetscape

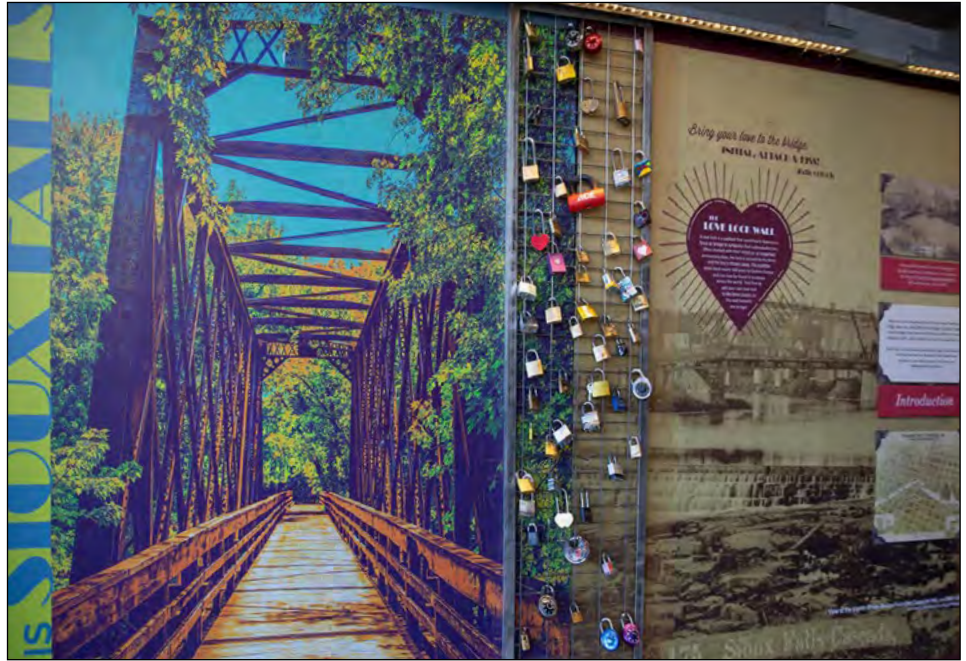
STREET WALK

Walkability refers to the ability to safely walk to services and amenities within a reasonable distance. It is the belief that urban areas should be more than throughputs for vehicles—they ought to be places for people to gather, connect, and move.

WELCOMING FOR ALL

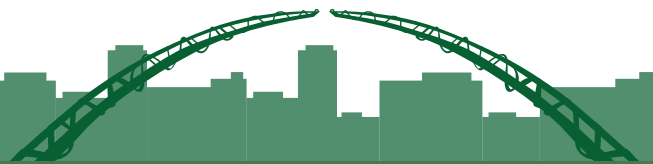
1.5 Embrace the city's namesake, Falls Park.

The Big Sioux River and Falls Park have been catalysts for the revitalization of downtown and they continue to provide transformative opportunities for Sioux Falls that truly differentiates itself from any other downtown in America. The river and waterfront continue to be an asset for development and the City should continue to build upon this amenity by expanding recreational opportunities, providing space for civic events, bolstering tourism, expanding bike and pedestrian connections, and stimulating development of adjacent properties. While great strides have been made in this area, even more can be done to further enhance the user experience and make this a world-class destination.



Love Lock Wall Under 8th Street Bridge

WELCOMING FOR ALL



Goal 2:
Provide Experiences and Amenities that Support a Family-Friendly Environment

2.1 Develop a multi-purpose recreational or entertainment facility.

Development of a year-round multipurpose recreational or entertainment facility located downtown was brought up at nearly every community engagement for this plan. The facility would serve as a catalyst for redevelopment of a tired and underutilized area of downtown and provide mixed-use opportunities to further connect with the River Greenway and downtown. The facility could serve as a core neighborhood youth sports hub and could be complementary to other sports facilities located throughout Sioux Falls. Inclusion of dedicated indoor recreation for all ages would also be a welcome addition to downtown and the community.



Figure 5: Riverline District Concept

Leveraging the river, encouraging regional entertainment, sports, and other activities to locate downtown would be an anchor for further private investment and development. Community assets of this nature should be sought as they stimulate significant revitalization and growth in the adjacent housing stock, enhance the business climate, employment opportunities, expand unique retail and service offerings, provide more leisure opportunities, and enhance the quality of life.

2.2 Strategically improve access to public restrooms downtown.

For downtown Sioux Falls to thrive as a destination for visitors, residents, and families, common amenities are needed to extend and make their visit comfortable. One of the biggest challenges is the availability and location of public restrooms. Identifying and sharing the current availability of public restrooms is a quick win to providing a more hospitable and user-friendly experience. Public buildings provide easy access to restrooms; however, hours of operation need to be shared. Locations with public restrooms include City Center, City Hall, Downtown Public Library, County Administration Building, Old Courthouse Museum, east side Falls Park, and Levitt at the Falls.

Ultimately, strategically planned locations for new public restrooms with changing stations should also be considered to expand public restroom availability downtown. More research should go into the type of facilities, locations, hours of operation, and staffing to ensure they meet the needs of a growing community without creating unintended consequences



Falls Park Accessible Restrooms

WELCOMING FOR ALL

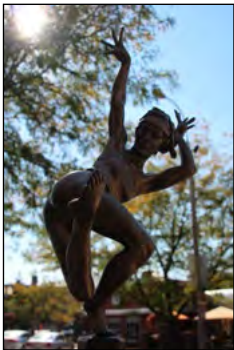
2.3 Promote events and programming that are family, teen, and young-adult friendly.

The City and its partner organizations should continue and expand entertainment offerings welcoming to families, teens, and young adults. Partner organizations include Parks and Recreation, Siouxland Libraries, Downtown Sioux Falls, Inc., Washington Pavilion, Levitt at the Falls, Siouxland Museums, SculptureWalk, Sioux Falls Arts Council, and other non-profit and business stakeholders.

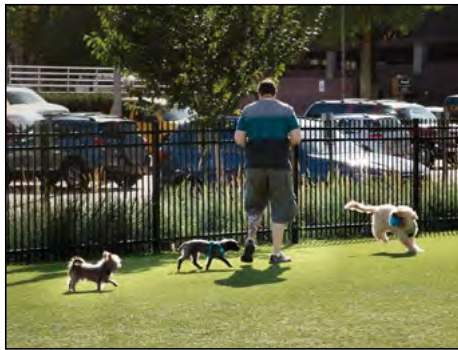


Levitt at the Falls Entertainment Venue

Enhanced entertainment amenities could include pop-up parks and/or libraries, kid-friendly interactive sculpture parks, street performers, park programming, musical performances, street artists, wood carvers, mural artists, and theatrical plays. Organizers should collaborate with other events downtown to capture the eclectic synergies and good vibes of downtown.



SculptureWalk



Kirby Dog Park



Siouxland Library



Downtown Shoppers

WELCOMING FOR ALL

Goal 3: Ensure Downtown is Safe and Inviting

3.1 Partner with Downtown Sioux Falls, Inc. to provide services throughout the Business Improvement District.

Downtown Sioux Falls, Inc. oversees the Downtown Business Improvement District (BID) that represents the interests of downtown property owners. Recent changes to the BID focused on establishing a larger presence through the Downtown Ambassador Program, which aims to provide safety and hospitality services through the establishment of ambassadors.

Beyond the Downtown Ambassador Program, the BID has always taken immense pride in the cleanliness of downtown. Sidewalk sweeping, trash removal, and litter control have always been appreciated services from the BID. The BID also creates an inviting environment through seasonal landscaping, a welcome addition to the streetscape during the transition from fall to winter.



SFPD Bike Patrol on Phillips Avenue

3.2 Ensure there is an active police presence and security personnel.

Downtown is becoming the entertainment hub of our city. Eclectic merchants and services, live music, comedy shows, community events, food competitions, and dance clubs attract droves of people during the day and late into the evening hours. The increase also brings an uptick in unwelcoming behaviors that include unruly patrons, motor vehicles emitting excessive noise, and loitering. The City and its partner organizations should evaluate the need for more moonlighting or uniformed police officers to monitor activity at peak times to ensure safety and dispersal of events and bar crowds. The use of foot and e-bike patrols brings an increased sense of security for residents and visitors and is strongly encouraged.



SFPD Officer Interacts With Residents (Source: Dakota News Now)

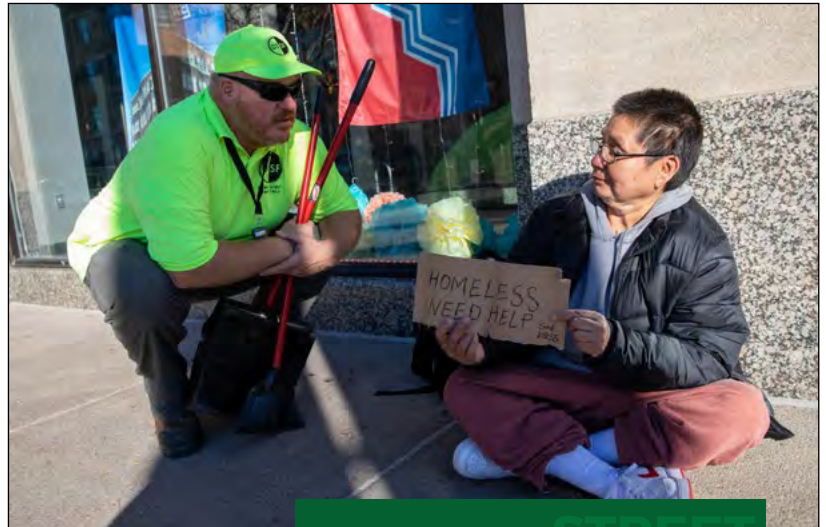
The use of foot and e-bike patrols brings an increased sense of security for residents and visitors and is strongly encouraged.

WELCOMING FOR ALL

3.3 Focused partnerships with non-profit and advocacy groups to identify and mitigate issues related to homelessness.

As a growing community, and the largest city in South Dakota, Sioux Falls has more capacity than other communities to mitigate homelessness. As a center for services, downtown experiences the challenges of homelessness daily. Sioux Falls has very qualified service providers and advocates that provide different perspectives and can assist in identifying and mitigating societal and environmental challenges around homelessness. Work should continue with advocacy groups and community partners to assist with improving ways to address loitering, panhandling, identifying areas that need enhanced lighting or public safety cameras, and addressing dead spaces that foster undesirable activities.

Implementing 'Street Teams' will be a nice addition to downtown to help the homeless population get the resources and care needed to attain permanent housing. Also, the expansion of educational efforts will build awareness about homelessness that can help humanize the matter, so residents and visitors are not turned off by the negative perceptions and stigma regarding homelessness. Homelessness is an issue that is not easily solved, and the downtown community must learn to co-exist as we continue to grow.



DTSF Ambassador Martin Dill
(Source: Pigeon605.com)

STREET TALK

Street Teams are homeless outreach groups formed between the City and partner organizations, to respond to incidents where a police officer may not be the best person to help, and serve as a proactive way to prevent some issues from happening at all.

CONNECTED

CORE VALUE

Downtown is a place that is **CONNECTED**, easy to access, and navigate.

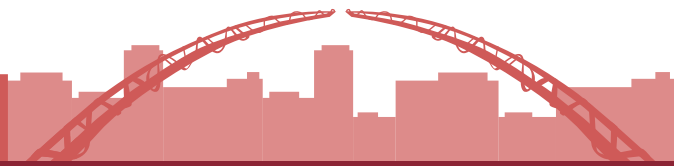
Downtown's urban fabric will offer a variety of mobility options and be known as one of the most walkable downtowns in the country.

Downtown is a collection of districts, attractions, and amenities seamlessly woven together and connected to its adjacent neighborhoods so those experiences permeate throughout the community.





CONNECTED

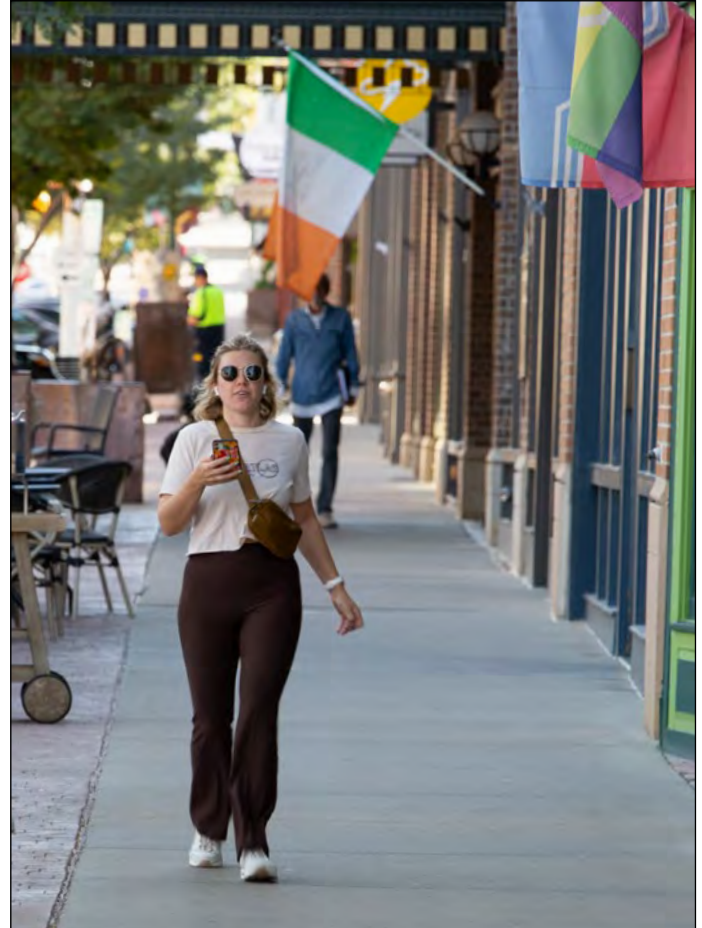


Why This Is Important

Good connectivity is paramount to stimulate development and economic activity in a downtown setting. It can help strengthen and bind communities by linking people to businesses, services, amenities, social gatherings, and recreation. Connectivity can also improve health and wellbeing by reducing isolation and creating a quality of place that promotes equitability throughout downtown and across Sioux Falls.

An equitable transportation system that will balance the needs of community members that walk, bike, take transit, or drive to, from, and within downtown is also essential. The need to overcome connectivity barriers, many of which are on the edge of downtown, will help connect adjacent neighborhoods to downtown. Once arriving downtown, the districts and activity centers will strive to be well connected and promote a quality of place that is welcoming for all no matter the mode of transportation.

Downtown, more than anywhere, requires the pedestrian environment to be safe and inviting. The following goals and action steps outline the community’s vision for a more connected and walkable downtown.



Downtown Phillips Avenue

CONNECTED

Goal 1:
Promote and Improve the Pedestrian Environment by Supporting Walkable Environments with Density and Connectivity

1.1 Support policy changes to City Ordinance and/or state law that promote a safe pedestrian environment.

Downtown is the most pedestrian oriented neighborhood of Sioux Falls and protecting the rights of pedestrians is essential to promoting walking as a desired form of transportation. The Sioux Falls Pedestrian Plan cites the importance of understanding laws and ordinances developed around transportation and their impact on pedestrians. It specifically calls out the need to update traffic laws and ordinances and develop a set of vulnerable road user laws that provide pedestrians additional rights-of-way and protection over automobiles. It is important to promote an urban fabric for walking and limit future impediments for walkability through community advocacy and future legislation.

1.2 Identify locations and enhancements for safer pedestrian crosswalks.

Providing crossings that are clearly marked and conveniently located where pedestrians travel will enhance opportunities for pedestrians to arrive at their destination safely. All downtown intersections should have highly visible, clearly marked crosswalks for pedestrian and vehicular traffic. The condition and visibility of these marked crossings should be reviewed on an annual basis. Recognizing that pedestrians are willing to walk only a certain distance out of their desired direction of travel to reach a signalized crossing should also be considered when determining locations for additional crossings. Areas within multi-block intersections that lack traffic signals or connections to pedestrian-driven amenities, like bus stops, will also dictate desired crossing locations.

Additionally, providing leading pedestrian intervals, pedestrian timers, curb extensions, pedestrian crossing signs at non-intersection crossings, and reducing right turn conflicts should be considered and implemented to improve pedestrian safety throughout downtown.



Phillips Avenue Walkway



11th Street and Phillips Avenue



11th Street and Phillips Avenue

CONNECTED

Goal 2:
Provide Consistent Wayfinding that is Easily Identifiable

2.1 Conduct an audit of and provide signage at a scale and frequency appropriate to serve pedestrian, bicycle, and vehicular traffic to enhance connectivity.

A downtown-wide wayfinding program needs to be developed across multiple agencies (City of Sioux Falls, DTSF, Inc., Experience Sioux Falls, and the public) to help residents and visitors navigate to important destinations, districts, and parking. A comprehensive branding strategy for all outdoor kiosks, maps, and visitor information will provide consistent messaging and help direct people to desired destinations. Prior to deploying the new signage to the urban realm, an audit should be conducted to take inventory of existing signage along the roadways, as too much signage can detract from important messaging. A comprehensive wayfinding strategy will not only benefit visitors downtown but will help strengthen the brand to connect people to other areas of Sioux Falls.

A universal map depicting all downtown has to offer would be an asset for all. The map could be web based and routinely updated with the latest information and happenings throughout downtown. Options could include a QR code that leads visitors to download an app version, while paper versions could be provided at the visitor center, DTSF, Inc., and merchant shops.



Figure 6: Walk Sioux Falls Map
 (Source: DTSF Inc.)



Downtown Historic District Signage

Wayfinding is the use of signage and other design elements to help users navigate a space and can be particularly important in multifaceted spaces like downtown.

STREET TALK

CONNECTED

2.2 Add wayfinding kiosks to identify key points of interest, amenities, and surrounding neighborhoods.

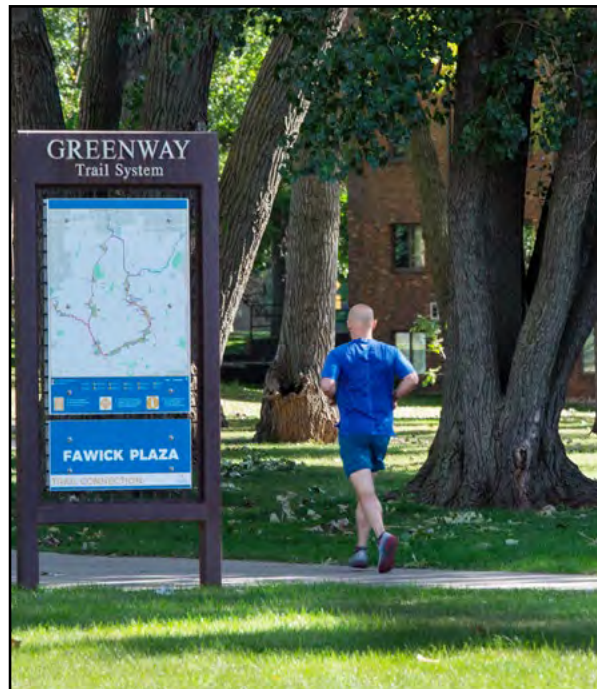
Conveniently located modern kiosks can help provide the latest information for anyone visiting downtown. The kiosks could share locations of key landmarks, districts, and destinations, and the distance from the user's current location can help save time and frustration for visitors as they spend time enjoying all downtown has to offer. This will better connect residents and visitors to those districts, amenities, and merchants.

2.3 Increase wayfinding along the River Greenway trail to draw users into downtown.

The River Greenway trail is a main arterial to and from downtown for pedestrian and bicycle traffic. Wayfinding signage along the trail will better connect users to the plethora of downtown amenities. Additional River Greenway trail destination-based signage can highlight points of interest and facilities, providing a more comfortable experience for those unfamiliar with the trail network and its connections to downtown.

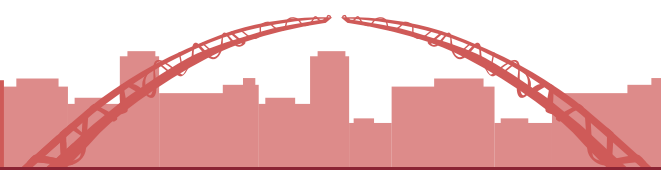


Downtown Arc of Dreams



River Greenway Trail System Downtown

CONNECTED



Goal 3:
Increase Bicycle Connectivity to and from Downtown

3.1 Improve access to the River Greenway trail and strategically add safe and comfortable bicycle lanes and routes.

Sioux Falls has a wonderful trail network that delivers residents from outlying neighborhoods to downtown with limited vehicle interactions in a comfortable, safe, and easy riding environment. Once downtown, connections from the River Greenway trail to downtown destinations are not user-friendly unless the resident is familiar with the area and an experienced rider.

A downtown bike network is needed to address connections from neighborhoods outside downtown. This network needs to include access to the River Greenway trail, downtown destinations, and adjacent neighborhoods as it is a critical link that acts as a north/south corridor throughout downtown for pedestrians and bicyclists. The River Greenway trail could be the starting point for a network of protected bike lanes that connect to surrounding neighborhoods and would provide the framework for bicyclists to arrive downtown safely and comfortably. These connections could become a catalyst for densifying corridors connected to the network. With most of downtown and the core neighborhoods on a gridded street network, this allows for direct biking or walking access to main connections and provides an opportunity for bicyclists that would rather bike to work than commute in a vehicle.

The following streets shall include protected bicycle lanes (physical separation between moving motor vehicles):

- 9th Street from Spring Avenue to River Road
- River Road from 9th Street to 2nd Avenue
- 2nd Avenue from River Road to 14th Street

The protected bicycle network would include a connection to the bicycle trail system. In addition to protected bike lanes, the following routes shall include dedicated bicycle lanes (on street bike lanes without physical separation between moving motor vehicles):

- Main Avenue from 6th Street north to Russell Avenue
- 8th Street from Phillips Avenue to Cliff Avenue (with connection to trail system)

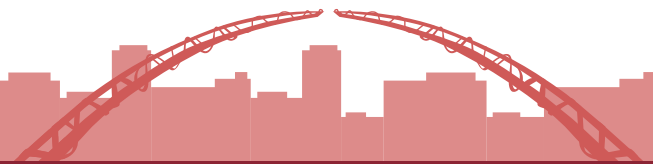
Lastly, Main Avenue and Dakota Avenue shall continue to maintain sharrows to provide secondary bicycle access through downtown.



Bicyclist in Downtown Sioux Falls

STREET TALK
Sharrows are lanes which the actual travel lane of the street and bicycle lane are shared and is ideally used where parking is fairly heavy along the street.

CONNECTED



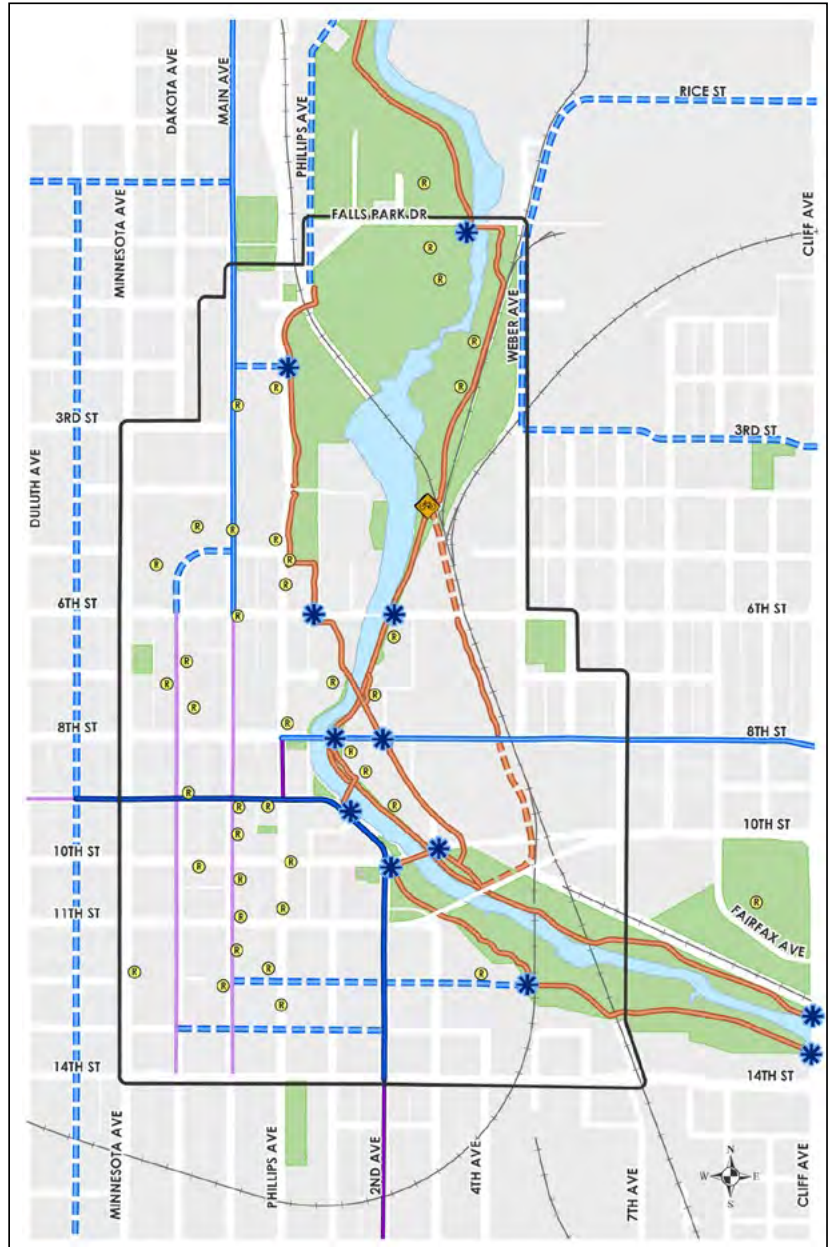
3.2 Add additional bicycling amenities including bike share stations, lockers, and bike corrals in or near parking ramps and other strategic locations.

Like parking stalls and garages for automobiles, there is a need to provide bike parking infrastructure (bike racks, bike lockers, bike corrals) to encourage even more bicycling downtown. Enhanced amenities will continue to bolster bicycling downtown and foster alternative means to travel to, from, and within downtown. Setting up user-friendly infrastructure could lead to a more robust biking network downtown, which creates an opportunity for a successful bike share system.

A bike share system will benefit from a thoughtfully planned bike network, encourage ridership, and remove the requirement of having to own a bike to use the network. Bike share systems provide easy access to an alternative form of transportation for those wanting to get around downtown quickly without worrying about where to park. Bike shares also provide a nice amenity for residents and visitors to navigate downtown without a vehicle.

3.3 Educate and raise public awareness about the rules of the road for bicycling.

A major obstacle that reduces support for bicycling as a common form of transportation is community understanding of the relationships between bicycles, motor vehicles, and their need to coexist and create a safe environment for all. The Sioux Falls Bicycle Plan calls for creating a bicycle public education campaign where bicyclists should be treated as if they are operating any other vehicle. The campaign looks at educating motorists, bicyclists, and law enforcement agencies about the rules of the road for both modes of transportation. In collaboration with area bicycling partners, businesses, and schools, public education efforts should continue on how to operate a bicycle in traffic and promote safe transportation for everyone. Proactive enforcement campaigns are strongly recommended as another means to heighten awareness around vehicular and pedestrian conflicts and educate the public about rules and regulations surrounding electric bikes.



Map 2: Bike Route and Infrastructure

Bike Route

| | |
|----------------------------|--------------------------------|
| Downtown Business District | Trail Connection or Other Path |
| Bicycle Fix-It Station | Signed Street Route |
| Bicycle Rack | Sharrows Street Route |
| River Greenway Trail | Future/To Be Determined |

CONNECTED

Goal 4: Build Up Transit to Serve Downtown

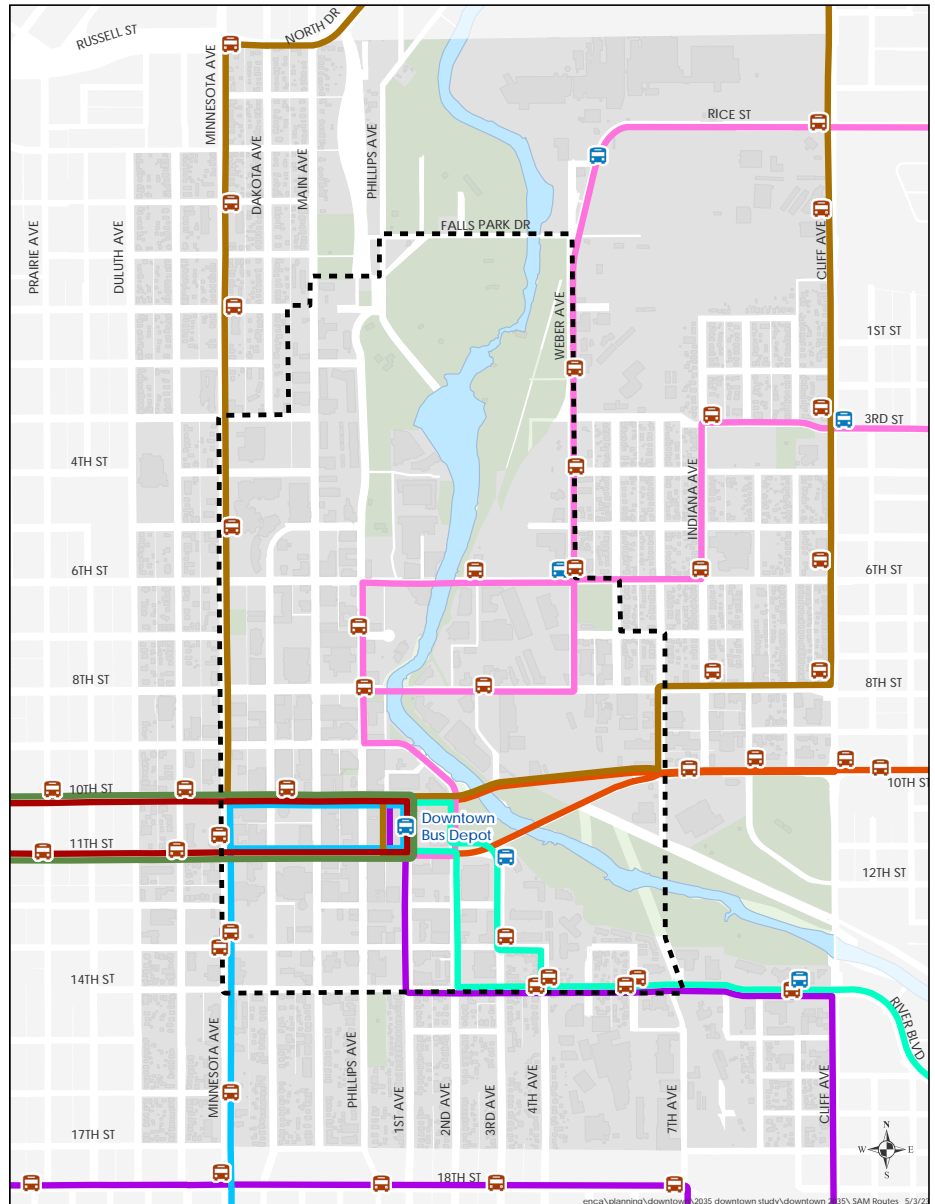
4.1 Improve frequency of transit services for riders traveling to, from, and within the core downtown.

Establishing frequent public transit routes to connect adjacent neighborhoods to downtown would provide an opportunity to reduce traffic congestion and the need for more parking facilities downtown. This would also provide important connections from the densest housing areas to employment, amenities, and services downtown. To support transit to farther reaches of the city, the on-demand model for services would continue to be the alternative approach.

The downtown trolley has operated for years but primarily served as a mode of transport for tourists to see downtown. While the trolley provides a sense of nostalgia and is a great tourist amenity, the current model is unsustainable as the vehicles have reached the end of their useful life and are increasingly expensive to maintain. Future funding streams must be identified to replace and maintain the trolley system.

4.2 Enhance bus stop infrastructure that includes shelters, heaters, adequate maps, trash receptacles, and live-route information.

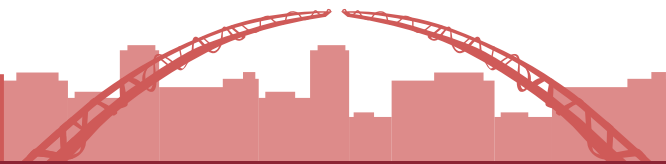
As a northern climate city, providing weather appropriate transit stops would improve bus stop conditions, which can in turn improve ridership. Unprotected transit stops provide a negative experience for any rider, and more so for those with impaired mobility. Providing shelters, lighting, adequate maps and route information, and wind-protective design at stops can make conditions more comfortable and improve user experience.



Map 3: SAM Transit Routes



CONNECTED



Goal 5:
Maintain a Safe Level of Vehicular Circulation to, from, and within Downtown for All Mobility Types

5.1 Implement lane reductions, one-way to two-way conversions, and other urban connectivity enhancements.

When roadways are designed with extra lanes, wide lanes, or one-way traffic, the streetscape does not support a welcoming environment for walking, biking, and even commerce. Downtown and adjacent core neighborhoods offer the greatest opportunity to shift transportation to a form other than vehicular. Much of the street network is focused on vehicular traffic and a more focused approach to complete streets needs to be considered. More activity downtown will lead to increased trip demand and promoting ways to make those trips without using an automobile will result in less traffic congestion and extend capacity of the current parking system. Complete Streets cannot be implemented on every street; however, a holistic downtown and adjacent neighborhood streets network plan should be created and should consider the entire multimodal network to coordinate design and construction to meet future trip demands.

Over the years there have been numerous conversations about the conversion of one-way streets to two-ways, which promotes a better pedestrian and business environment by reducing traffic speeds and creating a safer environment for all. These transformations should be highly vetted within plans to design the entire network downtown and in adjacent neighborhoods.

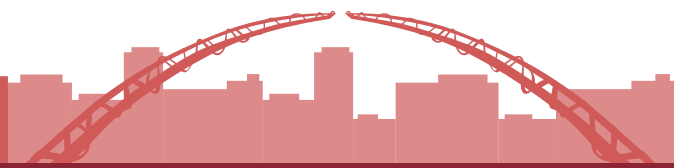


Main Avenue Road Diet

STREET TALK

The **Complete Streets** approach prioritizes early consideration of pedestrian, bicycle, and transit accommodations in planning for roadway projects. The approach promotes a comprehensive and integrated transportation network where infrastructure and design allows for safe and convenient travel for users of all ages and abilities, including pedestrians, bicyclists, transit riders, and motorists.

CONNECTED



5.2 Determine future east/west connections, viaduct design, and lane configuration that considers traffic and pedestrian accessibility of existing and future development.

No matter what improvements are made to other modes of transportation, vehicular traffic will account for the majority of trips to and from downtown. East/west connections are a major component of future traffic flow downtown. One major project that will need to occur during this planning cycle is the reconstruction of the 10th and 11th Street viaducts that connect eastern and western Sioux Falls through downtown. Under current conditions, the priority of the viaducts is to move traffic. There should be more consideration for other forms of mobility as reconstruction of the viaducts occurs. While the viaducts are critical to traffic flow, thoughtful consideration to the other modes of transportation must be considered to not only connect downtown to east and west Sioux Falls but create an attractive and safe environment for non-vehicular users.

5.3 Maintain safe speed limits by incorporating traffic calming measures such as speed readers, curb extensions, narrowed streets, mid-block crossings, speed enforcement, and temporary street closures on segments of Phillips Avenue.

Roadways designed for speed and vehicle flow tend to have the opposite effect for residents who are reliant on other modes of transportation. Fast-moving streets adjacent to downtown and surrounding neighborhoods tend to create barriers instead of connectivity. The City adopted a Complete Streets Policy, incorporating methodology and traffic calming efforts to maintain smooth traffic flow and encourage a safer traveling environment for other modes of transportation. In certain areas, consideration of removal of on-street parking could provide ample opportunity to narrow lanes and implement traffic calming measures.

The closure of Phillips Avenue between 9th and 10th and 11th and 12th Streets during events and peak hours on Friday and Saturday nights should be considered. Removing cars and opening streets to pedestrians has the potential to create a safer environment, enhance walkability, and provide a better user experience. This closure would eliminate cut-through traffic that often entails revving engines, excessive exhaust emitting from tailpipes, and deafening music being played on car stereos. A pilot project should test the closures effectiveness and public support before incorporating a permanent solution.

GROWTH + DEVELOPMENT

CORE VALUE

Downtown provides an opportunity for tremendous GROWTH. It is the hub for careers, innovation, entrepreneurialism, and economic development.

DEVELOPMENT is dense and offers a walkable, mixed-use environment, that will support continued efforts of infill development and exceptional growth.





GROWTH + DEVELOPMENT



Why This Is Important

Downtown is the economic and cultural epicenter of Sioux Falls and the Northern Plains region. Having a strong, growing, and economically viable downtown is not solely for the benefit of downtown but the community as a whole. The multitude of benefits a community reaps from a healthy and prosperous downtown is critical to the community's success. Downtown is a critical economic development amenity for Sioux Falls and the region to continue to attract people and businesses.

Think about where you stay when visiting a city, or where you take your friends and family when they visit Sioux Falls. More often than not, the answer is downtown. A journey through downtown has a major impact on the visitor's view of a city. A vibrant downtown is characteristic of its city. The complete opposite is true if the downtown is uninviting and lackluster. Continued growth and investment will encourage more people to visit and provide more opportunities for people who want to live, work, play, and do business, not only downtown but Sioux Falls.

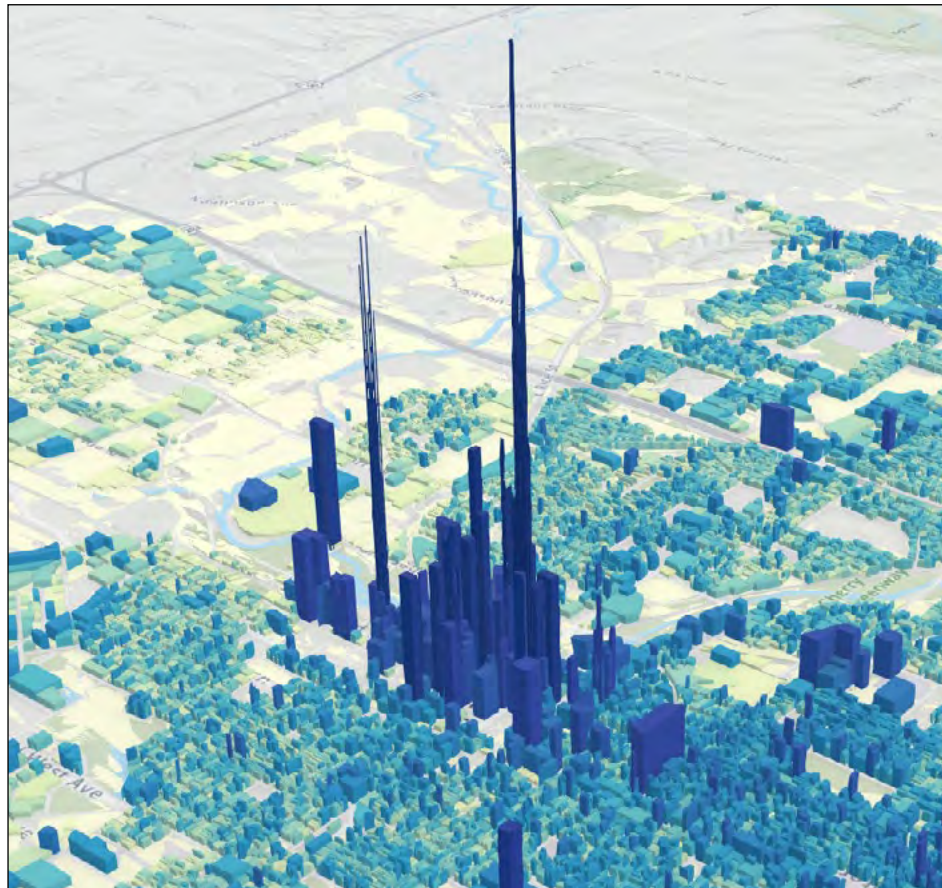


Figure 7. Downtown Value Per Acre

Value of Downtown

In general, downtowns boast the greatest return on investment—producing more property value, tax revenue, and house a higher percentage of residents and workforce per acre than anywhere in the community. The revenues generated through taxes not only support downtown but subsidize the collective needs of the community. The map below provides a depiction of property taxes generated per acre. As you can see, there is a stark contrast between taxes generated within and outside of downtown proper.

Market Opportunity

The Market Analysis developed for this plan is summarized below and can be found in its entirety in the appendix. The report, prepared by Leland Consulting Group, is intended to help guide the 2035 Downtown Plan and provide a fresh look at market conditions and development prospects. It highlights a quantitative forecast of development potential, provides a strategic overview of development opportunities, and encompasses a fresh analysis and review of market conditions and progress.

GROWTH + DEVELOPMENT

Population Characteristics

In 2021, the downtown study area was home to nearly 8,000 residents, which is under 4 percent of Sioux Falls' total population, which surpassed 208,000 residents in 2022. Sioux Falls grew 2.52 percent annually between 2010 and 2021, about 3.5 times the national growth rate. After a stagnant decade from 2000 to 2010, the downtown study area grew faster than the national rate for 2010–2021, but slower than the city, county, and Metropolitan Statistical Area (MSA) overall. Residential projects in the development pipeline should result in a considerably faster study area population growth rate in the coming years.

The Market Analysis includes existing and future market conditions for development in the downtown study area. The data is based on current forecasts for population and employment growth, published forecasts for expected growth, development trends, and interviews with local industry professionals. Based upon the historic growth rates in different market segments, Leland Consulting Group anticipates the following growth rates for the study area over the next decade:

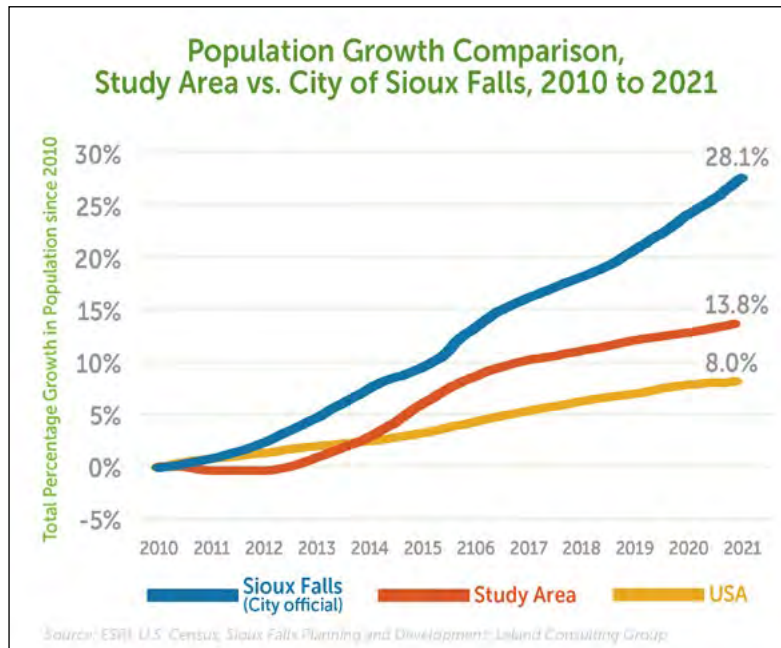


Figure 8: Population Growth Comparison Graph

RESIDENTIAL

Based on a 2.3 percent annual citywide growth rate projection (conservative relative to recent record years), along with relatively steady resident incomes and household sizes, and attainable annual residential absorption of 100 to 160 units per year, in the downtown study area over the coming decade, representing a 4 to 8 percent overall share of likely citywide demand. However, the plan's goal is to exceed this projection and add 250 units per year on average.

OFFICE

Based on an analysis of historical and projected employment growth rates across industry groupings in Sioux Falls, along with assumptions of office space usage by industry, an average annual office demand for downtown of 24,000 to 35,000 square feet—representing a 20 to 30 percent share of citywide demand.

RETAIL

A total annual retail and dining demand ranging from 15,000 to 22,000 square feet, generated from added households, visitors, and office workers.

GROWTH + DEVELOPMENT

**Goal 1:
Redevelop Under-Utilized Areas with High-Quality, Mixed-Use Buildings**

1.1 Identify and pursue development opportunities that leverage major impact.

Major developments on large, vacant, or underutilized parcels of land like the projects at the Steel District and Cherapa Place are not typical for downtowns. Large sites provide an opportunity for master planning that allows for efficient creation of mixed-use, village-like environments. Though land areas of this size will be harder to come by in the future, the Market Analysis has identified significant development opportunities within the downtown study area with the potential to create more transformational development that could serve as major catalysts for new growth. A few of the most likely candidates for new investment are as follows:

Wells Fargo Block Property: 2.6-acre site with residential, office, or mixed-use potential. The parcel is not currently on the market as the bank and offices are operational, but the building is generally outdated and not meeting its true potential. This entire block is one of the largest and underutilized properties in the heart of downtown. Revitalization efforts could take the form of several alternatives that include rehabilitation, adaptive reuse, or full demolition and redevelopment of the site.

Mall Avenue Parking Ramp property: 1.1-acre site with potential for multiple land use types. The parking facility was built and is owned by the City of Sioux Falls. The parking ramp has structural capacity to allow for multistory construction above and retail opportunities along 10th Street. The City needs to find the right partner and user to redesign and complete the project to its full potential. Given the demand discussed in the Market Analysis, the most likely use would be for residential development. Depending on a potential developer’s expertise and market conditions, a hotel or office building with a major anchor tenant could also be an appropriate fit.



Wells Fargo Property



Mall Avenue Parking Ramp

GROWTH + DEVELOPMENT

Railyard Property: Preliminary planning studies are complete for the 4.2-acre site, but no projects are currently underway. The site has excellent potential for a walkable mix of residential and commercial redevelopment. Likely uses would be similar to the railyard project to the north that includes a mix of housing, small office, and commercial uses.

Social Services Building property (Riverline District): The 7.2-acre site is the single largest redevelopment opportunity in the study area. Its current use as State offices leaves much of the site underutilized, yet it is close to downtown and could accommodate a significant master-planned project. The Riverline District site has been identified by community leaders as a potential municipal complex or mixed-use development. Any project here would require significant improvements for pedestrian connectivity to and from this site to downtown.

Weber Avenue Corridor: Another area poised for redevelopment includes the following sites not identified in the market study, which could be developed in conjunction or separately in the future:

- Sioux Area Metro Garage (3.73 acres)
- Johnstone Supply (2.64 acres)
- City-owned property located at 500 East Fifth Street (1.88 acres)
- Perspective Architects land located at 535 and 601 North Weber Avenue (1.01 acres)
- Quality Welding located at 824 and 826 North Weber Avenue (3.29 acres)
- Howe Plumbing (4.28 acres)

Beyond these key redevelopment sites, downtown will rely on a greater extent of smaller, incremental infill projects. Additional areas that may be poised for redevelopment can be seen in the development opportunity map.



Railyard Property



Riverline District



Weber Avenue Corridor

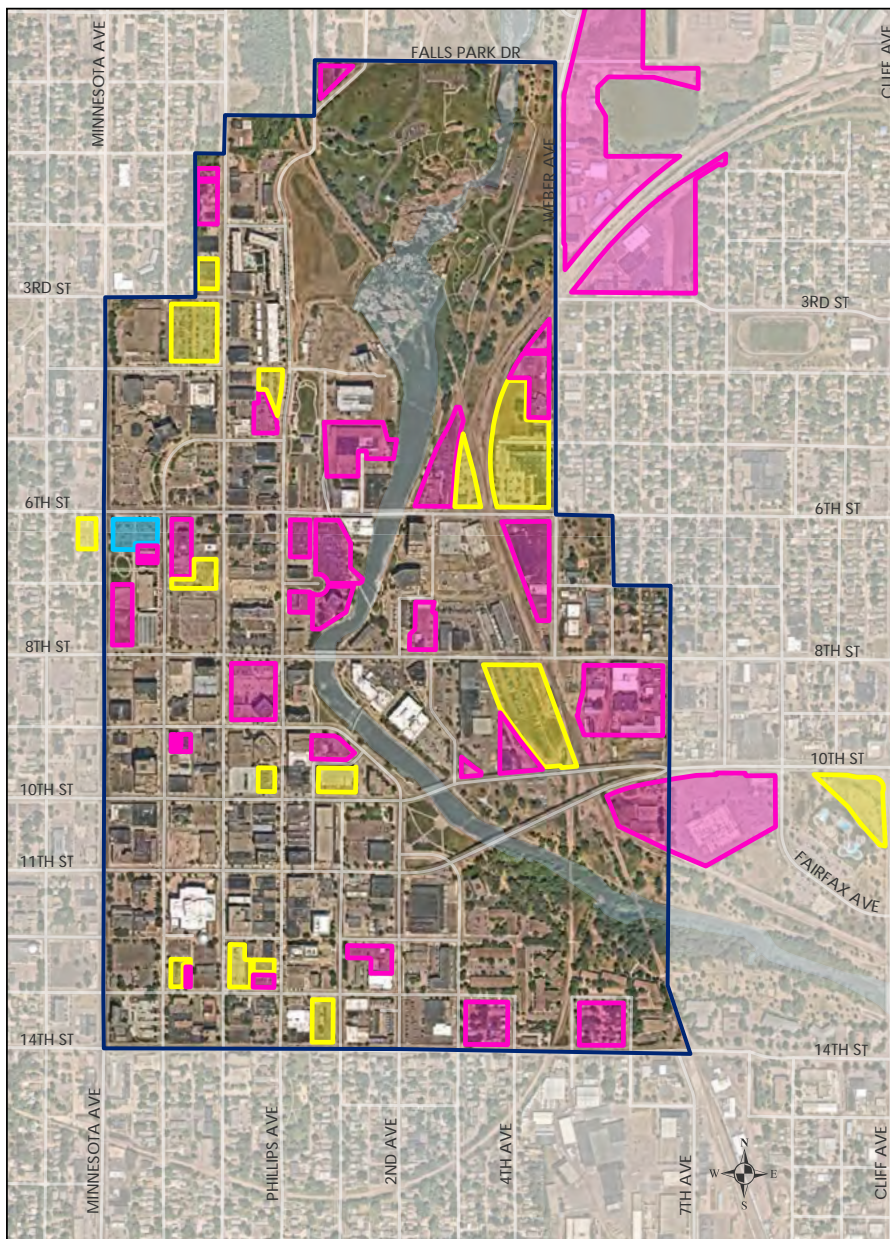
GROWTH + DEVELOPMENT



1.2 Expand downtown boundaries north and east to incorporate Falls Park and harness continued revival of the Eastbank.

With any planning effort, the study area typically looks beyond the current boundaries of downtown and discovers efficiencies and impacts of growth and development pressure on adjacent neighborhoods. Downtown’s robust growth over the last decade has led to ancillary discussions about downtown’s current boundaries and the possibility to expand into adjacent areas conducive to future development as growth patterns of downtown continue to creep outward.

Expansion of the boundaries doesn’t come easy or immediately and should be evaluated based on the given circumstances of each adjacent area. The inherent benefits of being located downtown include property tax abatement, services offered through the Business Improvement District (BID), and the ability to market property within the district. However, services through the BID are funded by property owners, which means an additional assessment may be needed to fund BID services. Before any abrupt changes are made to the boundaries of the BID, property owners and DTSF, Inc. need to discuss the impact of future inclusion of properties into the downtown district.



Map 4: Development Opportunities

Development Opportunities

- Downtown Business District
- City-Owned
- Privately Owned

GROWTH + DEVELOPMENT

The following considerations were given for future expansion of downtown's boundaries:

To the North: The Falls Park Master Plan is currently being updated and will provide a roadmap for future improvements and park programming efforts. Plans to expand the park further north will go beyond the current downtown boundary at Falls Park Drive. With Falls Park serving as a regional asset and the city's namesake, it makes sense to bring the entirety of the park and adjacent properties into the downtown boundaries.

Smithfield Foods is a large industrial meat packing plant located north of downtown since 1909. The site receives major criticism because of its industrial nature and proximity to Falls Park, downtown, and the Big Sioux River. Smithfield is a major employer of the community and a significant economic engine. Without Smithfield, Sioux Falls would not be what it is today, and the community should continue to embrace and pay homage to the culture of the industry that put Sioux Falls on the map. Though no plans are being considered for redevelopment in this area, it would provide a transformational revitalization opportunity if the manufacturer decided to relocate elsewhere in Sioux Falls.

To the East: With downtown growth pushing east, the Weber Avenue corridor has long been seen as a future development opportunity. Adjacent to Falls Park, it currently houses many industrial properties that are prime redevelopment candidates and would support appropriate transitions between the Whittier Neighborhood and Falls Park. Further south, the 8th and 10th Street corridors are gateways into downtown, providing great opportunities for reinvestment. Recently, a group called the Friends of the Riverline District have identified an area south of 10th Street as a prime candidate for the next major investment for our community.

To the South: The historic All Saints neighborhood provides minimal opportunity for downtown growth. Considerable opportunity still lies within the downtown boundaries on the southern edge and should be considered first. The physical barrier of 14th Street should continue to be considered for improving connectivity between downtown and All Saints, especially some small pockets along the corridor that are poised for redevelopment.

To the West: The established Cathedral Historic District and Pettigrew Heights neighborhood provide little development opportunity within the horizon of this plan. Minnesota Avenue also creates a physical barrier that limits perceived connectivity to downtown. Connectivity improvements and long-range planning efforts for these areas should continue to be considered in future street reconstruction planning.



Figure 9: Downtown Boundaries in 3D

GROWTH + DEVELOPMENT

1.3 Expand zoning options that provide walkable and dense mixed-use redevelopment conducive to adjacent neighborhoods.

The Downtown Plan Unit Development (DTPUD) zoning district’s purpose is to make the central business district the focal point of Sioux Falls. It encourages private and public investment that will preserve the central business district as a regional office, retail, hotel, institutional, cultural, residential, and entertainment center of the city. Currently, the DTPUD follows the RE6–Village Mixed-Use form, which supports higher density, unlimited height, size, and a zero-foot setback environment. This form allows maximization of the buildable footprint but will not be compatible in some future growth areas adjacent to established neighborhoods. Adding additional zoning options into ordinance will better support harmonious transitional areas and lead to more thoughtful development.

Downtown is in the unique position of needing to promote redevelopment while ensuring land uses and scale provide compatibility between adjacent residential neighborhoods and new downtown projects. Density and walkability are important elements to foster desired traits like vibrancy and diverse housing options while being appropriate in scale. There will always be concerns that future development will be too tall, bulky, or close to residential single-family homes.

1.4 Encourage infill development that supports a more walkable and denser urban environment to maximize public infrastructure and investment.

Continuing to pursue infill development that supports the core value of being connected. Developing infill sites will provide a more connected pedestrian environment and spur more street activity and increase the tax base. Appropriate sites, including those owned by the City, should be made available for redevelopment or used to leverage larger infill development opportunities.



Growth and Development Activity

STREET TALK
Infill development is the process of developing vacant or under-utilized parcels within existing urban areas that are already largely developed.

GROWTH + DEVELOPMENT

Goal 2: Stimulate Development

2.1 Encourage and continually evolve incentive programs to foster desired developments and targeted industries.

Municipalities in South Dakota have a limited number of incentive programs available to support development activity. Those that have been used in the downtown area include Tax Increment Financing (TIF), property tax reduction program, and the Façade Easement Program. Due to the risks associated with downtown development, these incentives should be reviewed to ensure relevancy and support desired development or targeted industries. Elements such as type of industry, job creation, economic development, density, design, and sustainability could be measurable to benchmark success with incentive programs.

2.2 Identify public investments that can be leveraged to encourage private investment.

Streets and sidewalks often offer the first impression for a downtown visitor. Improving the look and feel of downtown's core infrastructure is paramount to establishing an enjoyable pedestrian experience. The City should proactively coordinate needed infrastructure improvements with development to maximize public and private investment. A downtown infrastructure plan should be publicly vetted and lay out infrastructure priorities over the next ten years, including an investment strategy that guides utility upgrades, street improvements, and public realm projects.

The downtown infrastructure plan should phase improvements to catalyze private investment as private dollars generally follow public dollars. It does not make sense to have a new development completed in one year to then come back and tear up another portion the next. Though not all scenarios can work this way, it is best to try to appropriately manage projects so public improvements do not impact the business or living environment of newly constructed developments. Understanding all the improvements being considered, whether it be street, utility, or within the public realm can help with cost savings, prevent redundant sidewalk and street closures, and reduce fiscal impacts on retailers and service providers. Linking as many priorities together as possible will be beneficial for the taxpayer and end users of the new development.



Cherapa Place Building



Figure 10: Rendering of Unity Bridge Improvements

GROWTH + DEVELOPMENT

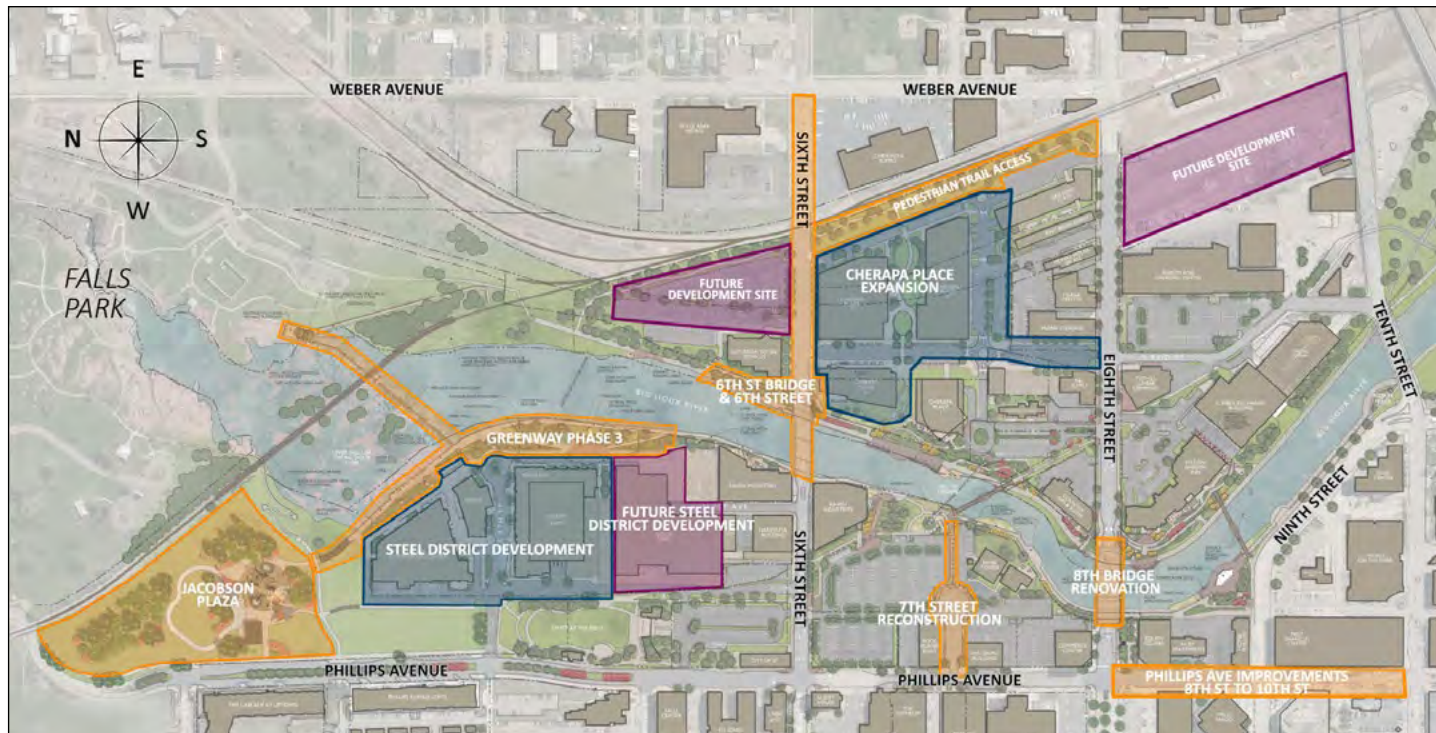


Figure 11: Development Overview

2.3 Establish stable revenue streams to support downtown enhancements.

Public and private improvements tend to be more costly in a downtown urban environment. As previously mentioned in this plan, downtown revenue streams outweigh valuations per acre more than any other area of the city. Knowing the value of downtown makes it imperative that the annual allocation for funding projects designated specifically for downtown should be budgeted for and not reduced. More people are impacted per acre by these investments than anywhere else in the city and continuation of these investments is crucial to keeping up with the density of residents, workers, businesses, and visitors. Falling behind on simple maintenance or improvements downtown tends to create a snowball effect that is difficult to catch back up. This practice is not sustainable for a downtown that is growing leaps and bounds. Making downtown improvements a priority will continue to make downtown an investable area for private capital.

2.4 Leverage or identify opportunities for public/private investments to achieve the desired vision for downtown.

Joining forces publicly and privately has been a successful endeavor for the community, specifically downtown. Whether it be through coordinating public and private improvements, incentivizing revitalization efforts, or philanthropic contributions that have brought desired improvements to the community, Sioux Falls has succeeded. An annual ideas exchange shall be hosted to garner public input on the future of downtown that both public, private, and non-profit organizations can be a part of. This is an instrumental way for the collective to express ideas for the betterment of downtown and provides a platform to get more people involved in visioning the future of downtown.

GROWTH + DEVELOPMENT

**Goal 3:
Establish Public-Private Partnerships to
Achieve Desired Development Outcomes**

**3.1 Attract more corporate headquarters to
locate downtown.**

Downtown is a critical economic development amenity for the Northern Plains region as it supports attracting businesses and jobs to the community. The City should partner with the private sector and investors to determine a deliberate approach that attracts knowledge-based industries and employees downtown. As the residential population of downtown continues to grow, it is critical to create more jobs and opportunities downtown to make it conducive for community members to live and work.

Attracting large, well-paying employers—possibly even Sioux Falls’ first Fortune 500 company—can add great benefit to downtown; however, much of its current success has come from local, entrepreneurial, and small business ventures. The City should continue to partner with organizations like Startup Sioux Falls and the Sioux Falls Development Foundation to promote an entrepreneurial environment that supports the next big idea. Once these ventures have grown and become successful, the intent is for them to want to invest in and stay downtown, expand employment opportunities, and continue to flourish.

3.2 Continue supporting diverse and dense residential development opportunities.

The previous downtown plan identified immediate market opportunity for downtown to grow its residential base. Since 2014, there have been 1,366 units permitted to support that goal. Adding to the residential base has the added benefit of supporting a qualified workforce and downtown merchants. More housing inventory is needed downtown to support city growth. As projects are identified, it will be imperative to support a diverse range of housing types to create variety and bolster the downtown residential community. Unit types, sizes, rental, and home ownership should all be targeted for diverse populations. It is also important to understand that stimulating investment in adjacent neighborhoods can provide additional options for workforce housing that remains walkable and connected to downtown.

3.3 Increase housing types that target all income demographics.

Downtown supports a variety of job sectors from professionals to support services and retail. To support a walkable living environment, housing for all income demographics should be promoted to reflect the types that meet the workforce needs. A diverse array of housing types offered at a range of price points will ensure the area remains a diverse and welcoming neighborhood for all. The more people that live and work downtown will in turn improve commute times for the entire community.



Railyard Flats on 8th Street



Nominal corporate regulations and no State income tax, are an attractive incentive for businesses to locate or expand operations downtown.



—Stakeholder Interviewee

GROWTH + DEVELOPMENT

3.4 Add 3,000 housing units by 2035.

A downtown mixed-use neighborhood provides living, retail, services, and activities and creates a cyclical environment. More people living downtown results in more local retail business. With time, the presence of more retail business garners greater interest for people to want to live downtown. This environment can create substantial economic benefits as well as sound development practices.

There are nearly 18,000 employees in the downtown study area, but only 650 (~3.5%) both live and work in the area. To capture more opportunities to live and work downtown, a larger housing supply is needed. The Market Analysis identified an attainable residential unit absorption of 1,000 to 1,600 units by 2035. However, to create the desired cyclical environment and drive job growth downtown, the community has set a higher benchmark of 3,000 units to measure success. As downtown continues to grow and add additional residential units, the City should provide more greenspace opportunities throughout downtown.

3.5 Partner with new developments to address sidewalk detours, traffic lane closures, and business interruptions during construction.

One side effect of urban development is the lack of space to stage development efficiently and effectively. The impacts of development can be detrimental to community members who are living, working, doing business, or visiting downtown. Development projects do not happen overnight, so long interruptions to vehicular or pedestrian pathways, storefronts, and parking availability can be debilitating emotionally, physically, and financially.

It is imperative the City and development community establish required criteria for downtown development. This criterion must also be met for public improvements, private utilities, or other known non-emergency projects. Any project that obstructs the sidewalk should be mitigated with a temporary sidewalk that affords safe and convenient passage, clearly directing users to the detour. Sidewalk closures are especially hard on small businesses during November and December and closures during those months should be limited so as not to disrupt peak holiday shopping.



View of Arc of Dreams and Downtown Skyline

COMMUNITY SPIRIT

CORE VALUE

Downtown's COMMUNITY SPIRIT is a representation of all of Sioux Falls and tells our story through history, art, entertainment, and the culture of our city.

The downtown community's philanthropic support cultivates creativity and innovation and tackles the community's challenges head-on.





COMMUNITY SPIRIT



Why This is Important

Art can enrich people’s lives by enhancing an experience in a public space, uniting the community, or even helping identify a specific neighborhood like downtown. It can help promote human interaction with the built environment and green space. It gives character to the streetscape and makes pedestrian corridors feel safe and inviting. It can be used to reimagine and give meaning to downtown gateways. It can instill civic pride in a community and transcend into a renowned identity. Public art can heighten social awareness like Dr. Martin Luther King Jr.’s statue in Van Eps Park, transform a landscape like the Arc of Dreams on the Big Sioux River, or like SculptureWalk does for the People’s Choice Award, which is added to the City’s permanent display of sculptures. All these artistic elements are important to the fabric of downtown and have the power to shape our city’s image. Because the arts enhance our community in so many important ways, it needs to be given proper consideration in the design and implementation of public space development and strongly encouraged as a part of private development efforts.



Mary W. Sommervold Hall, Washington Pavilion (Source: 605 Magazine)



Wells Fargo Cinedome



Martin Luther King Jr. Statue (Source: Keloland.com)



SculptureWalk Along Phillips Avenue

COMMUNITY SPIRIT

Goal 1: Expand Arts and Cultural Programming

1.1 Uplift and expand opportunities for the arts community to participate with small businesses, governments, and the community.

Local government agencies are aware of the influence arts have in establishing creative communities that people want to live and interact with. Sioux Falls is recognized as a community that acknowledges, respects, and harnesses the influence of arts and culture to create our downtown's identity. The arts should be part of everyday life in Sioux Falls and incorporated with new developments. We must encourage sustainable funding to support this vision for downtown. Expanding downtown Sioux Falls as an arts incubator, better promotion of our talented artists, and fostering local and regional art shows could attract more residents and visitors to downtown and become even more of a regional cultural destination.



Lunarfest Lions (Source: Vietnamese Community of Sioux Falls and Area)

1.2 Establish opportunities where painters, film makers, sculptors, muralists, theatre, performing artists, and educational programs can use multipurpose spaces.

Communication and coordination are key when trying to incorporate various forms of artistic display throughout downtown. Opportunities to partner with government and the private sector are abundant downtown and should continue to be considered to expand the arts. There are several facilities and public spaces which could be artistically enhanced through artistic programming. Sidewalk patios should not only be for diners but could provide space for painters, sculptors, or musicians. Parks and plazas can be temporarily used for performing arts. The interior and exterior of parking garages could be used as a community canvas. Parklets can be erected to provide a canvas for artists. The entire downtown would be an amazing backdrop for film makers. Opportunities are endless and the City and its partners are always open to new ideas and can evolve ordinances that strengthen our artistic community and enhance the downtown user experience.

1.3 Identify artistic opportunities through the Capital Improvement Program (CIP).

While not every project funded through the CIP program necessitates a line item for the inclusion of art, several CIP projects could benefit from some type of art installation or coordination of design work that is reflective of our community. When a road is reconstructed, art can be incorporated into the streetscape that could also include ornate benches or bike racks. Pedestrian or vehicular bridge designs could incorporate some type of prairie scene into it. Landscape efforts in public spaces could incorporate unique designs in conjunction with native plantings. Opportunities to celebrate art in the urban fabric are endless. The City and artist community should continue to find ways to partner and explore ways to enhance design and implement artistic flair incorporated into the built environment.



State Theater

COMMUNITY SPIRIT

1.4 Celebrate downtown as the designated arts and entertainment district.

Healthy downtowns naturally are art and entertainment hubs, and Sioux Falls is fortunate to have an abundance of artistic and cultural offerings. While downtown has been named the designated arts and entertainment district in previous planning efforts, significant homage has not been attributed to the district. This may stem from the district not having a designated concentration of art and entertainment destinations. Instead, the community's arts and entertainment offerings are spread throughout downtown.

1.5 Program arts and entertainment for all that is family, teen, and young-adult friendly.

Downtown programming efforts should strive to embrace all audiences of the community, especially content suitable for all ages. Through the planning process, the community identified a perception that downtown is not family-friendly. To the contrary, there are several destinations and activities for families that include the Siouxland Libraries, Levitt at the Falls, Washington Pavilion Visual Arts Center, Kirby Science Discovery Center, Wells Fargo CineDome, Raven Children's Studio, The State Theatre, SculptureWalk, Falls Park Farmer's Market, Stockyards Ag Experience, and a variety of retail offerings that cater to or are suitable for all ages. Programming should create entry points to involve children and families as active participants.

Public engagement revealed that young adults may not feel welcome downtown due to the number of entertainment options that cater to only the 21 and over crowd. Merchants should consider allowing patrons 18-21 years of age to patronize an establishment until a time that is appropriate for the business and its patrons alike. This would allow young adults to enjoy artistic, entertainment, and culinary options while not being completely excluded from the scene because of their age.

1.6 Identify and develop activation for underutilized public spaces with programming that includes street performers, musicians, and art installations that have broad appeal to residents and visitors.

Part of the 2035 Downtown Plan process was harvesting data on all things downtown. One piece of information the City never had in the past was an inventory of dead space. Dead space within a downtown is defined as the pockets of space that lack human interaction. These spaces can be the result of developing buildings that do not factor in the existing built environment. This lack of forethought hinders connectivity and creates space devoid of human connections. The City and its partners should continue to find ways to enhance dead space with site activation that could include murals, street art, artistic performances, or even creating maker pop-up shops that provide goods and services. The City should also ensure burdensome ordinances do not get in the way of tasteful dead space activation. *(For more information, refer to the Blank Walls and Dead Spaces Map on page 87 of the Appendix).*



Phillips Avenue Plaza Activities



Phillips Avenue Plaza Activities

COMMUNITY SPIRIT

**Goal 2:
Provide Opportunities for Philanthropic Support
for Downtown Projects**

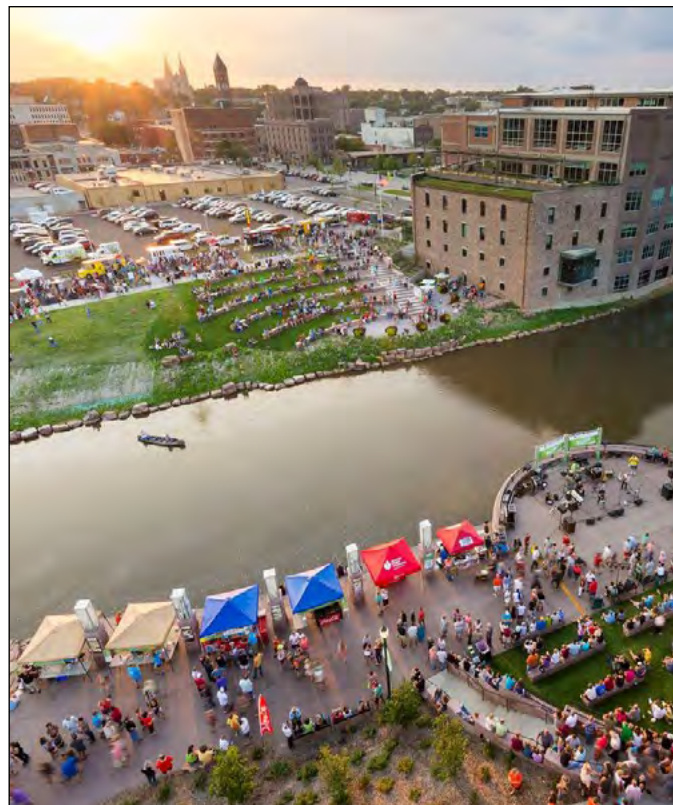
**2.1 Identify projects that would be opportunities for
community participation.**

A lot of people have great ideas, they just don't have the capacity, technical skills, or funding to accomplish them. Collectively, thinking boldly, yet timely, can lead to significant developments. Think of the Phillips to the Falls—this was not a popular idea when first proposed. Today, it is hard to imagine Phillips Avenue not connecting to Falls Park and providing a grandiose entrance to and from downtown. Some people wanted the Washington Pavilion to be a parking lot rather than converting it into a cultural amenity and asset. Think about the River Ramp parking structure that blighted the Big Sioux River views, or the Arc of Dreams and the identity it has already given downtown in such a short amount of time. Ideas like this spark significant public interest and involvement and set the tone of our community. The City should continue to foster and cultivate change-making creativity that sets us apart from others and seek funding to support these efforts.


**2.2 Establish a downtown fund where philanthropic
monies could be contributed to support
downtown projects.**

Sioux Falls has a very generous philanthropic community. MarketBeat Holiday Plaza, Jacobson Plaza, and the Kirby Dog Park are a few of the recent partnerships with generous community stewards that fulfilled a community wish over the past few years. No matter what the ask is, the philanthropic community routinely gets behind passion projects for the betterment of downtown. With the recent success of the Sioux Falls Parks Foundation, one would believe a Downtown Sioux Falls Foundation could have a profound impact on the user experience through placemaking and other enhancements throughout downtown.

Like the Sioux Falls Parks Foundation, a group of passionate volunteers would work in collaboration with the City of Sioux Falls and Downtown Sioux Falls, Inc. to provide generous donors with community supported opportunities and ideas for strategic investments throughout downtown. The work of the Downtown Sioux Falls Foundation would be defined by our community's dreams, goals, and needs.



Annual Downtown Riverfest

 Our city has a tremendous philanthropic community. 

—Stakeholder Interviewee

COMMUNITY SPIRIT

Goal 3: Promote Ways to Share Our History

3.1 Encourage historic preservation opportunities and educational efforts throughout downtown to advance heritage preservation.

The City and its partners should continue to leverage efforts as it is imperative to the culture, uniqueness, sustainability, and economic development of downtown. Federal and State grants should continue to be pursued that provide additional monies to ensure the next candidates for preservation can save for future generations. The City should consider expanding preservation programming efforts starting with the Façade Easement Program. Other preservation efforts could include a storefront or mural restoration program for buildings not on the register or expanding historic districts.

3.2 Utilize historic landmarks, walking tour apps, interpretive displays, or historic markers illustrating the transformation of the downtown area.

Expansion of educational efforts should continue to be considered. Interpretive displays, podcasts, or other types of markers or visual interest should be incorporated into the urban fabric where appropriate. Interpretive displays or markers could expand on the community's historic efforts and could include projects like removal of the Pitts Scrapyard where Levitt at the Falls is located, River Ramp removal near 8th Street, the former Phillips Avenue pedestrian mall, and several other significant developments, events, or points of interest that could be noted through some type of interaction.

3.3 Use historic landmarks to connect adjacent neighborhoods and downtown through expanded opportunities for interaction.

The historic All Saints and Cathedral neighborhoods are amazing walkable historic gems. Both neighborhoods have some of the most beautiful homes in the city and the most expansive views of downtown. While the All Saints neighborhood has an eclectic mix of stunning architecture and a small mix of businesses, the Whittier neighborhood is also very walkable and provides a destination full of diverse culinary offerings and services. The City should be intentional about connecting these neighborhoods to downtown through the promotion of historic preservation, landmarks, and the unique offerings of each.



Federal Building and United States Courthouse



Central Fire Station (Number One)

Phillips to the Falls is the former Brownfield site that extended north from East 6th Street to Falls Park that included a scrapyard and lumber company. Through years of commitment, the brownfield was removed to create the current day connection of downtown Phillips Avenue to Falls Park.

BRANDING, IDENTITY + MARKETING

CORE VALUE

Downtown's BRANDING showcases a vibrant and diverse neighborhood that pushes the boundaries between work, culture, play, and home.

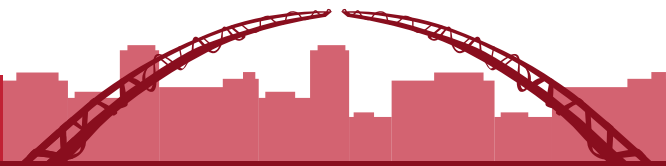
It is made up of eclectic districts that uniquely tells a story about the history of Sioux Falls, celebrating the heart of the city.

Downtown's IDENTITY and MARKETING will build national awareness of the brand.





BRANDING, IDENTITY + MARKETING



Why This is Important

Just like any corporation or organization that provides an experience, downtown Sioux Falls should also have a strong brand that is easily recognizable and consistently executed. Downtown Sioux Falls' brand is establishing what downtown is and has to offer. It is our own unique mix of elements that sets Sioux Falls apart from other cities. A good branding process engages the downtown community residents, businesses, and stakeholders to generate unison support and excitement over the change. A successful branding campaign is a process and involves research, design, education, and funding. If done appropriately, it has the potential to boost foot traffic which enhances the overall experience for residents, visitors, and the business community.

Using traditional branding techniques such as slogans, signs, and logos can further a downtown brand by creating a unique image and culture. Efforts should not only be focused on individual aspects, such as creating a sense of place or a business mix, but also the way in which downtown is viewed. For instance, paying attention to the process of implementing a brand to attract customers into an area. Many business owners perceive branded downtowns as having fewer vacant buildings and greater economic success relative to competing retail venues, and local businesses are seen as being more successful.



Downtown Mural

To successfully brand a downtown means showcasing the features and businesses that will lure the desired demographics into the area. Once consumers arrive in an area, they tend to stay for additional activities such as dining and entertainment. This increase in local activities will lend a sense of vibrancy to a downtown, and vibrant downtowns are more likely to have a favorable business performance. Creating a brand for a downtown means creating an image that will positively differentiate that area from other community shopping areas or neighboring downtowns.



There is a need to establish a distinct and iconic identity for the downtown.



–Stakeholder Interviewee

BRANDING, IDENTITY + MARKETING

Goal 1: Celebrate Downtown's Brand as a Vibrant and Diverse Neighborhood

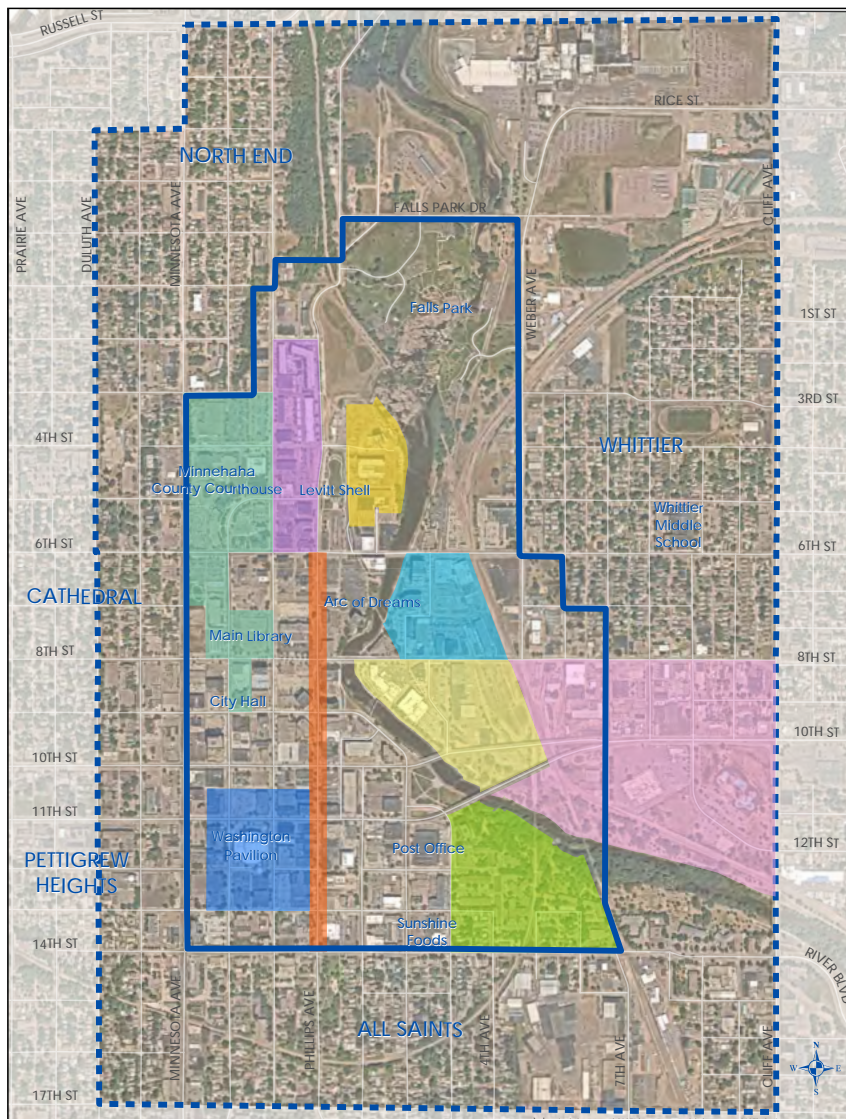
1.1 Define downtown's districts.

Downtown has continued to grow and thrive over the last few decades, and over time, unique characteristics of different areas have organically been recognized and acknowledged. Several defined areas of downtown have been established over the years, although the districts have never officially been recognized in previous planning documents. Defining these districts will create subareas within downtown that oftentimes create their own unique characteristics and energy. Clearly identifying and delineating downtown areas and districts will create a sense of arrival, distinct pride, and an identity. The following areas have already been identified and future areas will be called out as they develop their own identity:

- Downtown Core (Phillips Avenue core from East 14th Street to East 8th Street)
- Uptown (Phillips to the Falls, north of 6th Street)
- Eastbank (eastside of Big Sioux River to Weber Avenue)
- Riverline (south side of East 10th Street between North Franklin Avenue and North Cliff Avenue)

1.2 Define partner roles and responsibilities related to branding, marketing, and communications, while using established brand guidelines consistently.

A key part of marketing downtown is having a communications plan. Regular communication with mainstream media outlets and alternative press, the public, and with downtown stakeholders is critical to maintaining the brand image. Marketing success for downtown depends on maintaining coordination amongst the merchants and organizations, while the residents and visitors must all be able to recognize and relate to a consistent brand and cohesive messaging. A communications plan should also outline the types of content and frequency of messaging downtown produces throughout the year. Elements to consider include advertising, promotion, public relations, and special events.



Map 5: Defined and Emerging Districts



Defined and Emerging Districts

BRANDING, IDENTITY + MARKETING

**Goal 2:
Establish Downtown’s Brand Identity**

2.1 Establish the use of consistent design elements throughout downtown to create a cohesive sense of place.

Downtown should have a strong brand that consistently executes on everything including but not limited to advertising, wayfinding signage, street pole banners, and promotional materials. A good branding identity should involve the community who can provide input which then provides public buy-in and pride evolving from the new branding identity. Think about the Sioux Falls flag, which was pretty much non-existent before a 2014 community campaign conducted a call for art. The community collective created, voted on, and adopted the design. It became the official City flag in 2018 and it can be seen flying at government buildings, businesses, and residences throughout Sioux Falls.



Sioux Falls Flag (Source: Briana Sanchez, Argus Leader)

Branding is more than just words and images used along with a place’s name as these things evolve. The slogan, logo, and design are tools used to cultivate a positive perception. Messaging can be found in print materials and throughout the built environment, which may include wayfinding, banners, and other streetscape elements. An assessment should be conducted on current and existing branding opportunities to determine costs associated with rebranding and appropriate placement of a new branding identity throughout downtown.

2.2 Establish criteria, processes, and funding to define and create aesthetically unique, and cohesive districts.

Branding is the process of selling a positive image of downtown. It provides a unique set of emotional connections and positive expectations of its end users. It also has the ability to foster a sense of community that keeps folks interested in downtown and makes the community an attractive destination for various markets. According to CEO for Cities, “A brand—clear, compelling, and unique—is the foundation that helps to make a place desirable as a business location, visitor destination, or a place to call home. Development of a brand strategy for a city or downtown leverages the features of that place to provide a relevant and compelling promise to a target audience. It is not an ad campaign or a tagline. Rather, the branding strategy is a deeper, more emotionally shared vision that influences actions.”



Phillips Avenue Lofts, Residential and Commercial Property

There are many reasons why it is critical for a place to have a brand strategy, but the most common is to stimulate a sense of place and economic growth. A strong brand can create a collective vision of downtown and its potential, provide consistent representation, thwart unfavorable misconceptions, and enhance regional and national awareness and position.

BRANDING, IDENTITY + MARKETING

Goal 3:

Market Downtown as a Great Place for Business

3.1 Make downtown and its events hard to miss with better physical and online marketing.

Marketing can implement the brand strategy and encourage key market segments to increase their use of downtown as a place to live, work, shop, and play. By marketing downtown's unique characteristics, consumer and investor confidence, and quality of life, the district can be strengthened, thus resulting in increased economic activity and investment. It is imperative to place an appropriate marketing focus on downtown offerings and not just downtown as a place. Efforts to expand physical and online marketing on all fronts should be explored and implemented.

3.2 Create a prospectus for downtown to encourage development and business recruitment for targeted industries.

Downtown, and Sioux Falls as a whole, is a great place to do business and our community needs to keep beating the drum on a regional and national level. From our park amenities, arts and entertainment, diverse culinary options, unique merchants, and walkable downtown, people fall in love with downtown Sioux Falls. Downtown's quality of life sets Sioux Falls apart from so many other mid-size communities, and when people come here, they leave impressed. Downtown gets better every day, which in turn helps young professionals want to move to or stay in Sioux Falls, which helps alleviate brain drain. Downtown is home to several employment sectors, which include finance, healthcare, and agriculture. Identifying ways to attract other companies to build off existing economic synergies will be key in maintaining an economically vibrant Downtown.

The City and its partners should collaborate on a prospectus that demonstrates all the great things about downtown that includes information on the business climate, tax-friendly environment, work ethic, workforce demographics, and other pertinent data that the business community considers when looking to start up, relocate, or expand their business downtown. Being intentional about getting downtown's message out could pay significant dividends in the long run, especially when it comes to attracting industries and employers that young adults want to be a part of.

3.3 Welcoming packet/campaign for new employees, businesses, and residents.

Everyone knows what it feels like to be the new kid on the block and this transition is easier when you have more information about your new neighborhood. A welcome kit for new arrivals would be a great way to break bread and harness new relationships. The kit could include some type of swag and provide an overview of expectations when living downtown. Informational items could include the important work DTSF, Inc. conducts, who to contact brochure on an array of matters, parking facility location and availability, snow removal procedures, annual events, and local service provider information.

3.4 Register owned locations in Google Maps and Apple Maps to enhance the user experience while navigating downtown.

Data is only as good as its input; therefore, the City and community should be more proactive when it comes to updating electronic mapping hosts like that of Apple and Google. The power of these two map providers is significant and people rely heavily on these tools for the latest information on activities, dining, parking, and services. When the "owner" registers a site—for instance, a parking ramp—it allows them to input common information like hours of operation or contact information to assist the end user. Details could include a link to the parking website, a link to download the parking app, hours of operation, and other pertinent information to further enhance the user experience of visitors and people less familiar with downtown.

QUALITY + DESIGN

CORE VALUE

Downtown is an urban area with ample greenery, active streetscapes, and public spaces of the highest QUALITY AND DESIGN.

It has the most well-designed buildings that provide the highest and best use and creates a neighborhood of beauty for all to experience.





QUALITY + DESIGN

Why This is Important

A quality sense of a place can be understood by examining the built and natural environment and the social and cultural aspects of a city. Sense of place comes from the physical, social, and economic environment offered by a place. It can be recognized through the location's design, architectural character, housing, and neighborhoods, and through experiences in the public realm such as walkability, street life, and community and social events. Sense of place is a location's unique and recognizable character that influences people's health, comfort, happiness, and well-being.



12th Street Plaza (Source: DTSF Inc.)

Downtown Sioux Falls is a dynamic urban core that offers a variety and mix of housing options, eclectic shops, world class dining, ample employment opportunities, and a plethora of recreational activities. As downtown continues to evolve, continued efforts to capitalize on the vibrancy and design will create a high-quality environment that blends well with the natural setting of downtown. Making sure that focus is placed on the look and feel of the built environment downtown will continue to promote a place that is desirable and welcoming for all.

The built environment is a key indicator of the quality of a place. By creating a dense, walkable, mixed-use environment, downtown can provide quality public spaces that bring the community together and offer a connection to nature and opportunities for human interaction through community events and recreation. A quality sense of place can play a key role in attracting and retaining highly skilled and knowledge base workers, which leads to economic growth.

QUALITY + DESIGN



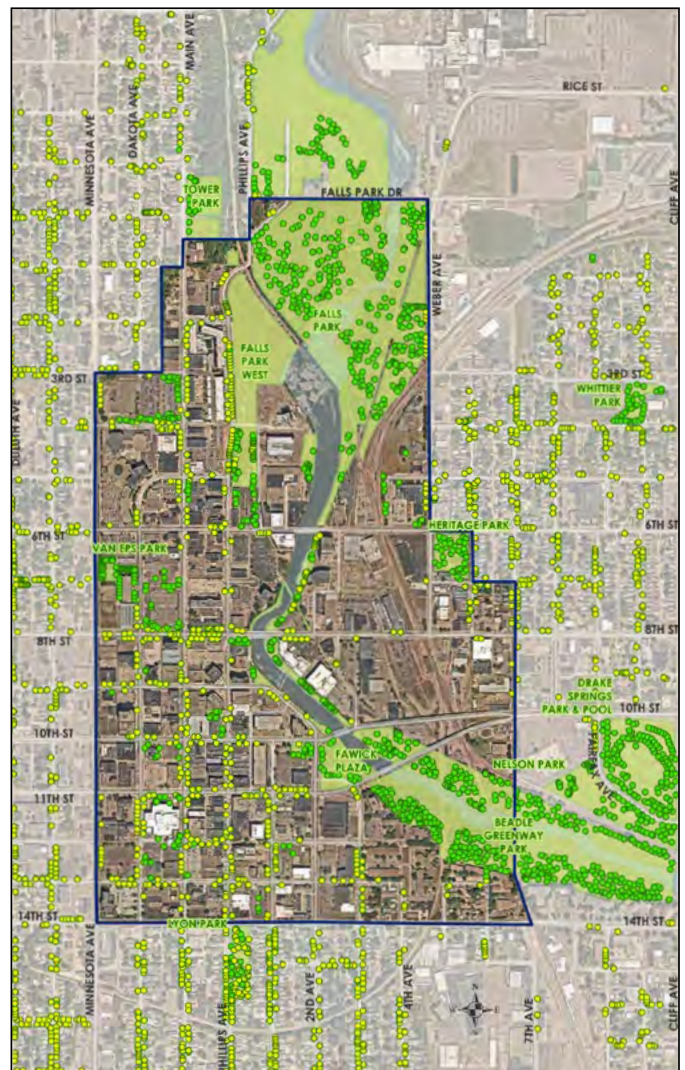
Goal 1: Improve and Expand Streetscape Design to be More Vibrant, Pedestrian-Friendly, and Consistent Throughout Downtown

1.1 Increase the amount of vegetation throughout downtown to break up continuous hard surfaces by including the use of native grasses, flowers, and shade trees.

The sense of place found downtown is unique to Sioux Falls. Fostering a unique, attractive, safe, and engaging pedestrian realm not only encourages walking but also connects people to their destinations. Many areas of downtown are a typical urban design, which entails maximizing properties by building to the property lines, leaving little remaining natural environment. This type of development is desirable but can feel like a concrete jungle if not supplemented with pedestrian-friendly streetscape elements that consist of street paving and markings, trees and landscaping, sidewalks, street furniture, and lighting that all combine to form an overall aesthetic and identity downtown.

A healthy urban forest composed of trees within the public right-of-way and on public and private property can contribute greatly to the sense of place created in a downtown environment. Trees provide shade, habitat, color, and other aesthetic enhancements, reduce the urban heat island effect, and offer many other benefits. Street trees remain a priority of the City and need to be incorporated into the landscape for new projects and replace existing ash and other diseased trees within downtown.

When trees cannot be planted due to utilities or other site challenges, including other vegetation, such as native grasses and flowers, should be a priority to soften the landscape. Hanging flower baskets and decorative bollard planters should continue and perhaps be expanded as another means to soften the built environment. Increasing these elements in the streetscape can also assist with enhancing walkability, slowing traffic, and reducing road noise to promote an enjoyable public realm. Other innovative ideas to soften downtown’s vast impervious surfaces should continue to be explored by the City and its stakeholders.



Map 6: Green Space

Green Space

- Boulevard or Park Tree
- Downtown Business District
- Park/Open Space

1.2 Establish responsibilities for increasing, maintaining, and replacing trees and landscaping downtown.

New developments, adaptive reuse projects, and significant remodels should be required to update the streetscape to a minimum standard during the development phase. This should include new sidewalks, street paving and markings, and the planting of trees and hardy plants that are approved by Parks and Recreation. Following construction, the City will maintain the newly developed streetscape to keep the trees and vegetation thriving. As trees suffer disease or start to die off, new trees will be replaced in a timely manner. Developing an urban forest plan for downtown and establishing a tree preservation ordinance that addresses maintaining a level of tree life downtown should be considered to support the multitude of benefits trees have on the quality of life.

QUALITY + DESIGN

Goal 2:
Support Measures that Create a Sustainable Neighborhood Environment

2.1 Implement Quiet Zones at Burlington Northern Santa Fe (BNSF) rail crossings.

As the downtown residential population grows, there is more desire to incorporate Quiet Zones throughout downtown to reduce the disruption of train horns. The train horns impact residents as well as businesses. The process for this endeavor has started with the design phase of improved rail crossings to meet Quiet Zone standards of BNSF, but monetary support to implement the zones throughout downtown is imperative to support this quality-of-life improvement. It should be noted that the establishment of a Quiet Zone does not result in the total elimination of all train horn noise as it provides the locomotive’s engineer discretion to sound the horns to prevent imminent injury, death, or property damage.

2.2 Monitor and enforce noise pollution to include loud pipes, party vehicles, and rowdy bar patrons.

Many design elements can address issues surrounding noise pollution downtown. Traffic calming measures can slow down traffic and inhibit loud noises from vehicles, rideshare locations can be established away from residential units, party vehicle hours of operation could be tweaked to keep them away from residential areas, and planting more trees can soften the noise of rowdy bar patrons after hours. However, a greater focus on enforcement of traffic and noise ordinances shall also be implemented to provide a desired level of noise that is supportive of the mixed-use environment downtown is trying to foster.

2.3 Implement sustainable practices focused on environmental impact and responsible uses of resources.

Sustainable practices like implementing rain gardens and bioswales within downtown could play a major role in reducing surface runoff and would also increase the amount of vegetation within downtown. Other sustainable measures to consider could be incorporating solar panels on rooftops to harness clean energy, EV parking stations, or implementing a food waste reduction program for downtown restaurants to keep food waste that could be repurposed out of the landfill. The City should continue to look at incorporating sustainable practices as public attitudes and technologies evolve.



Architectural Façade, Downtown Security National Bank



Architectural Enhancements, Downtown Carpenter Building



Preserving Property Character



Historical Building Features

QUALITY + DESIGN



Goal 3:
Enhance Design Standards and Zoning Ordinances to Foster a Quality-Built Environment

3.1 Complete a comprehensive review of the design standards and zoning regulations.

A comprehensive review of existing design standards and zoning regulations should be conducted to better understand any opportunities or challenges that can be addressed within. As downtown evolves, so should policy that stipulates the built environment. It is important to strike a balance between the community’s wishes and desires and what is feasible and attainable from a downtown development standpoint. Design standards that are too rigid can inhibit growth and the eclectic character of downtown, and weak design standards can lead to undesirable development that may not be conducive to the overall fabric of downtown. Consideration for the following design elements should be addressed:

Landscape Standards

The current landscaping standards for downtown are the same regulations that apply to other areas of the city. Specifically, standards that are achievable and meet the desired outcome of adding greenery to downtown should be considered. The standards should be achievable within the dense, urban environment that makes up downtown.

Building-Street Interface

Limit future parking ramp frontage, garage door openings, and driveways along public rights-of-way. Street frontages downtown should be lined with building fronts, landscapes, and public spaces and not be interrupted with parking garages, garage door openings, and driveways. It is not conducive to promote buildings that are designed to activate the pedestrian realm but then allow non-pedestrian designs to interrupt walkability and create a less safe environment by causing conflicting interactions between vehicles and pedestrians.

Pedestrian-Level Design

Pedestrian-level building fronts should create visual interest and activation for the pedestrian passerby. Well-lit windows allow for interaction between the activities of the building and the sidewalk. Blank walls and closed or tinted windows offer minimal attraction to passersby and reduce the vibrancy of downtown by not having a continuous street front of activity. Continuous street walls with at-grade entrances are critical to the economic viability of commercial uses and should be standard.



There is a need to diversify retail options. Some retail space is occupied by businesses that are non foot-generating traffic on Phillips and Main Street.



—Stakeholder Interviewee

Density Standards

Creating density is an important concept for cities, especially in downtowns where the amount of land is finite and the price per square foot far exceeds any other area of town. The Sioux Falls zoning code requires density requirements in other residential areas but does not stipulate anything for downtown. The City should continue to review policies that create a minimum density requirement for downtown development. Standards for a minimum amount of first floor commercial space would promote a walkable environment and provide future opportunities as downtown fills out in other areas. Residential developments should consider a minimum number of units per acre developed to act as good stewards of the limited amount of land within downtown. This will not only maximize development potential of the finite land supply but will support the dense, connected, and walkable environment that is desired downtown



QUALITY + DESIGN

3.2 Evaluate existing zoning standards to provide options for dense and walkable growth transitions to adjacent neighborhoods.

The Planning Division recently implemented the Midtown Mixed Use Zoning forms that promote denser housing options in walkable neighborhoods and transitional areas outside the downtown planned unit development. The goal is to provide a harmonious transition while alleviating development impediments that may include reduced or shared parking, reduced setbacks, and reduced bufferyards where appropriate, all while being mindful of impacts on adjacent properties. The new classification will intentionally provide appropriate transitions that complement existing development with walkable mixed-use and multifamily residential allowances where appropriate. This opportunity could provide a more conducive and appropriate development option better connecting downtown to adjacent neighborhoods.

Other benefits of a new zoning district include expansion of the housing mix and mixed-use opportunities in walkable areas or those served by the bike trail, bike routes or transit, and densifying underutilized parcels already served by existing infrastructure. The new ordinance would also act as a catalyst for neighborhood stabilization, redevelopment, and revitalization. Another goal of the ordinance is to enhance an area’s unique identity and development potential, more efficiently use the existing infrastructure in the urban core, increase the local tax base, and create more walkable neighborhood services and amenities.



Zandbroz Variety Store on North Phillips Avenue

QUALITY + DESIGN

Goal 4: Promote Innovative and Sustainable Parking Practices

4.1 Review and identify designated locations for pick-up/drop-off (PUDO zones) for online orders, carryout, and rideshares.

An audit of loading zones, carryout, and rideshare parking locations should be evaluated across downtown and determine appropriate areas for co-locating. Rideshares create a safe and convenient way for individuals to get to and from downtown, but many of the high-demand areas create congestion issues for easy pick-up and drop-off that is safe. Identifying those areas and determining safe designated locations will benefit traffic flows and rideshare patrons alike.

4.2 Identify locations to increase use of back-in angle and diagonal parking where appropriate.

Back-in angle parking provides several benefits as compared with conventional pull-in angle or parallel parking. It provides better sight lines when exiting the parking stall. Motorists can see approaching vehicles and cyclists before pulling out of the parking stall. This avoids the challenges with conventional pull-in angle parking, where motorists are often unable to see approaching traffic when backing out of the parking stall, which can lead to fewer accidents. Another benefit of back-in angle parking is it allows for curbside loading versus the conflicts of standard pull-in parking or another parking stall with parallel parking.

4.3 Harness parking technology by converting all meters to contactless payment or app-based payment options.

The focus on convenient parking is important for any visitor downtown. The Public Parking Division is transitioning to smart meters across downtown that will support contactless payment and will connect with the existing ParkSmarter app for ease of access for customers. As more new technologies come online that support an efficient and convenient parking system, other changes should be considered and implemented where appropriate.

4.4 As demand increases, partner to implement EV charging stations.

Due to increased demand, Electric Vehicle (EV) charging stations are now being considered for increased placement. Strategic placement of EV stations will be at the forefront of conversation as downtown parking is designed to turnover vehicles frequently for the merchant's benefit. EV charging stations should locate areas that do not need parking turnover for retail. Surface parking lots and private property are prime candidates for EV charging station placement. Currently, EV charging stations are located at the Holiday Inn parking garage, Railyard Flats, and in the parking lot between Phillips Avenue lofts and City Center Senior Apartments located at 616 North Main Avenue. City staff will lean on the upcoming EV Readiness study that will be conducted after this plan is adopted for future EV charging station placement.



Pick-up and Delivery Designated 20-Minute Parking



Charging Station at Railyard Flats
(Source: SiouxFallsBusiness.com)

QUALITY + DESIGN



4.5 Prevent parked vehicles from occupying drive lanes.

Address parking space length requirements to keep drive lanes free from parked vehicles. A possible ordinance change should be considered to address the vehicle length of cars parking in diagonal spaces along Phillips Avenue. The length of trucks has been a concern for a few years now as long bed trucks with hitches protrude into the drive lane. This creates a dangerous scenario for both cars and bicycles as the operator must swerve into oncoming traffic to avoid a collision. However, implementing such an ordinance may increase the average speed along this corridor, which may have unintended consequences.



11th Street Parking Ramp Next to SAM Transit Bus Depot

4.6 Expand enforcement hours of downtown parking meters.

Downtown has come a long way from being an 8 a.m. to 5 p.m. destination. On-street parking demand is driven by more people patronizing businesses after 5 p.m. and during the weekends. To support a thriving business environment, parking turnover is important to support the extended business hours. Public Parking should look at extending the operational hours of the on-street parking meters and enforcement beyond 5 p.m. during the weekdays and on Saturdays. This could also include premium parking charges for even greater turnover on Phillips Avenue. Implementation of premium pricing would be an attempt to get more vehicles to use existing parking ramps steps away from Phillips Avenue when parking demand is at its peak. Parking ramps can remain free during those times and will provide a convenient option for those wanting to avoid paying for the meter.

4.7 Promote more effective communications to provide relevant parking information.

Downtown parking information should be readily available and signed appropriately. Elements like availability, locations, cost, and hours of operation should be considered when providing information to make it easier for patrons to easily find parking. Eliminating the frustration of finding where to park will make it more convenient for visiting patrons. There are a lot of misconceptions about parking downtown and the City and its stakeholders should conduct a public awareness campaign to remove the stigma. One misconception is there is no parking within a desirable walking distance when patronizing downtown; however, parking downtown in most instances is no further than when you park at a big box store or at the Empire Mall. Downtown provides a better ambiance while walking instead of the sea of cars at a big box retailer.

4.8 Adjust parking rates to promote economic development.

On-street parking can drive sales for small businesses. A single on-street parking space that turns over 12 to 15 times a day can generate as much as \$300,000 annually in revenues to nearby businesses according to experts like Donald Shoup and Robert Gibbs. With 125 on-street parking spaces on Phillips Avenue between 13th Street and 9th Street, there is potential to generate up to \$37.5 million in revenue for downtown businesses. The best way to increase parking turnover is to charge for it. Appropriately priced parking can increase turnover and economic activity, ensuring that spaces are available for customers. On-street parking is premium parking and should be priced accordingly, while off-street parking is in greater supply, less convenient, and therefore should cost less than on-street parking.

Downtown Plan **IMPLEMENTATION STRATEGY**

ACTION PLAN + APPROACH

The Horizon 2035 Downtown Plan is an ambitious vision that requires significant effort to address the goals and action items contained therein. To achieve the desired outcomes, the implementation strategy gives Sioux Falls the guide to realize the recommendations of the community's plan. Priority projects and programmatic initiatives have been determined through an extensive public outreach process and the planning team's analysis. No one entity can tackle these initiatives alone and coordination amongst the City and its community partners is critical to support the continued upward trajectory of downtown.



Downtown Skyline

Limited resources including time, staffing and money can stifle progress, so it is imperative that thoughtful partnerships and coordination are necessary to implement the community's collective vision. While the City drives many of the strategies and implementation of the plan, community stakeholders and private investment play a major role in turning the plan from vision into reality.

The plan should be guided by a group of individuals and key organizations and agencies that are committed to the vision and betterment of downtown. The implementation approach includes several short- and long-term strategies, and on-going efforts to improve the quality of life downtown. After adoption of this plan, the City will assemble an action team of various stakeholders to advance the priorities of the 2035 Downtown Plan.

PLAN IMPLEMENTATION

 **WELCOMING FOR ALL**
 Goal 1: Foster Downtown as a year-round destination.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|--|--|
| | 1.1 Utilize the built and natural environment of downtown to support a more active year-round destination. | Ongoing | City of Sioux Falls | City of Sioux Falls, DTSF Inc., Private Capital | Parks, Libraries, DTSF Inc. |
| | 1.2 Add a centralized, multifunctional visitor's center to enhance the user experience. | < 5 Years | DTSF Inc. | City of Sioux Falls, DTSF Inc., Experience Sioux Falls | City of Sioux Falls Experience Sioux Falls |
| | 1.3 Activate and beautify underutilized spaces. | Ongoing | DTSF Inc. | City of Sioux Falls, DTSF Inc., Private Capital | City of Sioux Falls |
| | 1.4 Improve the streetscape environment to be more welcoming. | Ongoing | City of Sioux Falls | Capital Improvement Project (CIP), Philanthropic Support | DTSF Inc., |
| | 1.5 Embrace the City's namesake, Falls Park. | Ongoing | City of Sioux Falls | City of Sioux Falls | DTSF Inc., Experience Sioux Falls |

Goal 2: Provide experiences and amenities that support a family-friendly environment.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|--|-----------------------------------|
| | 2.1 Develop a multi-purpose recreational and entertainment facility. | < 5 Years | City of Sioux Falls | CIP Bonding Naming Rights, Private Capital | Community Stakeholders |
| | 2.2 Strategically improve access to public restrooms downtown. | < 4 Years | City of Sioux Falls | City of Sioux Falls | DTSF Inc., Experience Sioux Falls |
| | 2.3 Promote events and programming that are family, teen, and young adult friendly. | Ongoing | DTSF Inc. | City of Sioux Falls, DTSF Inc. | Parks Libraries |

Goal 3: Ensure downtown is safe and inviting.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|--|--|
| | 3.1 Partner with Downtown Sioux Falls, Inc. to provide services throughout the Business Improvement District. | Ongoing | DTSF Inc. | BID, City of Sioux Falls, DTSF Inc. | City of Sioux Falls, Downtown BID Board, Property Owners |
| | 3.2 Ensure there is an active police presence. | Ongoing | Police | City of Sioux Falls | Street Teams, DTSF Inc. |
| | 3.3 Focused partnerships with City, non-profit, and advocacy groups to identify and mitigate issues related to homelessness. | Ongoing | City of Sioux Falls | City of Sioux Falls, Partner Organizations | Public Health, Police, Street Teams, Partner Organizations |

PLAN IMPLEMENTATION

CONNECTED
 Goal 1: Promote and improve the pedestrian environment by supporting walkable environments with density and connectivity.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|---------------------------------------|--|
| | 1.1 Support policy changes to city ordinance and/or state law that promotes a safe pedestrian environment. | < 2 Years | Planning | City of Sioux Falls | Active Transportation Board (ATB), DTSF Inc. |
| | 1.2 Identify locations and enhancements for safer pedestrian crosswalks. | Annually | Planning | City of Sioux Falls, Potential Grants | ATB, Public Works, DTSF Inc. |

Goal 2: Provide consistent wayfinding that is easily identifiable.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|--------------------------|--|---|
| | 2.1 Conduct an audit of and provide signage at a scale and frequency appropriate to serve pedestrian, bicycle, and vehicular traffic to enhance connectivity. | < 2 Years | Planning Public Works | City of Sioux Falls | Active Transportation Board (ATB), DTSF Inc. |
| | 2.2 Add wayfinding kiosks identifying key points of interest, amenities, and surrounding neighborhoods. | < 3 Years | DTSF Inc. | City of Sioux Falls, Philanthropic Support | City of Sioux Falls, Experience Sioux Falls |
| | 2.3 Increase wayfinding along the River Greenway trail to draw users into Downtown. | < 2 Years | Parks | City of Sioux Falls | ATB, Planning, Falls Area Bicyclists (FAB), DTSF Inc. |

Goal 3: Increase Bicycle connectivity to and from downtown.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|-----------------------------------|--|
| | 3.1 Improve access to the River Greenway trail and strategically add safe and comfortable bicycle lanes and routes. | Ongoing | Public Works | Capital Improvement Project (CIP) | Active Transportation Board (ATB), Parks, Planning |
| | 3.2 Add additional bicycling amenities including bike share stations, lockers, and bike corrals in or near parking ramps and other strategic locations. | Ongoing | Planning | City of Sioux Falls, Grants | ATB, Public Works, Falls Area Bicyclists (FAB) |
| | 3.3 Educate and raise public awareness about the rules of the road for bicycling. | Ongoing | Planning | City of Sioux Falls, Grants | ATB, Planning |

PLAN IMPLEMENTATION

CONNECTED
 Goal 4: Build up transit to serve downtown.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|----------------------------------|---|
| | 4.1 Improve frequency of transit services for riders traveling to, from, and within the core Downtown. | < 3 Years | Planning | City of Sioux Falls | Active Transportation Board (ATB), Planning, Public Works |
| | 4.2 Enhance bus stop infrastructure to include shelters, heaters, adequate maps, trash receptacles, and live-route information. | < 3 Years | Planning | City of Sioux Falls | ATB, Planning, Public Works |

Goal 5: Maintain a safe level of vehicular circulation to, from, and within downtown.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|----------------------------------|---------------------|
| | 5.1 Review lane reductions, one-way to two-way conversions, and other urban connectivity enhancements. | < 5 Years | Public Works | City of Sioux Falls | Planning |
| | 5.2 Determine future east/west connections, viaduct design, and lane configuration that considers traffic and pedestrian accessibility of existing and future development. | < 5 Years | Public Works | City of Sioux Falls | Planning |
| | 5.3 Maintain safe speed limits by incorporating traffic calming measures such as speed readers, curb extensions, narrowed streets, mid-block crossings, and speed enforcement. | Ongoing | Public Works | City of Sioux Falls | Planning Police |

PLAN IMPLEMENTATION



GROWTH AND DEVELOPMENT

Goal 1: Continue to pursue development with a mix of uses.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|---------------------------------------|---|
| | 1.1 Identify development opportunities. | Ongoing | Planning | Private Capital, Potential Incentives | Public Works, Developers, Property Owners |
| | 1.2 Expand downtown boundaries north and east to incorporate Falls Park and to harness the continued revival of the Eastbank. | < 5 Years | Planning | N/A | Parks, Property Owners |
| | 1.3 Expand zoning options that provide walkable and dense mixed-use redevelopment that is conducive to adjacent neighborhoods. | < 2 Years | Planning | N/A | Planning, Developers, Property Owners |
| | 1.4 Encourage infill development that supports a more walkable and denser urban environment that maximizes public infrastructure and investment. | Ongoing | Planning | Private Capital, Potential Incentives | Planning |

Goal 2: Stimulate Development

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|----------------------------------|---|
| | 2.1 Encourage and continually evolve current incentive programs to foster desired developments and targeted industries. | < 1 Year | Planning | N/A | Finance, Planning, Developers |
| | 2.2 Identify public investments that can be leveraged to encourage private investment. | Ongoing | City of Sioux Falls | N/A | Finance, Parks, Planning, Public Works |
| | 2.3 Evaluate different revenue streams to support downtown enhancements. | < 2 Years | City of Sioux Falls | City of Sioux Falls | Finance, Parks, Public Works, DTSF Inc. |
| | 2.4 Leverage or identify opportunities for public/private investments to achieve the desired vision for downtown. | Ongoing | Planning | N/A | Planning, Public Works, DTSF Inc., Private Partners |

Goal 3: Work towards achieving desired development outcomes.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|--|----------------------------------|---|
| | 3.1 Attract more corporate headquarters to locate downtown. | < 7 Years | Planning, Sioux Falls Development Foundation | Incentives | Administration, Developers, Property Owners, Sioux Falls Development Foundation |
| | 3.2 Continue supporting diverse and dense residential development opportunities. | Ongoing | Planning | Private Capital, Incentives | Housing, Developers |
| | 3.3 Increase housing types that target all income demographics. | Ongoing | Housing | City of Sioux Falls, Housing | Housing, Planning |
| | 3.4 Add 3,000 housing units by 2035. | < 12 Years | Planning | Private Capital, Incentives | Developers, Property Owners |
| | 3.5 Partner with new developments to address sidewalk detours, traffic lane closures and business interruptions during construction. | Ongoing | Public Works | N/A | Planning, Public Works, Developers, DTSF Inc. |

PLAN IMPLEMENTATION

COMMUNITY PRIDE
 Goal 1: Expand arts and cultural programming.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|---|--|
| | 1.1 Uplift and expand opportunities for the arts community to participate with small businesses, governments, and the community. | Ongoing | Arts Council | N/A | City of Sioux Falls, DTSF Inc., Visual Arts Commission (VAC) |
| | 1.2 Invest or locate opportunities where multipurpose space can be used by various artists that may include painters, film makers, sculptors, muralists, theatre, performing artists, and educational programs. | < 3 Years | Arts Council | City of Sioux Falls, DTSF Inc., Philanthropic Support | City of Sioux Falls, DTSF Inc., VAC |
| | 1.3 Allocate City funding through the Capital Improvement Program (CIP) for the arts. | < 5 Years | Planning | City of Sioux Falls | Planning, Public Works |
| | 1.4 Celebrate downtown as the designated arts and entertainment district. | Ongoing | All | N/A | All |
| | 1.5 Program arts and entertainment for all that is family, teen, and young adult friendly. | Ongoing | Arts Council | City of Sioux Falls, DTSF Inc. | Libraries, Parks, Planning, DTSF Inc. |
| | 1.6 Identify and develop activation for underutilized public spaces with programming that includes street performers, musicians, and art installations that have broad appeal to residents and visitors. | Ongoing | DTSF Inc. | DTSF Inc. | Parks, Planning Arts Council |

Goal 2: Provide opportunities for philanthropic support for downtown projects.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|----------------------------------|--|
| | 2.1 Identify projects that would be opportunities for community participation. | Ongoing | City of Sioux Falls | N/A | Planning, DTSF Inc. |
| | 2.2 Establish a downtown fund where philanthropic monies could be contributed to support downtown projects. | < 2 Years | City of Sioux Falls | Private Capital | DTSF Inc., Sioux Falls Area Community Foundation |

Goal 3: Promote ways to share our history.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|----------------------------------|---|
| | 3.1 Encourage historic preservation opportunities and educational efforts throughout Downtown to advance heritage preservation. | < 3 Years | Planning | City of Sioux Falls, Grants | Board of Preservation, Siouxland Heritage Museums |
| | 3.2 Utilize historic landmarks, walking tour apps, interpretive displays, or historic markers illustrating the transformation of the downtown area and how it relates to the river, environment, industry, and development of the city. | Ongoing | Planning | City of Sioux Falls, Grants | Communications, Board of Preservation, Siouxland Heritage Museums |
| | 3.3 Use historic landmarks to connect adjacent neighborhoods and downtown through expanded opportunities for interaction. | < 4 Years | Planning | City of Sioux Falls | Parks, Public Works, DTSF Inc., Board of Preservation, Siouxland Heritage Museums |

PLAN IMPLEMENTATION

BRANDING, IDENTITY AND MARKETING

Goal 1: Celebrate downtown’s brand as a vibrant and diverse neighborhood.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|--|---|
| | 1.1 Define downtown’s districts. | < 3 Years | Planning | City of Sioux Falls | DTSF Inc. |
| | 1.2 Define partner roles and responsibilities related to branding, marketing, and communications while using established brand guidelines consistently. | < 2 Years | DTSF Inc. | City of Sioux Falls, DTSF Inc., Experience Sioux Falls | Planning, DTSF Inc., Experience Sioux Falls |

Goal 2: Establish downtown’s brand identity.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|--|---------------------|---------------------|----------------------------------|--------------------------------|
| | 2.1 Establish the use of consistent design elements throughout downtown to create a cohesive sense of place. | < 3 Years | Planning | N/A | DTSF Inc. |
| | 2.2 Establish criteria, process, and funding to define and create aesthetically unique, and cohesive districts. | < 5 Years | Planning | City of Sioux Falls | Parks, Public Works, DTSF Inc. |

Goal 3: Market downtown as a great place for business.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|----------------------------------|--|
| | 3.1 Make Downtown and its events hard to miss with better physical and online marketing. | Ongoing | DTSF Inc. | DTSF Inc. | Communications, Experience Sioux Falls |
| | 3.2 Create a prospectus for downtown to encourage development and business recruitment for targeted industries and to alleviate brain drain. | <1 Year | Planning | N/A | DTSF Inc., Sioux Falls Development Foundation |
| | 3.3 Welcoming packet/campaign for new employees, businesses, and residents. | < 2 Years | DTSF Inc. | BID, DTSF Inc. | City of Sioux Falls, Downtown Neighborhood Association |
| | 3.4 Register owned locations in Google Maps and Apple Maps to enhance the user experience while navigating downtown. | <1 Year | Communications | N/A | Planning |

PLAN IMPLEMENTATION



QUALITY AND DESIGN

Goal 1: Improve and expand streetscape design to be more vibrant, pedestrian-friendly, and consistent throughout Downtown.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|-----------------------------------|-----------------------------------|
| | 1.1 Increase the amount of vegetation throughout downtown to break up continuous hard surfaces by including the use of native grasses, flowers, and shade trees. | Ongoing | Parks | Capital Improvement Project (CIP) | Planning, Public Works, DTSF Inc. |
| | 1.2 Establish responsibilities for increasing, maintaining, and replacing trees and landscaping downtown. | Ongoing | Parks | CIP | Planning, Public Works, |

Goal 2: Support measures that create a sustainable neighborhood environment.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|--------------------------------------|---------------------------------|
| | 2.1 Implement Quiet Zones at Burlington Northern Santa Fe (BNSF) Rail Crossings. | < 3 Years | Public Works | Capital Improvement Project (CIP) | Planning, BNSF, Property Owners |
| | 2.2 Monitor and enforce noise pollution to include loud pipes, party vehicles, and rowdy bar patrons. | Ongoing | Police | City of Sioux Falls | Health, Planning, DTSF Inc. |
| | 2.3 Implement sustainable practices focused on environmental impact and responsible uses of resources. | Ongoing | Public Works | City of Sioux Falls, Private Capital | Planning, Property Owners |

Goal 3: Enhance design standards and zoning ordinances to foster a quality built environment.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|----------------------------------|--|
| | 3.1 Complete a comprehensive review of the design standards and zoning regulations. | < 2 Years | Planning | City of Sioux Falls | Architects, Developers, DTSF Inc., Property Owners |
| | 3.2 Evaluate existing zoning standards to provide options for dense and walkable growth transitions to adjacent neighborhoods. | < 3 Years | Planning | N/A | Public Works, Developers, Property Owners |

PLAN IMPLEMENTATION



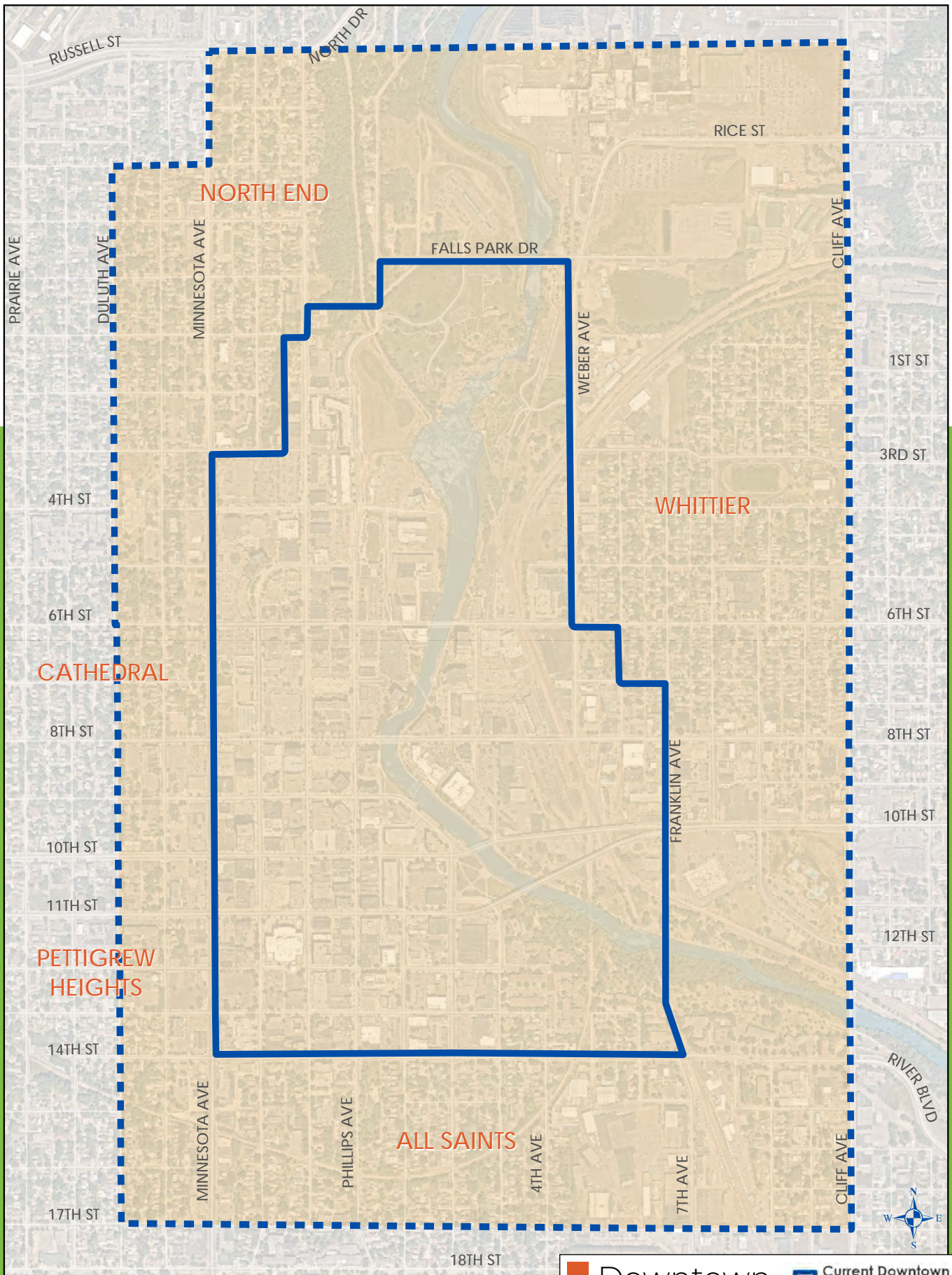
QUALITY AND DESIGN

Goal 4: Promote innovative and sustainable parking practices.

| | Recommendation | Est.Timeline | Project Lead | Potential Funding Sources | Key Partners |
|--|---|---------------------|---------------------|----------------------------------|---|
| | 4.1 Review and identify designated locations for pick-up/drop-off spots for online orders, carryout, and rideshares. | Anually | Public Parking | City of Sioux Falls | Planning, DTSF Inc., Downtown Merchants |
| | 4.2 Identify locations to increase use of back-in angle and diagonal parking where appropriate. | Ongoing | Public Works | City of Sioux Falls | Planning |
| | 4.3 Harness parking technology by converting all meters to contactless payment or app-based payment options. | < 4 Years | Public Parking | Public Parking | Public Works, DTSF Inc. |
| | 4.4 As demand increases, partner to implement EV charging stations | Ongoing | Public Parking | Grants | Planning, Sioux Falls Sustainability |
| | 4.5 Prevent parked vehicles from occupying the drive lanes. | <1 Year | Public Parking | N/A | Planning, Police, Public Works |
| | 4.6 Expand enforcement hours of downtown parking meters. | < 2 Years | Public Parking | Public Parking | Communications, Police, DTSF Inc. |
| | 4.7 Promote more effective communications to provide relevant parking information. | <1 Year | Communications | N/A | Public Parking, DTSF Inc. |
| | 4.8 Adjust parking rates to promote economic development. | Ongoing | Public Parking | N/A | Communications, DTSF Inc. |

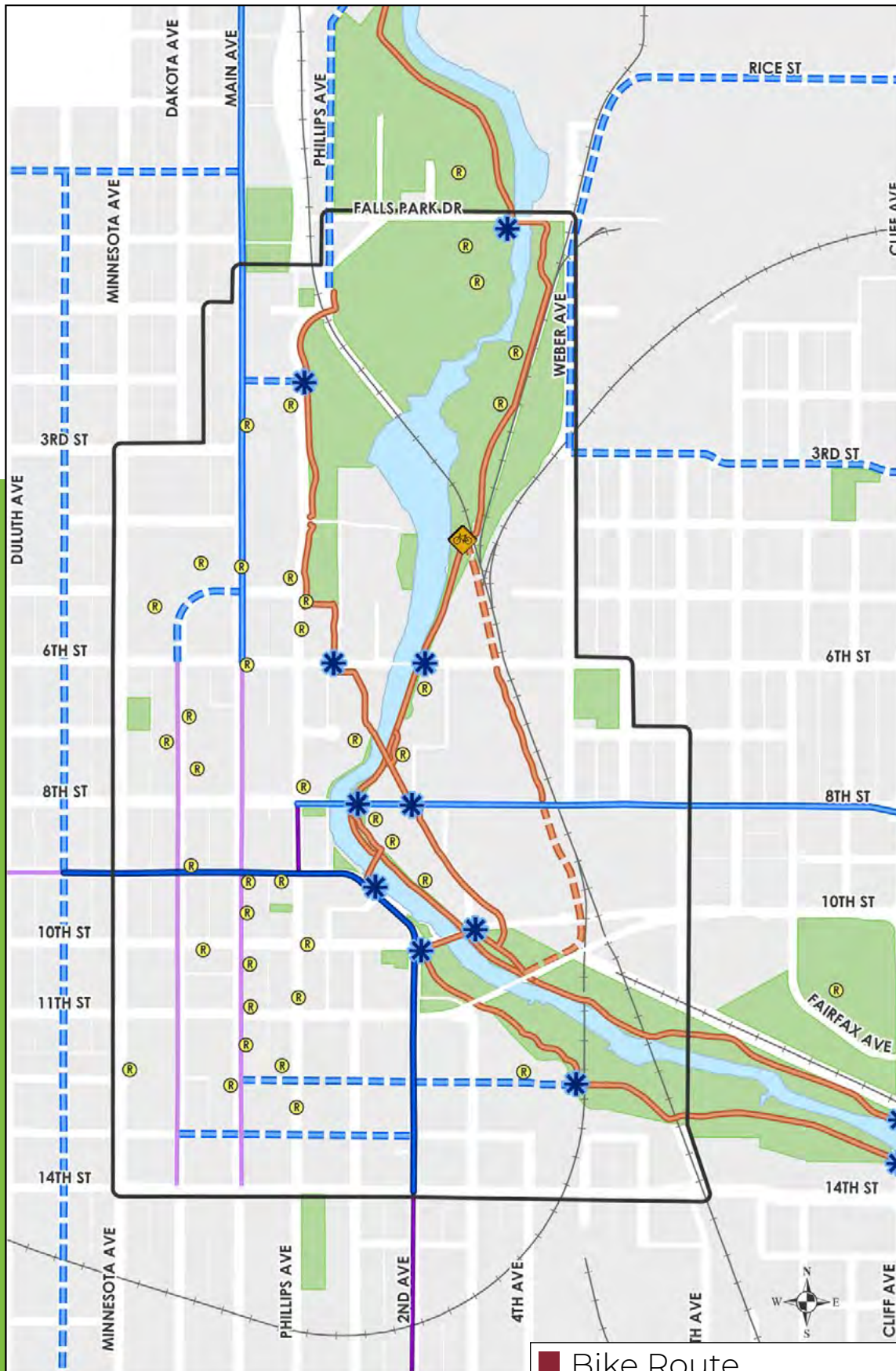


APPENDIX



Downtown Boundaries

- Current Downtown Boundary
- Study Area

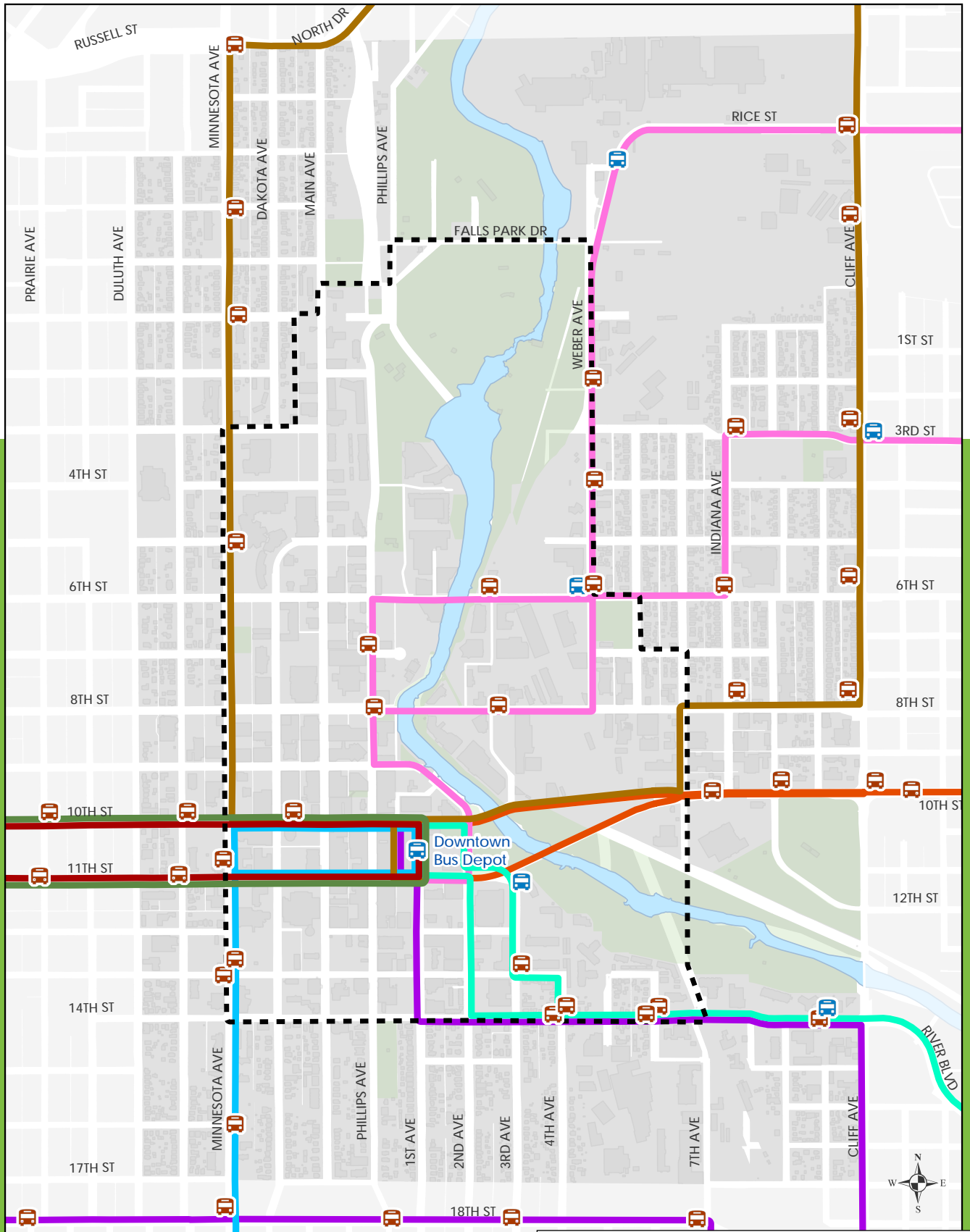


Bike Route

- Downtown Business District
- Bicycle Fix-It Station
- Bicycle Rack
- River Greenway Trail
- Trail Connection or Other Path
- Signed Street Route
- Sharrow Street Route
- Future/To Be Determined



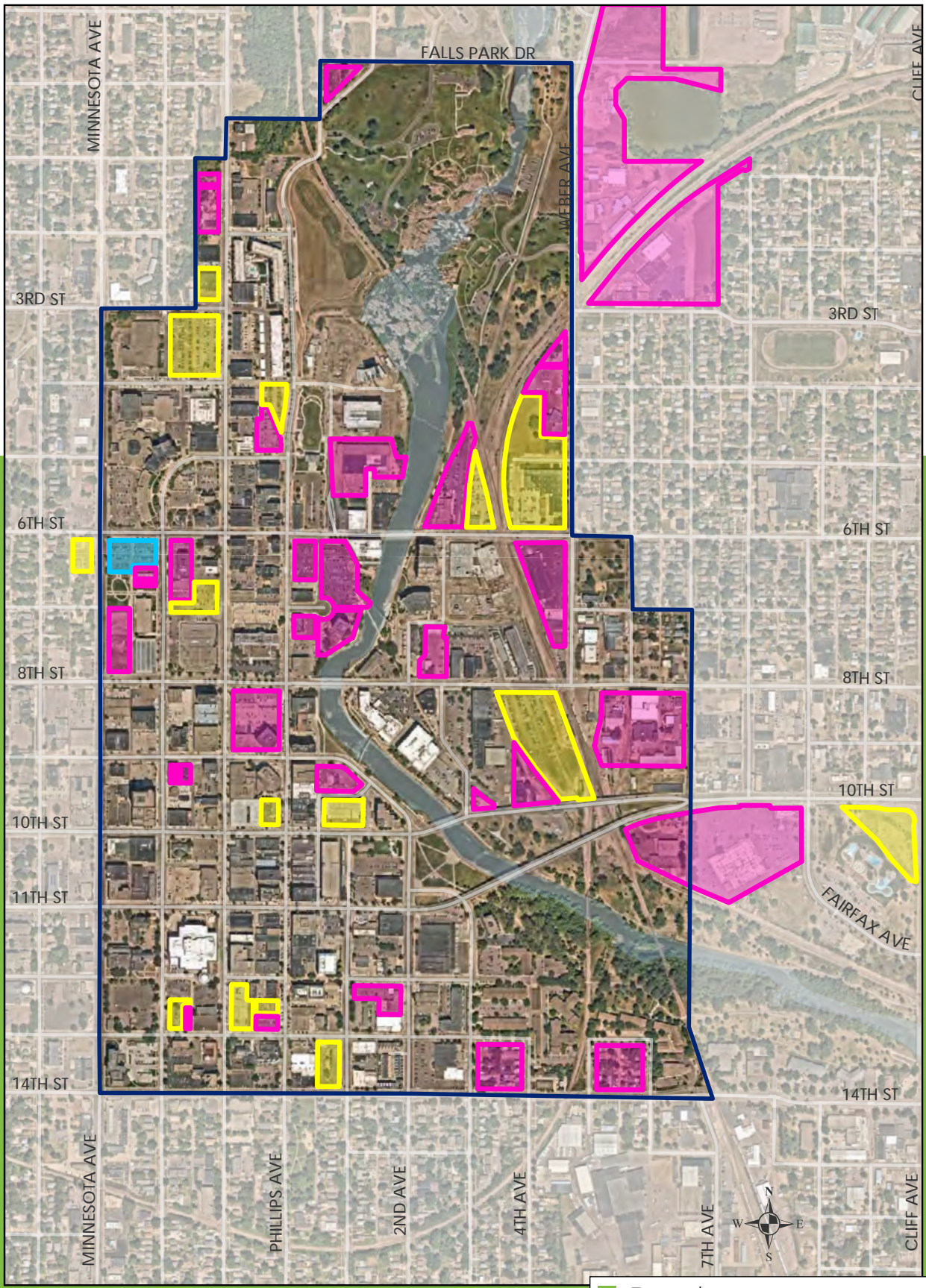
APPENDIX



Transit Routes

- Downtown Business District
- Stop/Shelter

| Bus Routes | |
|------------|----|
| 3 | 9 |
| 4 | 10 |
| 7 | 19 |
| 8 | 20 |

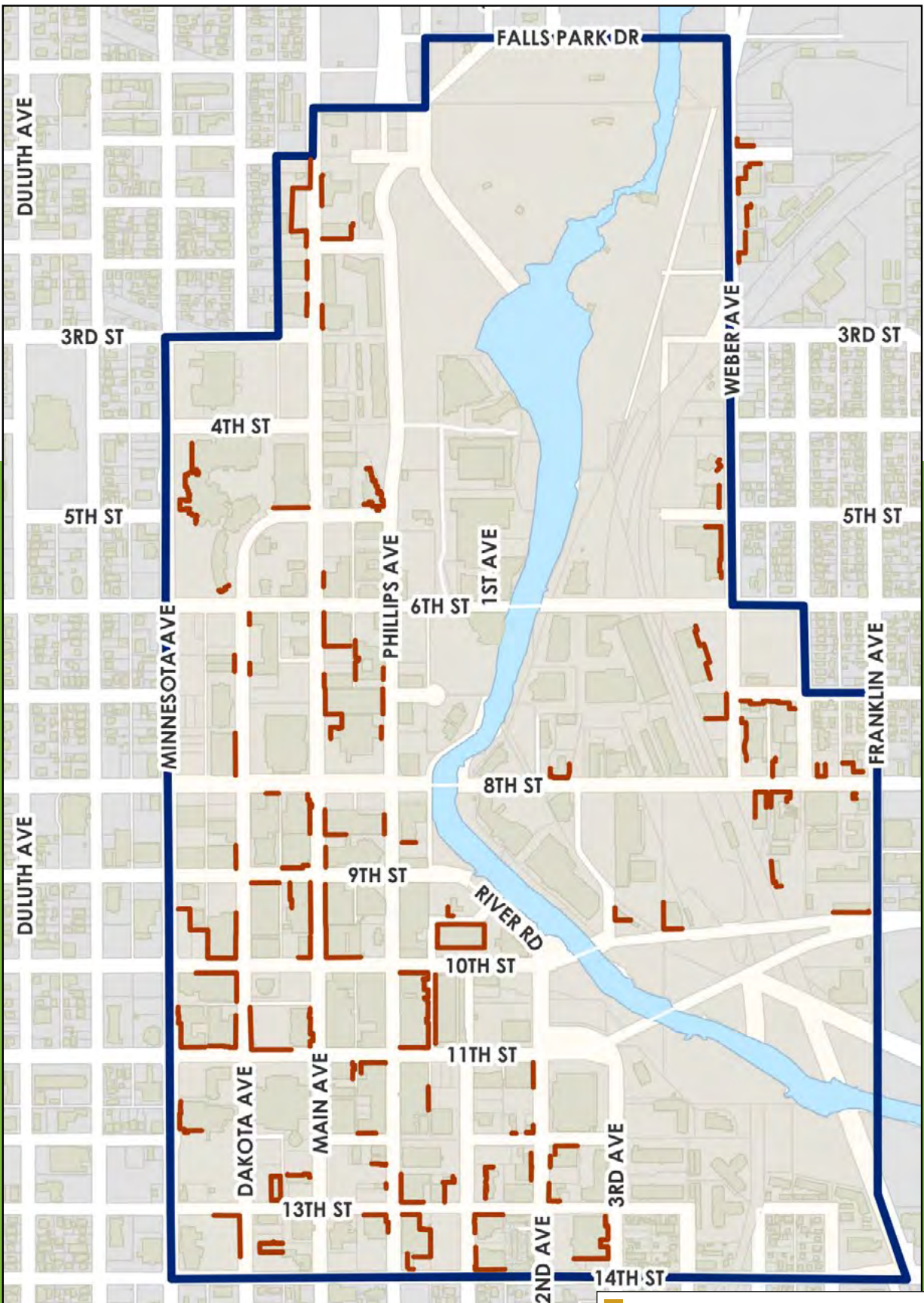


Development Opportunities

- Downtown Business District
- City-Owned
- Privately Owned

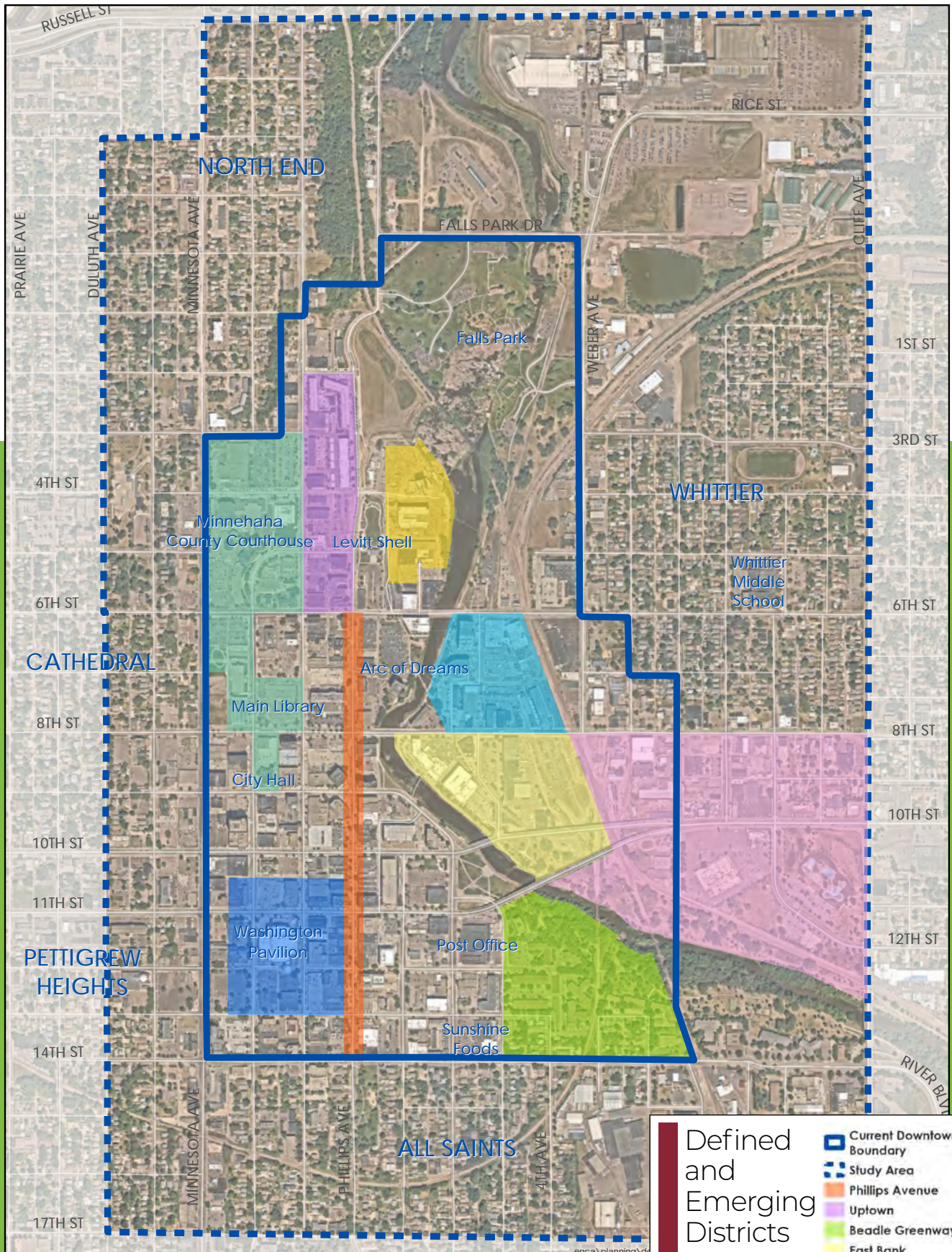


APPENDIX



Blank Walls and Dead Space

- Downtown Business District
- Blank Wall / Dead Space



Defined and Emerging Districts

- Current Downtown Boundary
- Study Area
- Phillips Avenue
- Uptown
- Beadle Greenway
- East Bank
- Cherapa Place
- Steel District
- Government Corridor
- Riverline District



Green Space

- Boulevard or Park Tree
- ▭ Downtown Business District
- Park/Open Space



HORIZON
2035
DOWNTOWN PLAN

PUBLIC ENGAGEMENT SUMMARY



2035
DOWNTOWN PLAN



CONFLUENCE

October 2022

ACKNOWLEDGMENTS



Advisory Committee

Ann Nachtigal
Apolonia Davalos
Arthur McCray
Brienne Maner
Chris Daugaard
Curt Soehl
Dan Statema
Darrin Smith
Del'Inkka Beaudion
Erik Nyberg
Ivy Oland Dandar
Joe Batcheller
Kevin Tupy
Natalie Eisenberg
Penny Klinedinst
Riccardo Tarabelsi

Staff

Erica Beck
Jeff Eckhoff
Kevin Smith
Adam Roach
Dustin Powers

Consultants

CONFLUENCE
 LELAND
CONSULTING
GROUP

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INTRODUCTION



Background

Downtown Sioux Falls is considered the City's center for business, administration, culture and recreation. The landscape is supported by historic architecture and a diverse mix of retail and dining experiences. The quality of its urban realm is reflected in its well-maintained public spaces, safety of streets, accessibility and mobility.

Today, Downtown Sioux Falls serves as a hub, responding to the different needs of residents, making it a great place to live, work, and play. The need to update the Downtown Plan stems from population growth, continued redevelopment and development, and a desire to continue building Downtown Sioux Falls into a regional destination.

As part of the effort to maintain and grow the high quality of life in Downtown, the City of Sioux Falls is updating its 2025 Downtown Plan to create a fresh vision to guide growth and development to a horizon year of 2035. This updated 2035 Plan is building upon momentum from the 2025 Plan by identifying areas for continued effort, new opportunities, and an innovative vision for the next ten years of development in Downtown Sioux Falls.

Of the numerous goals outlined in the 2025 Downtown Plan, many have been achieved. The plan was written with a vision that focuses on:

“
Reshaping Downtown as an emerging hub for the entire Sioux Falls and Midwest region.
”

The City sought out the public to help build and guide the development of this 2035 Downtown Plan. The planning process included a series of public engagement events, interactive online engagement, stakeholder interviews, and City-operated resident work groups. This report summarizes the feedback from each of these engagement methods, presenting major themes and conclusions to guide the final recommendations of the 2035 Downtown Plan.

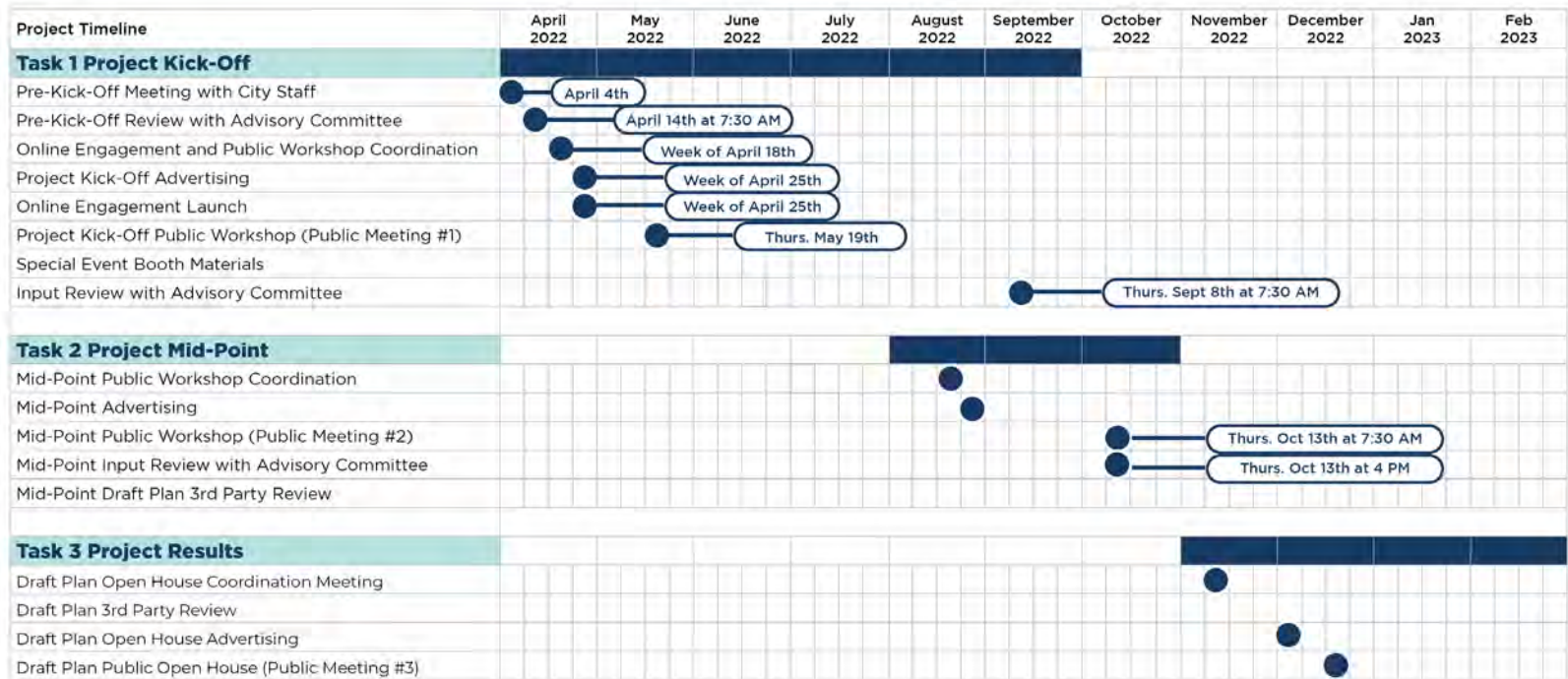
Planning Schedule Overview

The 2035 Downtown Plan is anticipated to be completed in three tasks: Task 1 Project Kick-Off, Task 2 Project Mid-Point, and Task 3 Project Results. During these tasks, there will be a series of events, meetings, and engagement opportunities with the public to gather their feedback and further refine the vision of the plan. Figure 1 highlights the project schedule

utilized throughout the planning process, as well as the dates for various events to the most current availability.

This report will review the completed public input from Task 1 and feedback received.

Figure 1-
Project estimated schedule



PUBLIC INPUT PROCESS

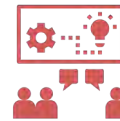


Public participation is critical to the planning process. The residents are the primary stakeholder and it is imperative they provide information regarding the different opportunities and challenges, needs that exist, and priorities when implementing the plan.

During the public input phase of the project, there was a series of opportunities available to partake in. These included:



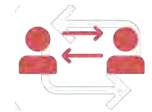
Key Stakeholder Interviews



Public Workshops



Interactive Engagement Website



City Engagement Strategies

In order to spread the word about the events and online engagement opportunities, the City utilized the following advertisement approaches:

- Postcards:**
 Mailed to homes and businesses near and within the existing Downtown boundaries
- Social Media Flyers:**
 Posted to City’s social media platforms to spread the word to a wider audience
- QR Code Stickers & Handouts:**
 Placed strategically throughout Downtown to spread the word about the 2035 Downtown Plan and the interactive engagement website
- Window Signs:**
 Placed in Downtown Businesses

Figure 2-
Advertisement Approaches



Postcard



Window Sign



QR Code Sticker Downtown

KEY STAKEHOLDER INTERVIEWS



Some of the most important feedback is gained through one-on-one interviews with key stakeholders from the community. During these small group sessions, stakeholders were encouraged to share their views on key issues and opportunities specific to Downtown.

Key stakeholders that met with the consultant team include:

- **Luke Tibbetts**- First Premier Bank
- **Jeff Scherschligt**- Pendar Properties
- **Erica Beck**- City of Sioux Falls
- **Chris Thorkelson** and **Jake Quasney**- Lloyd Companies
- **Jodi Schwan**- Align Content Studio and SiouxFalls.Business
- **DeAnn Echols**- Great Outdoor Store
- **Vaney Hariri**-Think 3D Solutions/ DTSF Board of Directors
- **Jessie Schmidt**-Better Business Bureau/ DTSF Board of Directors
- **Anita Wetsch**-605 Real Estate/ DTSF Board of Directors
- **Greg Garry**- The Bancorp
- **Reggie Kuipers**-Bender Commercial Real Estate Services
- **Raquel Blount**-Lloyd Companies
- **Karla Santi**-Blend Interactive
- **Norm Drake** and **Daren Ketcham**-Legacy Development & Consulting
- **Teri Schmidt**-Experience Sioux Falls

Feedback from the key stakeholder interviews have been summarized into nine main themes as listed below. The following pages provide further detail on the feedback received on each theme.

- Downtown as a Social Hub
- Economic Development
- Attractions + Amenities
- Parks + Recreation
- Infrastructure
- Urban Growth + Development
- Transportation + Accessibility
- Housing
- Administration + Programming





1. Downtown as a Social Hub

Opportunities

- Downtown evolving within the past 20 years. Need to continue **adding enough amenities** to become an **emerging hub**.
- Becoming **family-friendly**. People taking their kids to wander around.
- It has a **small-town feel** yet it maintains an important social and civic status.
- Attracting more people to the area because there is **no state income tax**.

Challenges

- Downtown needs **more family-friendly spaces**.
- There is a need to establish a **distinct and iconic identity** for the city
- The **need to attract people** from Brookings, Mitchell, and other neighboring communities.



Figure 3- Downtown Cafes in Sioux Falls

Source: Travel South Dakota



2. Economic Development

Opportunities

- The city has a good **philanthropic community**
- Most of the local businesses were able to remain open during COVID-19 demonstrating **resiliency**.
- The City is receiving attention from a lot of **investors in and outside of the area**, especially from Minnesota.
- DSU investment at Sports Complex in cyber lab, could lead to **more tech companies** coming to Sioux Falls.
- The **commercial market is operating well** (\$23-26 NNN for new Class A in Steel district, 7-7.5 NNN costs. \$65 per stall for commercial, \$100-125 residential parking).
- Office properties started to **get tired**, and startups started to **be more attracted to Downtown**.

Challenges

- Need to bring **fresh ideas** to the Downtown by attracting new investors.
- There is a need to **diversify retail opportunities**.



Figure 4- Downtown Sioux Falls Arc of Dreams

Source: KIKN.com



3. Attractions & Amenities

Opportunities

- **Sanford Sports Complex** has promising potential to offer multi-purpose spaces and events
- Inviting **innovative projects** to be located Downtown such as **Railyard Flats or Cherapa Place**.
- Potential draw for law and medical offices in Downtown.
- It will be good to add more hotels, convention centers, concert and performance halls.
- There is an opportunity in bringing back **1st National Bank and Baker's family plan** for 9th St area.

Challenges

- Need to **define new policies and criteria** for the appraisal of innovative projects.
- **Political debates and discussions** rising from the mixed-use parking ramp case.
- **Carnegie Town Hall parking** could be redeveloped
- The need to create **more destination spaces for a better walking experience**.



Figure 5- Downtown Sioux Falls Attractions

Source: Wikimedia Commons



4. Parks & Recreation

Opportunities

- Creating parks that **incorporate Morrell Quarry and promote for greenways.**
- The **dog park** is a great asset used by everyone.
- **Fawick Park** presenting better opportunities for the community to gather.

Challenges

- The **river** has historically been **toxic** due to the **heavy agricultural presence.**
- Continue **river greenway** development projects.



5. Infrastructure

Opportunities

- Coordinate with DOT to consider **allowing 10th and 11th to become 2-way.**
- Some **expansions east on Weber Avenue** could be possible.
- **14th presents an opportunity** for future revitalization.

Challenges

- Water quality needs improvements.
- Viaducts are owned by DOT, but they want the city to take over as they **need replacement and redesign in 6-7 years.**
- Viaducts need to be pulled down and turned into **a local street.**
- Corridors that are going into Downtown need major development such as 6th, 8th, 10th, 12th, and Weber Avenues.



Figure 6- Sioux Falls Riverfront

Source: Experience Sioux Falls



6. Urban growth and development

Opportunities

- Sioux Falls having a **good base of planning.**
- Small infill sites are getting interest from less local developers and more from **Des Moines and Omaha.**
- **Wells Fargo Block is a great development opportunity.**
- Potential to expand **the City Campus, Library and parking ramp.**
- The State leases a lot of space in Sioux Falls but would like to see them go out **west to Pettigrew.**
- **Steel District is a major development opportunity.**
- Major development opportunities on the **east and south sides of Downtown.**

Challenges

- When it comes to building new, Downtown is a niche market which makes it **harder and expensive to overbuild.**
- It is **hard to find large enough sites** for development.
- Major need for **infill and redevelopment.**
- The need to define potential quiet zones for new development sites.
- There is a clear **urban-rural divide** that needs to be recognized and planned.
- Major corridors need redevelopment by **increasing commercial and mixed-use projects.**
- The **core of Phillips 9th-12th** needs protection.



Figure 7- Aerial View of Downtown Sioux Falls

Source: KIKN.com



7. Transportation & Accessibility

Opportunities

- Potential additions is expected- such as a bus barn.
- Parking status: **1:1** parking on apartments and **1:300** on offices. Over parked at Steel District (**1:250**).
- **Increase accessibility** by developing a **trolley system**.

Challenges

- Need to develop more **bike systems**.
- Parking challenges arise more from perception, than reality.
- **Lack of connection** spanning **from Phillips Avenue** to the **Eastbank**.
- **The pedestrian bridge** landing at Hilton is awkward.
- Several factors hindering pedestrian patterns such as **financial sector offices on Phillips** from 12th to 10th and the **ramp and bus station**.



Figure 8- Sioux Falls Downtown Trolley

Source: dtsf.com



8. Housing

Opportunities

- Building a neighborhood that targets **the affordable market**.
- The market is **performing well in housing**.
- The **target market is** currently geared toward **young professionals and seniors**, with little to no options for families. There are **few** housing types existing Downtown today that would be large enough for families, such as **condos or townhomes**.

Challenges

- Need to **involve tenants in the ownership process** to raise the percentage of home ownership.
- **Homelessness** is a severe issue that needs intervention and support in Downtown. Possible solutions following the creation of affordable housing.
- There is a great need for **more affordable housing** to assist low-wage workers.
- There is a need to **diversify housing opportunities**.



9. Administration & Programming

Opportunities

- Main Avenue can be dedicated to **professional services**.
- Ready to discuss the **mixed-use parking ramp site** again in the fall with a developed market study.
- It is important to **market Downtown to developers** by highlighting the different opportunities.

Challenges

- The area has a **lot of potential but doesn't plan cohesively**.
- There is **lots of inventory along Phillips Avenue** but there is less retail occupying them.
- There is a need to **increase safety** around Downtown.
- It is important to **consider year-round activities**.



Figure 9- Downtown Sioux Falls

Source: iStock

PUBLIC WORKSHOPS



As part of the efforts to develop **the 2035 Downtown Plan** and get the community's input, **two separate public workshops** were hosted. The public was invited to share their ideas and visions and learn more about the planning process. On May 19th, 2022 at 4 PM and 6PM, these workshops were held in **the Siouxland Libraries in Downtown** where participants heard a presentation from City Staff and members of the consultant team and had opportunities to share their thoughts and ideas. There were a total of 67 attendees to the workshops, providing priceless feedback.

67
attendees

Different engagement strategies were utilized to collect the community's feedback and input on a variety of topics related to the future of the Downtown. By diversifying the tools of engagement, community members provided multiple chances to voice their concerns and visions for Downtown. Should the participants want to share additional thoughts at a later time, or tell a friend about what they heard, there were QR code handouts at the meeting that directed participants to the City's Downtown website and the 2035 Downtown Plan interactive engagement website.

The following are the 3 types of engagement activities that were implemented:



Visioning Exercise
Questions



Public Input Boards



Puzzle Piece
Mapping Exercise

Visioning Exercise Questions

During the presentation, participants were asked a series of four visioning exercise questions. Utilizing an online, instant polling platform called Mentimeter, the participants were able to submit responses and interact with them in real-time.

The four visioning questions are presented below.

Ice Breaker: What is your favorite Downtown Sioux Falls restaurant?

Q1: What are the biggest opportunities for Downtown Sioux Falls?

Q2: What are the biggest challenges for Downtown Sioux Falls?

Q3: What is your one big dream for Downtown Sioux Falls?

Q4: What is your one big fear for Downtown Sioux Falls?



Figure 10- Pictures from the Visioning Exercise in the Public Workshops

Source: Confluence Team

ICE BREAKER:

What is your favorite Downtown Sioux Falls restaurant?

A word cloud of restaurant names in various colors and sizes. The names are: Blarney Stone, Ode to Food, Monks, Minerva, Mama Ladas!, Crawfords, Parkers, M. B. Haskett's, Queen city, RWine Bar, Bread and Circus, The Harvester, Fiero's, Pizza, Mamas Phillies, Josiahs, Sushi masa, Chef Lances, Mamas phried and Philly, DaDa Gastro Pub, McKenzie river, and Blarneys.

QUESTION 1:

What are the biggest opportunities for Downtown Sioux Falls?



Transportation

- Maintenance of a strong mobility infrastructure
- Potential surface lots for development to overcome the shortage in the parking supply
- Potential to enhance public transportation
- Rail yard redevelopment land
- Improved walkability and interaction throughout downtown
- Focusing on Road Diets
- Micro mobility systems developed to keep the city bicycle friendly
- Upgrading the safety of the train crossings
- Enhancing accessibility of downtown across the river and railroad



Housing

- Good housing options
- Expansion of Residential areas
- Increase of mixed-use developments
- Availability of Senior Housing
- Potential to address homelessness



Land Use

- A balance between entertainment zones and residential growth zones
- Capitalize on Wells Fargo Block as a big development opportunity



Buildings & Construction

- Efforts to protect buildings against train horns and noise
- Availability of old structures to be renovated and repurposed



Riverfront Development

- Potential for activating the river and cleaning it
- Growth is seen on both sides of the river



Activities-related spaces

- Entertainment venues
- Gathering spaces, especially in Plazas
- Year-round tourist attractions
- Multi-use stadium
- Art spaces
- Street events such as Main Street or Phillips Ave

QUESTION 2:

What are the biggest challenges for Downtown Sioux Falls?



Transportation

- Implementing free parking
- Having the railroad cut through the city
- Railroad traffic and noise
- Optimizing walkability around the city
- Need for slower streets
- Achieving bicycle centers
- One-way streets that need to be eliminated



Housing

- Homelessness
- Offering affordable housing
- Housing for the service sector employees



Land Use

- Too many zoning and land use constraints



Quality of Life

- Safety and adequate policing
- Economic disparities east of Railroad tracks
- Offering equal opportunities for the underprivileged
- Noise and odor control
- Air horns and noise
- Availability of Old structures to be renovated and repurposed



Activities-related spaces

- No active spaces such as retail rather than offices
- Need to activate the buildings' ground floor spaces
- Need to spread out activity centers



Riverfront Development

- Lack of connectivity across the river
- Polluted and dirty river

QUESTION 3:

What is your one big dream for Downtown Sioux Falls?

Rowhouses

Moving industrial uses out of Downtown

Having a large city park

More development of east side of the river

Multi-use Stadium and entertainment district that draws development

More walking, fewer cars

Having a university located in Downtown

Convert Phillips Ave into a shared street/ transit corridor

Converting one-way streets to two-way

Clean Big Sioux River

River Greenway as good as San Antonio

Spaces for family friendly activities

Entertainment center with sports

Fix homeless problems

Closing streets for pedestrians (Open Streets) for community activities

Infill every urban gap in downtown

Revitalize/enhance historical neighborhood west of Minnesota Ave

Diverse housing options

Develop public plazas to create our version of Times Square

Transit throughout town that makes

it is easy to access downtown from anywhere



QUESTION 4:

What is your one big fear for Downtown Sioux Falls?

The city getting less walkable and more spread out and car-oriented

Lack of density and relying on sprawl

Pricing out people already living in the area

Not thinking BIG enough and living in stagnancy

Becoming overcrowded and having traffic issues

Failure to solve the homelessness problem

Having high housing costs

Lack of cohesiveness throughout the city

Reliance on too few private developers that also do the same work instead of attracting new developers from outside

Missed opportunities to maximize density

Losing the history of the city with new constructions

The river drying up

Not developing the “fingers/streets” that outreach from the core of downtown

Becoming a Disney-fied Downtown

That we miss making downtown dynamic

NOT getting industrial uses out of downtown



Public Input Boards

Both public workshops had stations inviting participants to leave their comments on a variety of question prompts. Participants were able to leave comments regarding their dreams for Downtown Sioux Falls, where they live and work, as well as their perceptions and feelings regarding some aspects such as safety, walkability, wayfinding, transportation, economic development, housing, and others.

There were 4 public input boards presented as follows:

- **Where do you live?**
- **Do you?**
- **How do you feel about Downtown Sioux Falls?**
- **I want to see __ in Downtown Sioux Falls.**

The combined results from both workshops are presented in the following pages.

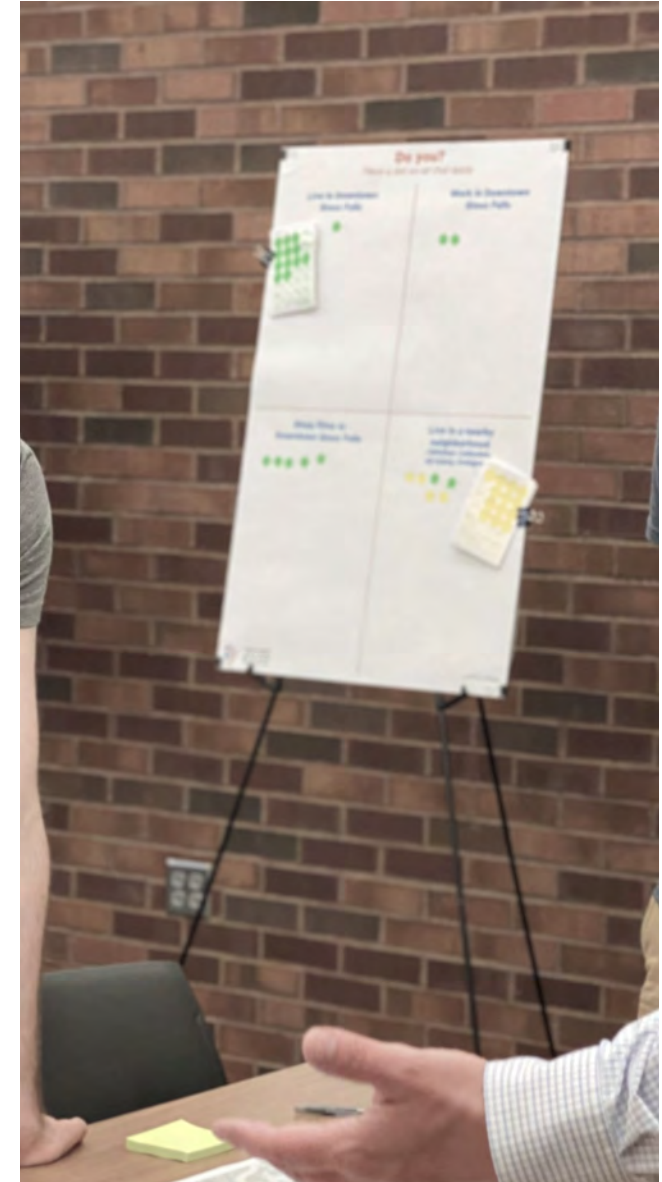


Figure 11- Pictures from the Public Input Boards in the Public Workshops

Source: Confluence Team

Where do you live?

Figure 12 shows that most of the attendees are residents of Sioux Falls. There were very few who came from surrounding communities, which reflects the level of involvement of residents and visitors in the City's planning process.



Figure 12- "Where Do You Live" board
Source: Confluence Team

Do you?

The board shown in Figure 13 asks participants to place a dot on all activities they partake in in Downtown. The dots show the highest concentration under the “Live in a nearby neighborhood.” This relates to the previous board as it provides more information regarding the geographic distribution of participants. Although the previous board shows that most participants live in Sioux Falls, this board gives more detailed information by showing that few of those residents live in Downtown, while the rest live in surrounding communities.

An additional observation is pulled from the fact that people choose Downtown Sioux Falls because of its vibrant shopping and dining destinations. This is a strong asset that should be capitalized on further.

Lastly, the “Work” section includes a healthy number of dots. However, it is important to consider the effect that COVID-19 had on work settings and how many are likely to still be working remotely.

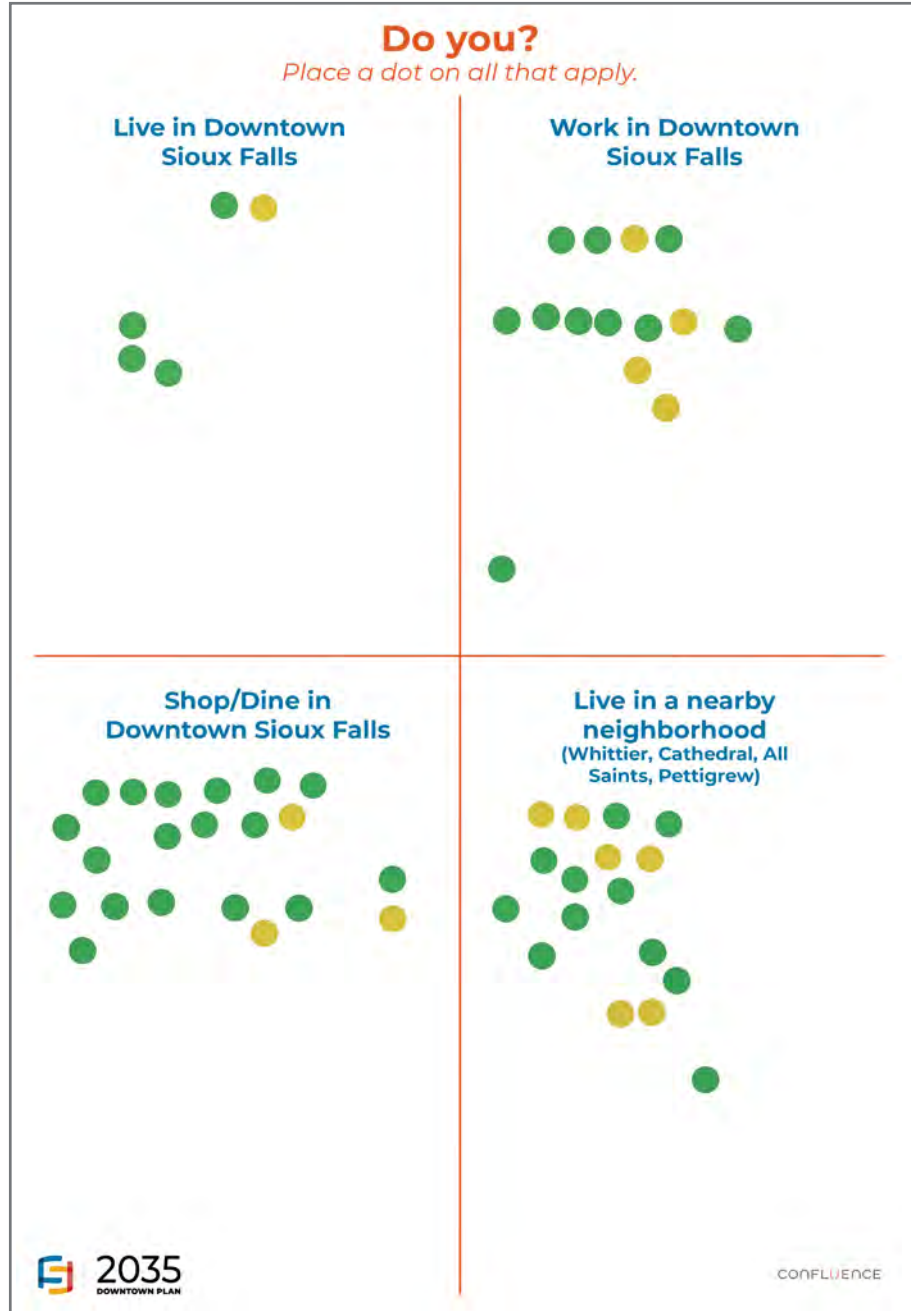


Figure 13- “Do You?” board
Source: Confluence Team

How do you feel about Downtown Sioux Falls?

Figure 14 shows perception of experience regarding a series of prompts related to Downtown.

Some factors, such as Growth + development, Transportation, Economic Development and Safety, had high concentrations of dots on the positive experience end.

Connections and Public Spaces received the lowest experience votes and should be considered target items to consider when developing recommendations.

The rest of the factors received a healthy distribution of votes along the scale, calling for more discussion to understand the community's feedback.

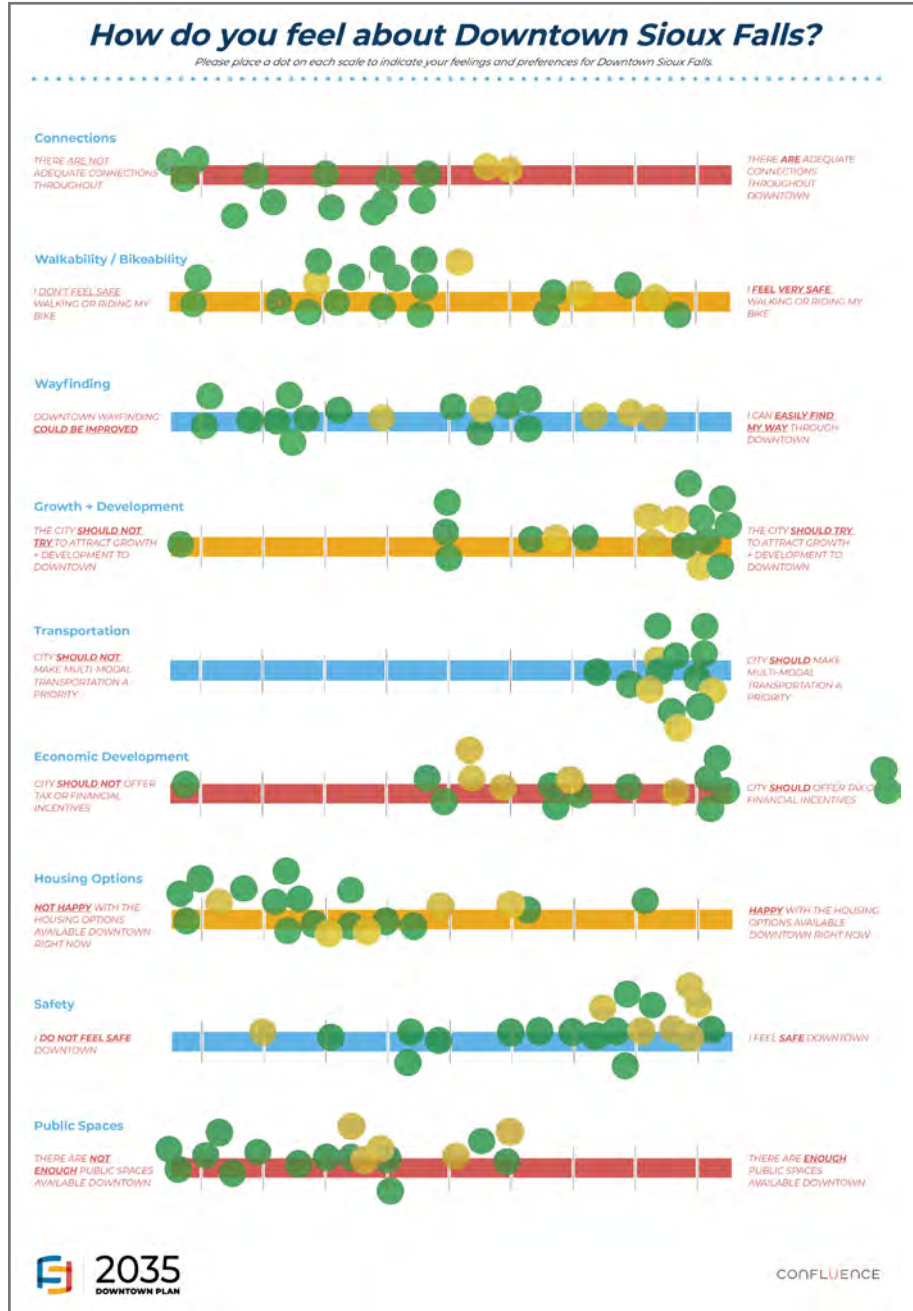


Figure 14- "How do you feel?" board
Source: Confluence Team

I want to see ___ in Downtown Sioux Falls

This board reflects some hopes and wishes of participants regarding Downtown Sioux Falls. Each one of the comments tackle a different topic such as Housing, Transportation, Public infrastructure, Public Spaces...etc

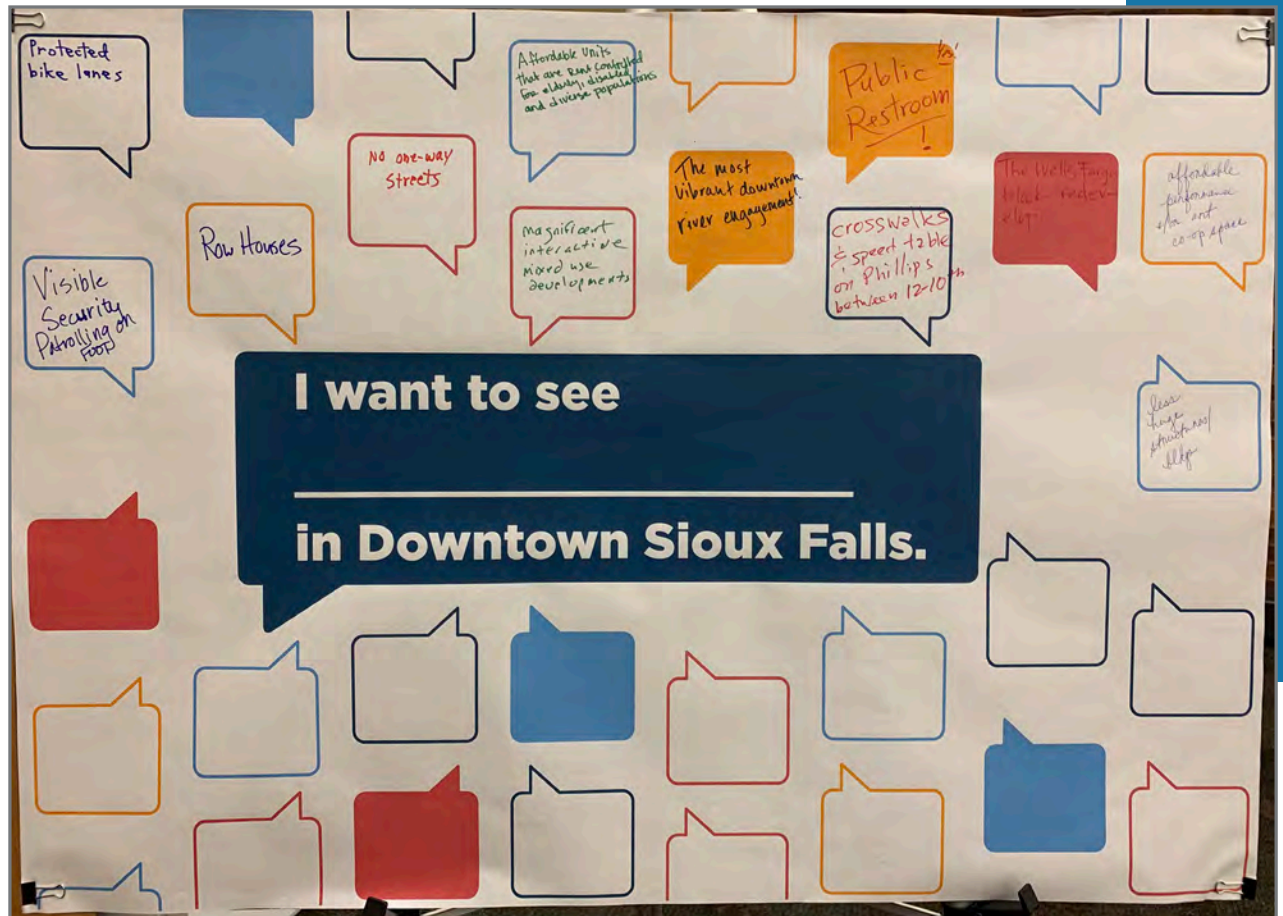


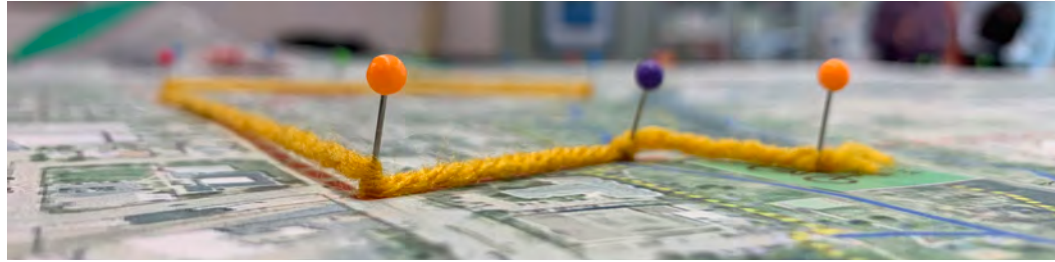
Figure 15- "I want to see" board

Source: Confluence Team

Puzzle Piece Mapping Exercise

After the public presentation, attendees were directed to the mapping exercise. Participants were able to move about the tables, interacting with one another and building on each other's ideas. They were encouraged to leave comments on the maps using puzzle pieces with a variety of land uses, pins to place the puzzle pieces, yarn to highlight desired bicycle paths, and sticky notes for general comments.

The following pages present the maps that were included in the exercise and summarizes the comments that were placed by participants.



The Puzzle Piece Exercise is intended to help guide land use discussions and overall ideas for the study area. As a facilitator, interact with participants and utilize the facilitator questions below to guide conversation and thinking. The land uses are presented to the right. Instructions for the activity are below for reference.



INSTRUCTIONS

1. Explain the purpose of the puzzle piece exercise
2. Run through the land uses and paint a picture of what each of them could look like in Downtown
3. Provide an example and begin the conversation
4. Encourage them to use the land uses, pins, add additional comments with sticky notes, and use the yarn to show new trails or bike lanes
5. Turn to the facilitator questions whenever conversation needs a pivot!
6. Have fun :)

FACILITATOR QUESTIONS

Start the conversation by asking:

- Where would you add additional trails or bike lanes?
- Where are good locations to add or redevelop with residential?
- Identify any spots for new park space or outdoor seating areas?
- Where would you place new bus stops or pick-up/drop-off lanes?
- Where would you add public art?
- Locate areas for new retail or mixed-use development?
- Are there streets to road diet or convert back to two-way?
- Which streets should we prioritize streetscape improvements?
- What should be the boundary of the downtown planning area?

Figure 16- Puzzle Piece Mapping Instructions

Source: Confluence Team

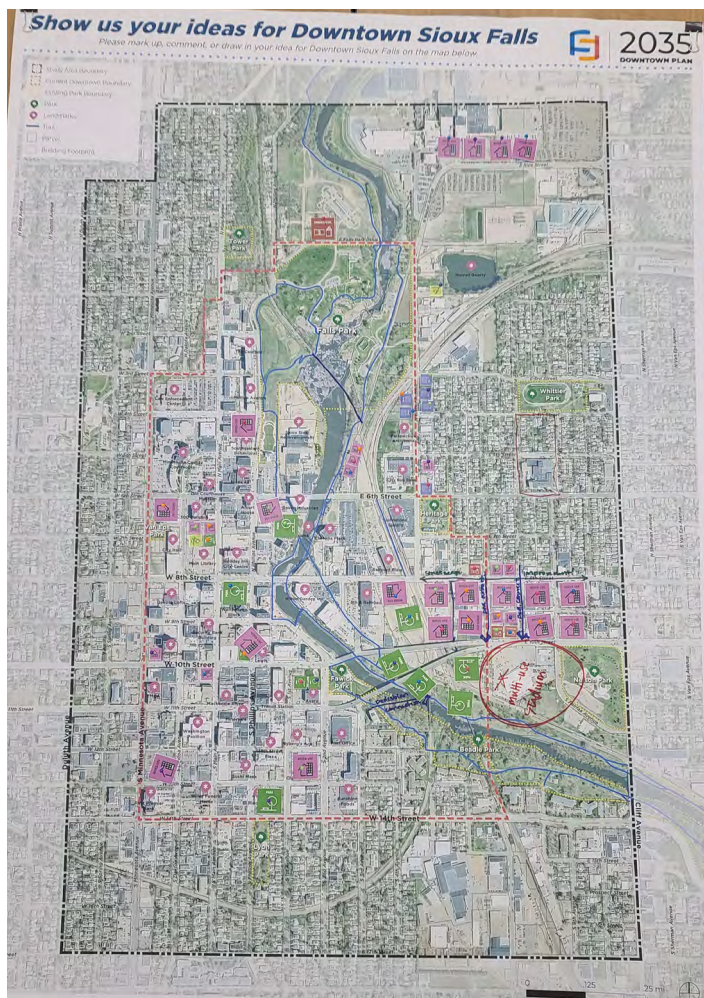


Figure 17- Public Workshop 1, Group A

- Offering mixed-use buildings along the major gateways into Downtown
- Identifying opportunities for other catalyst projects
- Increasing connectivity by reviving intersecting streets, turning one-way streets to two-way streets and inserting commercial spaces
- Increasing green spaces and pedestrian connections along the river and around the stadium
- Explore a multi-use stadium in the downtown area for different events
- Plug in art installations around Morrel Quarry
- Revive the downtown area around the main library and City Hall

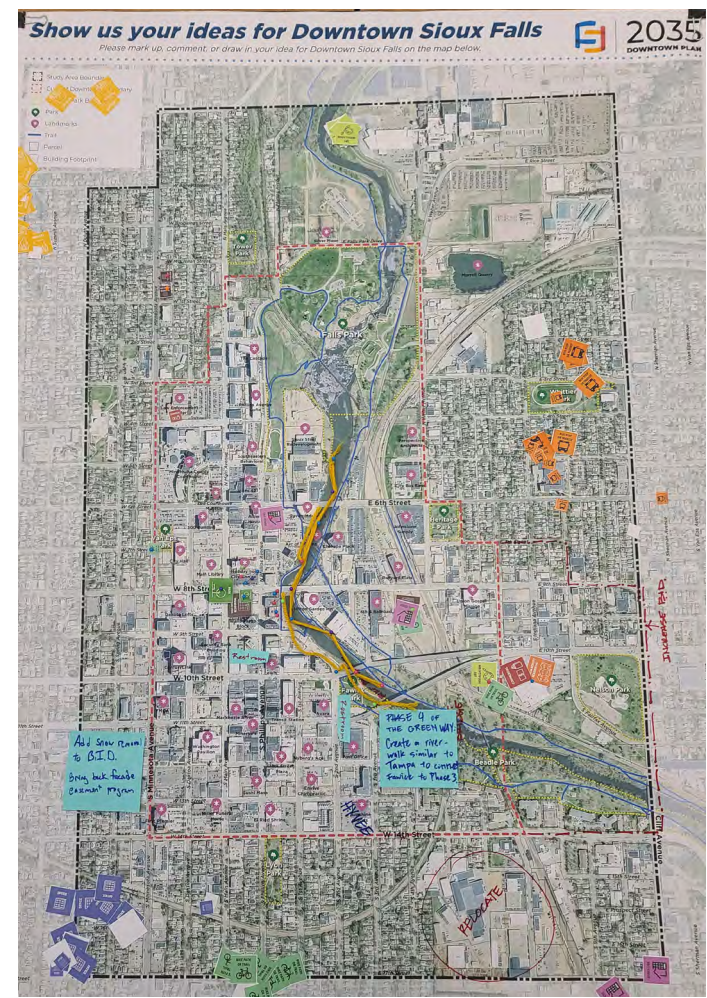


Figure 18- Public Workshop 1, Group B

- Create a riverwalk to connect Beadle Park to Falls Park through a series of pedestrian and bike paths
- Extend the boundaries of Downtown to the east, encompassing most of Beadle Park, Nelson Park, and the adjacent blocks on 10th St
- Increase grocery stores and public restrooms around the southern area of Downtown
- Bring back the façade easement program
- Activate W 8th St by adding residential buildings and parks
- Develop the east riverbank by adding mixed-use, high-density residential developments, and bike paths
- Relocating the industrial complex southeast of downtown



Figure 19- Public Workshop 1, Group C

- Implementing pedestrian walkways and bike paths following 6th St and Main St
- Consideration of rails to trails projects if and when rail lines are decommissioned
- Adding an innovative business park using shipping containers
- Proposing road diet for primary streets, especially 8th, 10th and 11th
- Increasing one-ways and parking reconfiguration to accommodate the street width and avoid traffic



Figure 20- Public Workshop 1, Group D

- Revitalize the east riverbank by installing bike stations and paths, as well as art installations
- Increase pedestrian connectivity across the river
- Revive the downtown area around main library and City Hall by increasing mixed-use developments
- Bring in bus stations around Falls Park to increase accessibility to and from it
- Relocating industrial uses outside of Downtown

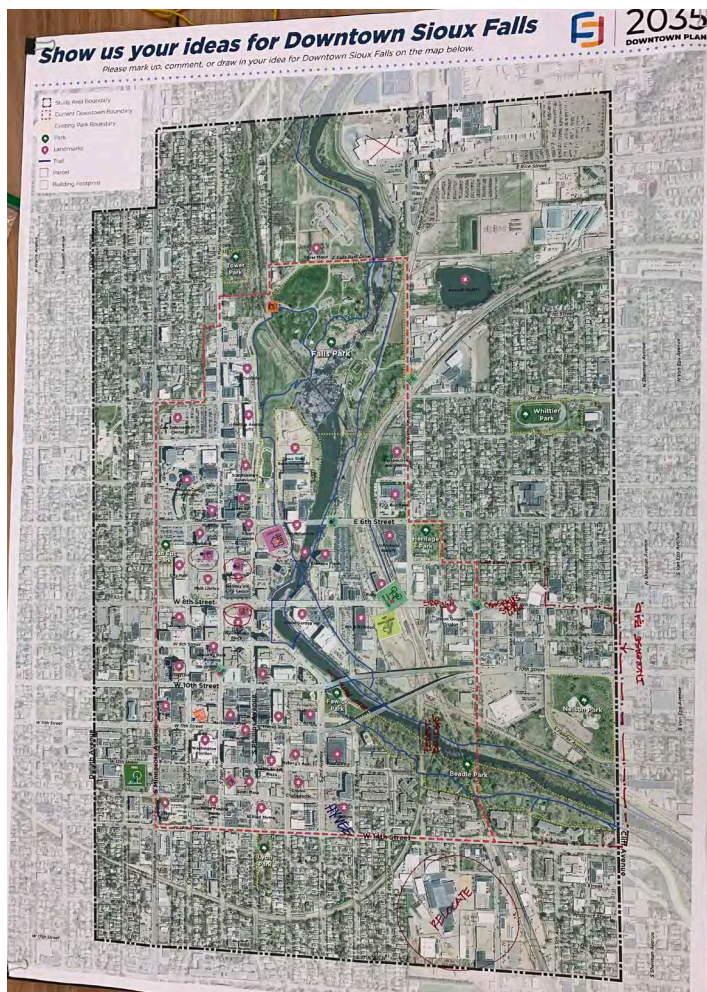


Figure 21- Public Workshop 2, Group A

- Increasing bike parking along the river
- Increase east-west bike path connections across the river
- Revitalize certain neighborhoods while maintaining and expanding the presence of affordable housing
- Convert the southern part of Downtown to mixed-use developments

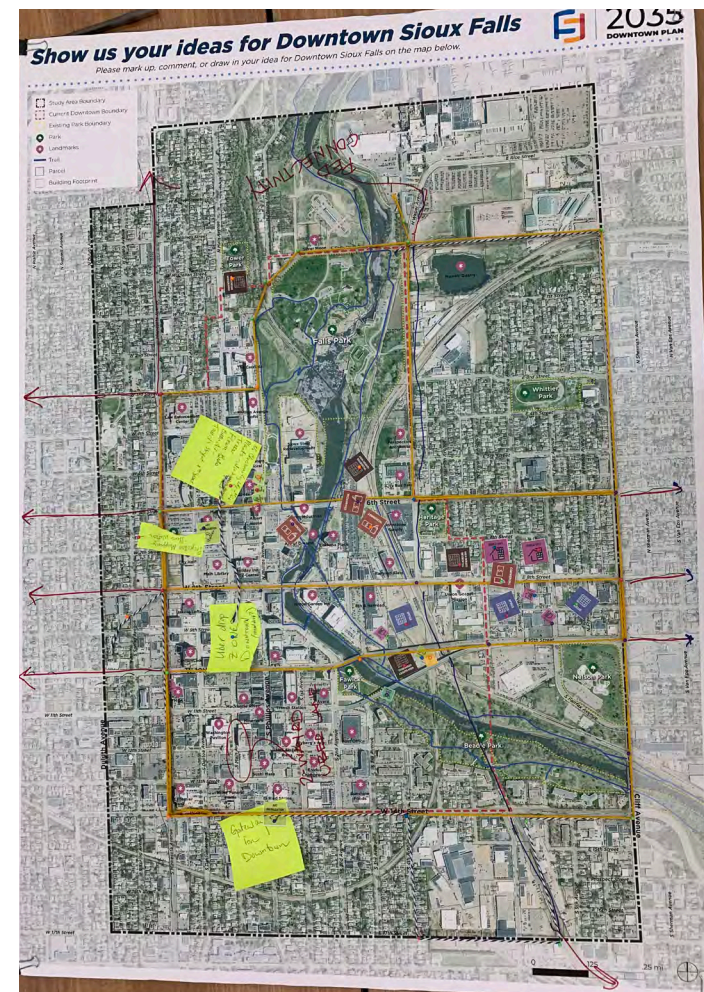


Figure 22- Public Workshop 2, Group B

- Activating the main axis of Downtown: 3rd St, 6th St, 8th St, 10th St, 14th St, Minnesota Ave, Cliff Ave, and Falls Park Dr
- Focusing on implementing art installations and plazas
- Develop the east riverbank by building commercial projects, high-density residential and office buildings
- Upgrade the pedestrian experience on the east riverbank by constructing parklets, improve lighting, and bringing in art installations
- Add a rideshare lane and drop off station in Main St
- Create a gateway to Downtown through Phillips and Main Avenues
- Implement a north-south pedestrian access along the railroads



Figure 23- Public Workshop 2, Group C

- Create gateways into Downtown along 6th and 8th streets
- Implementing commercial projects along 8th to revitalize it
- Developing the east riverbank by increasing mixed-use developments
- Consider an art installation with the idea being the art is mapped projections in an expansive space
- Fill missing teeth along Phillips Avenue streetscaping for the segment spanning E 8th Street to W 5th Street.
- Establishing east/west connections for bicyclists along E 6th Street, E 8th Street, and W 10th Street.
- Creating a designated rideshare lane along Main Avenue

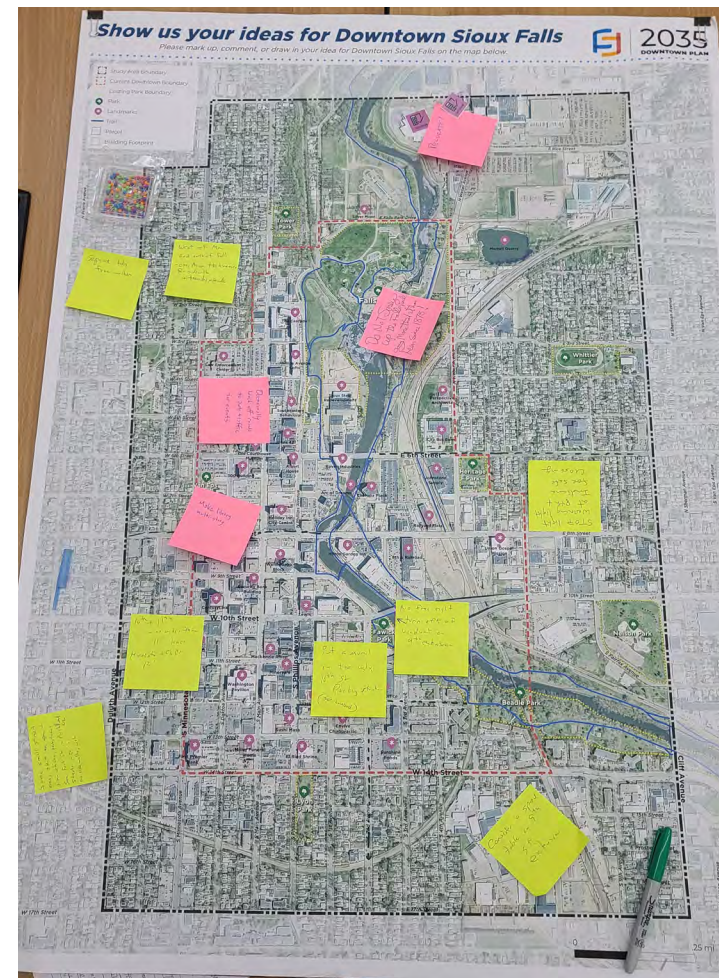


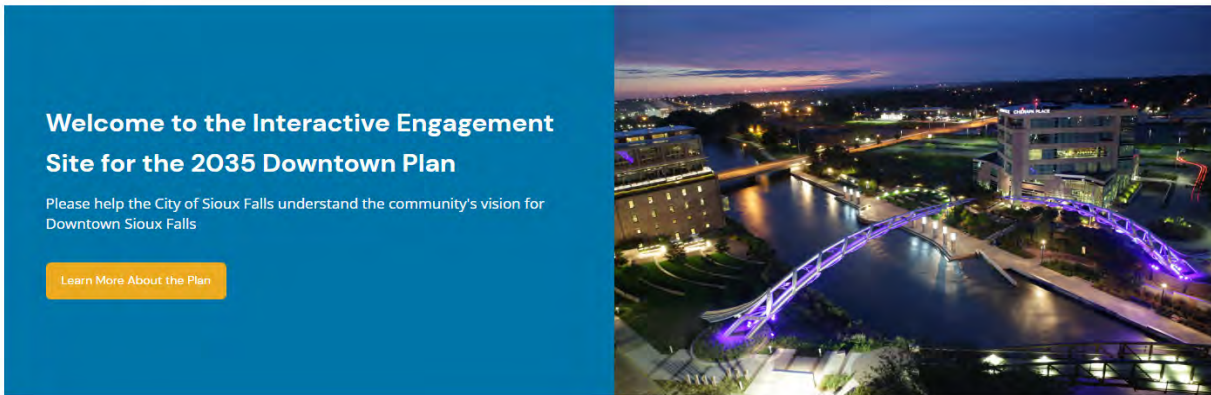
Figure 24- Public Workshop 2, Group D

- Relocating industrial uses outside of Downtown
- Focus on developing Falls Park to respond to the current needs
- Develop the sidewalk system
- Options to close streets and make them pedestrian-only for events
- Expand the main library
- Install murals on parking buildings to beautify the area
- Install warning lights at 8th St and Indiana Avenue to increase safe crossings
- Consider a speed table on the 9th St extension
- Create a hierarchy of the road network by diversifying widths, sidewalks, speed limits...etc.

INTERACTIVE ENGAGEMENT WEBSITE



Home Project Website



The City of Sioux Falls is in the process of creating the **2035 Downtown Plan**, a new master plan for Downtown Sioux Falls. Please help the City understand the community's preferences and vision for Downtown Sioux Falls by completing the two short exercises below.

An interactive engagement website was created to help attract feedback from a wide audience of Sioux Falls residents. For those unable to attend the in-person workshops the website provides an alternative means of gathering feedback on the future of Downtown Sioux Falls. Interactions exceeded expectations as shown by the Results Summary.

The website launched at the end of **April 2022** and was open for input through the end of **August 2022**.

The website included a two activities to learn about the participants and pinpoint ideas for Downtown. These included:

- **A Community Survey**
- **Interactive Mapping Activity**

These activities, from both the online platform and in-person meetings, have been tabulated together for the development of the future 2035 Downtown Plan.

Figure 25- Results Summary from the Interactive Engagement Website

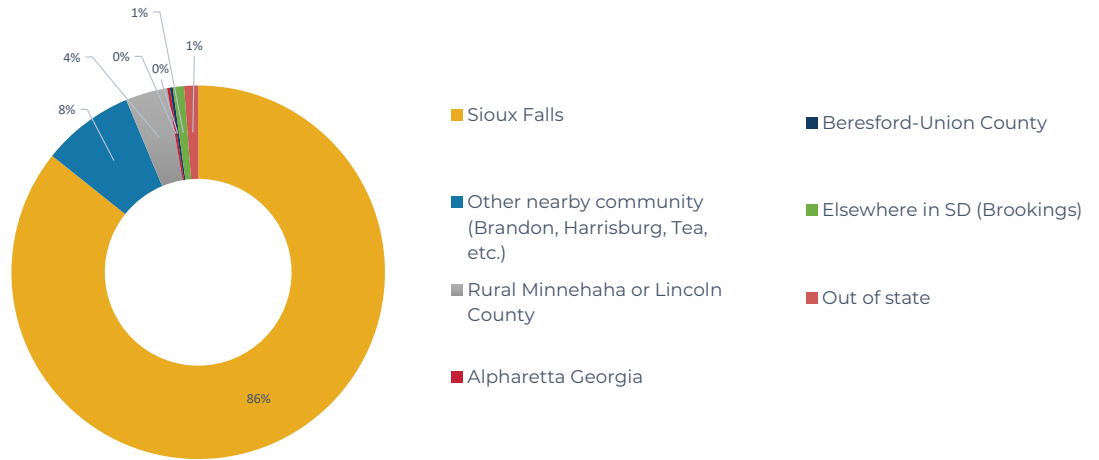


COMMUNITY SURVEY

1- Where do you live?

When participants were asked about where they live, most of them replied that they reside in Sioux Falls. A significant majority also replied that they live in surrounding communities which indicates the involvement of these areas in the planning of Downtown Sioux Falls.

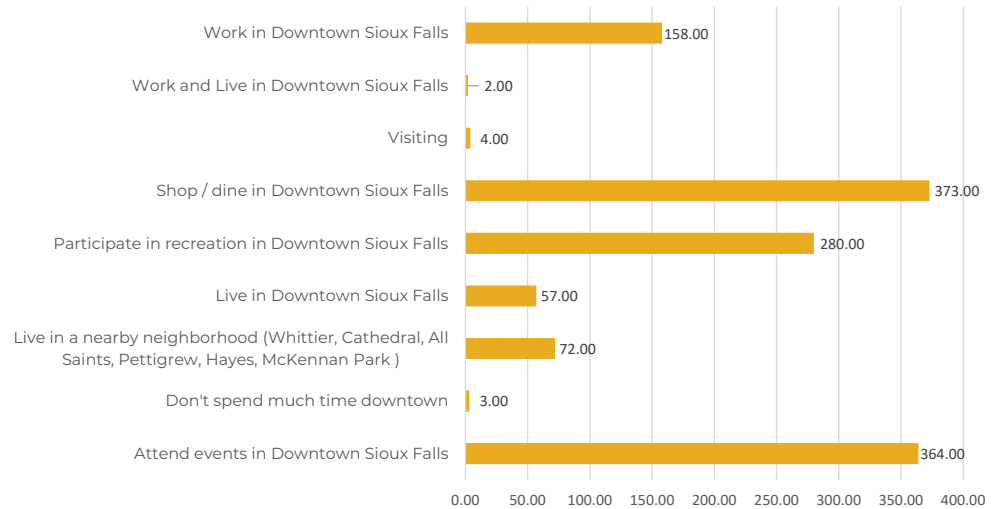
Figure 26- Question 1: Where Do You Live?



2- Do you?

This question asked participants about the purpose of their visit to Downtown Sioux Falls. The two most voted on items were “shop/dine” and “attending events.” This reflects the strong character of Downtown being a hub for entertainment and recreation. Additionally, “work” received a significant number of votes as well.

Figure 27- Question 2: Do you?...



COMMUNITY SURVEY

3- What is working well in Downtown Sioux Falls?

When it comes to what is working well around Downtown, participant voted for “shopping and dining experiences” which builds on the previous question. The “look and feel” of Downtown as well as the “programming” also receive the second and third highest number of votes. “Housing selection” received the lowest number of votes, indicating a gap in services provided needing to be addressed.

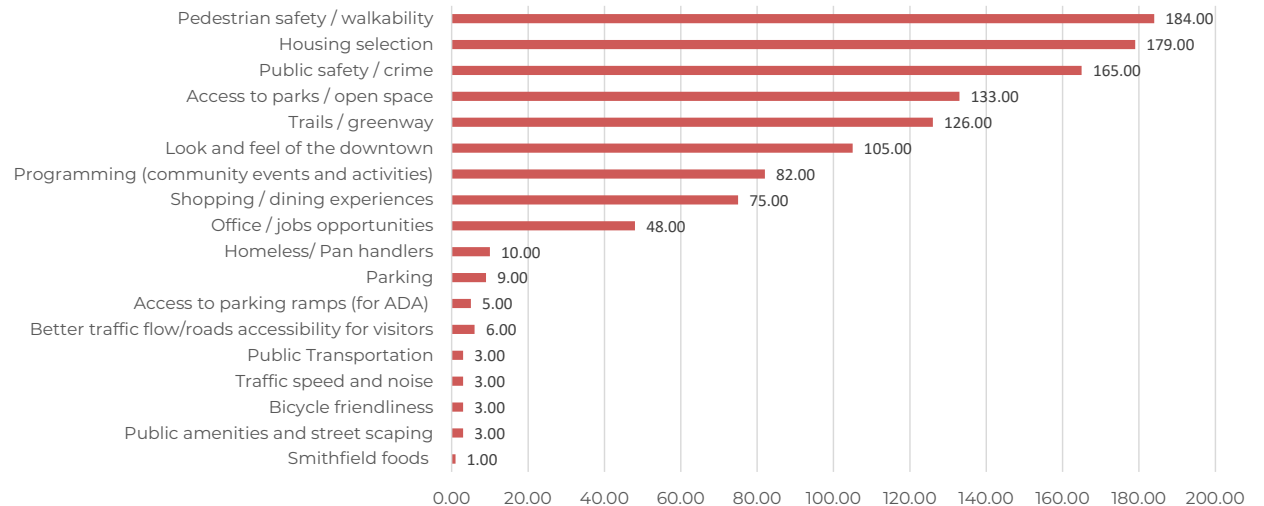
4- What are some things that need improvement in Downtown Sioux Falls?

“Walkability and pedestrian experience” got the highest number of votes, followed by “housing selection”, and “public safety/crime.” This supplement the lesser voted on items in the previous question.

Figure 28- Question 3: What is Working Well in Downtown Sioux Falls?



Figure 29- Question 4: What Are Some Things That Need Improvement in Downtown?



COMMUNITY SURVEY

7- What is your household size?

The majority of participants lived in a 2-person household, indicating they are likely young professionals or seniors without children. This is followed by the 3-person category reflecting small families.

8- How long have you lived in Sioux Falls?

Participants were also asked how long they have lived in Downtown. Majority of responses indicate residents have lived here for 20+ years. There is also a healthy presence of residents that have lived Downtown for 10 to 19 years.

8- Do you rent or own your home?

Majority of participants own their home. This is atypical for Downtown settings, as this setting is often more supportive of rental units. Ensuring there are options for prospective residents and their housing goals should be considered in the overall plan recommendations.

Figure 32- Question 7: What is Your Household Size?

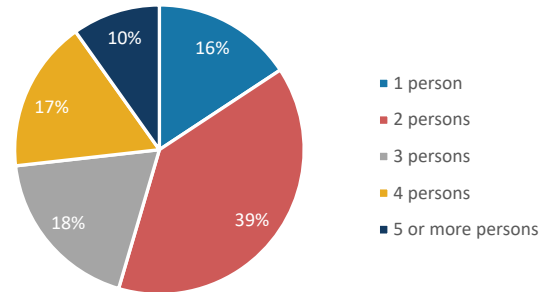


Figure 33- Question 8: How Long Have You Lived in Sioux Falls?

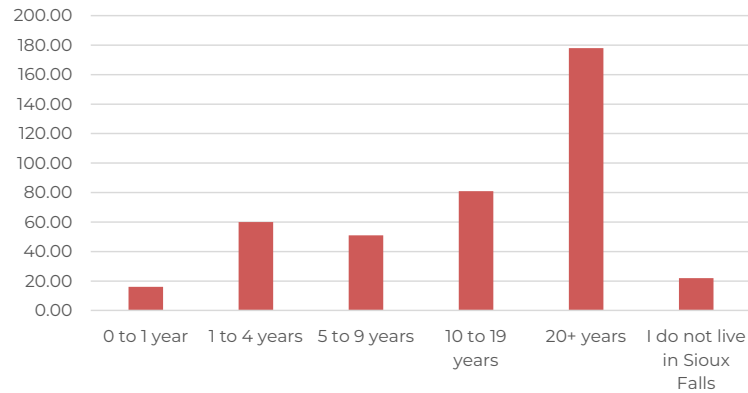
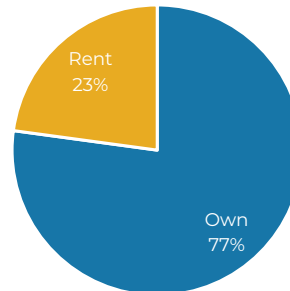


Figure 34- Question 9: Do You Rent or Own Your Home?



INTERACTIVE MAPPING

The interactive mapping activity allowed participants to pinpoint their ideas, comments, and concerns throughout the Downtown. Utilizing a variety of comment types, participants could identify their favorite places, potential trail or sidewalk routes, and ideas they have to improve the area.

There were six comment types available and a total of **558 comments**.

Figure 35- Comment Types

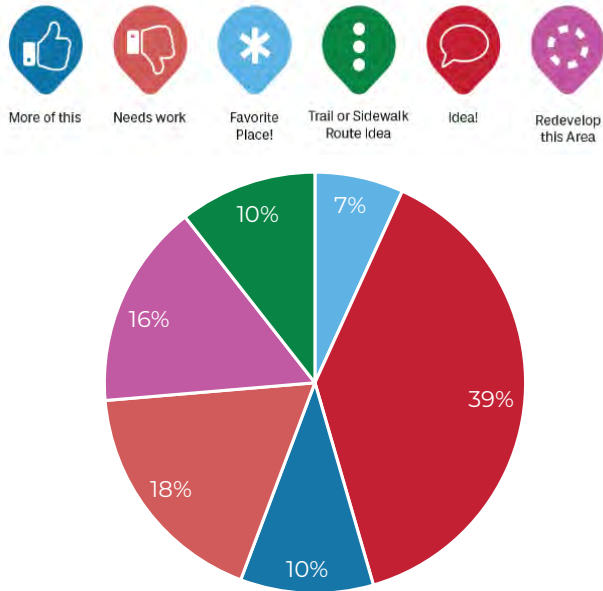
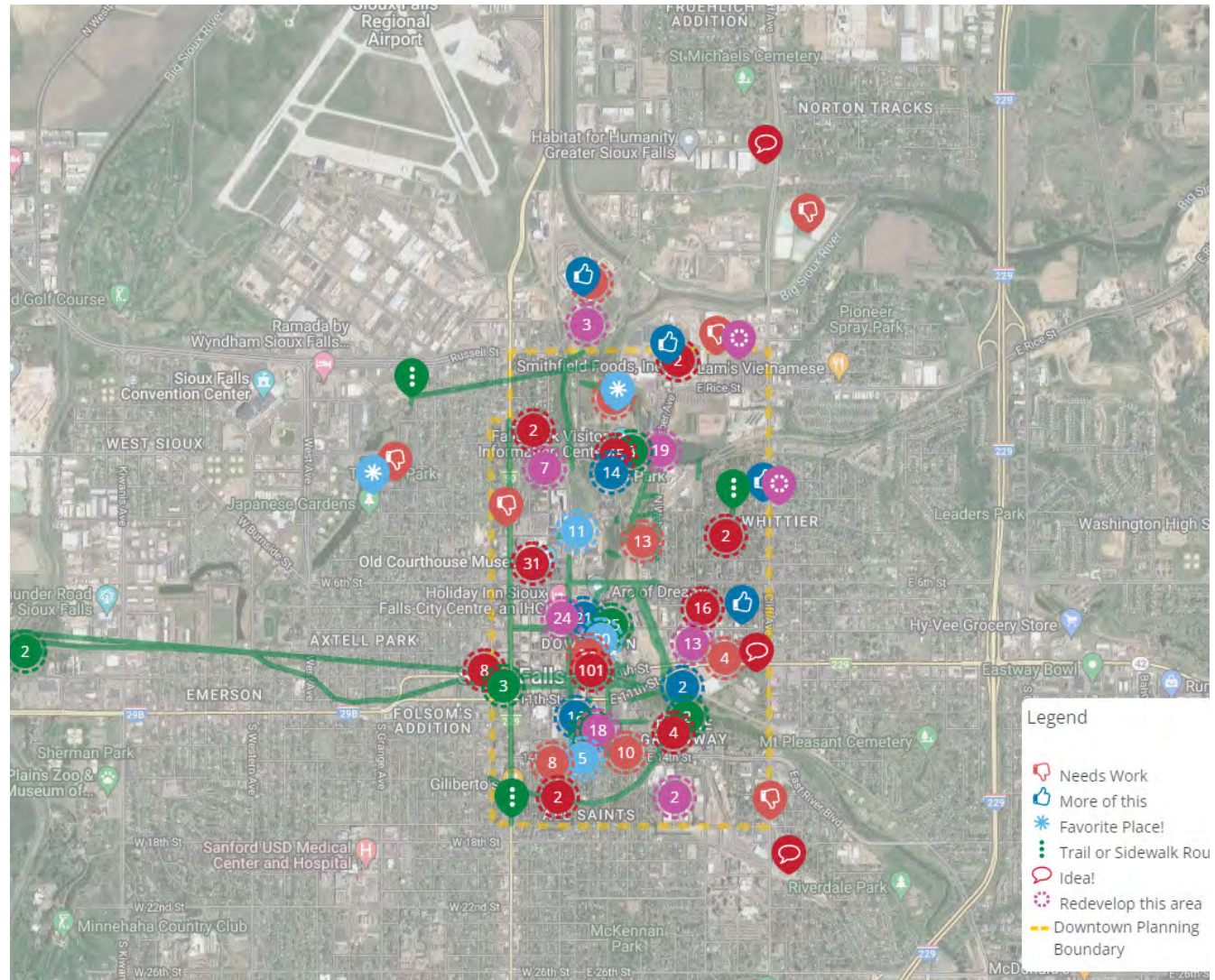


Figure 36- Interactive Mapping with All Comment Types

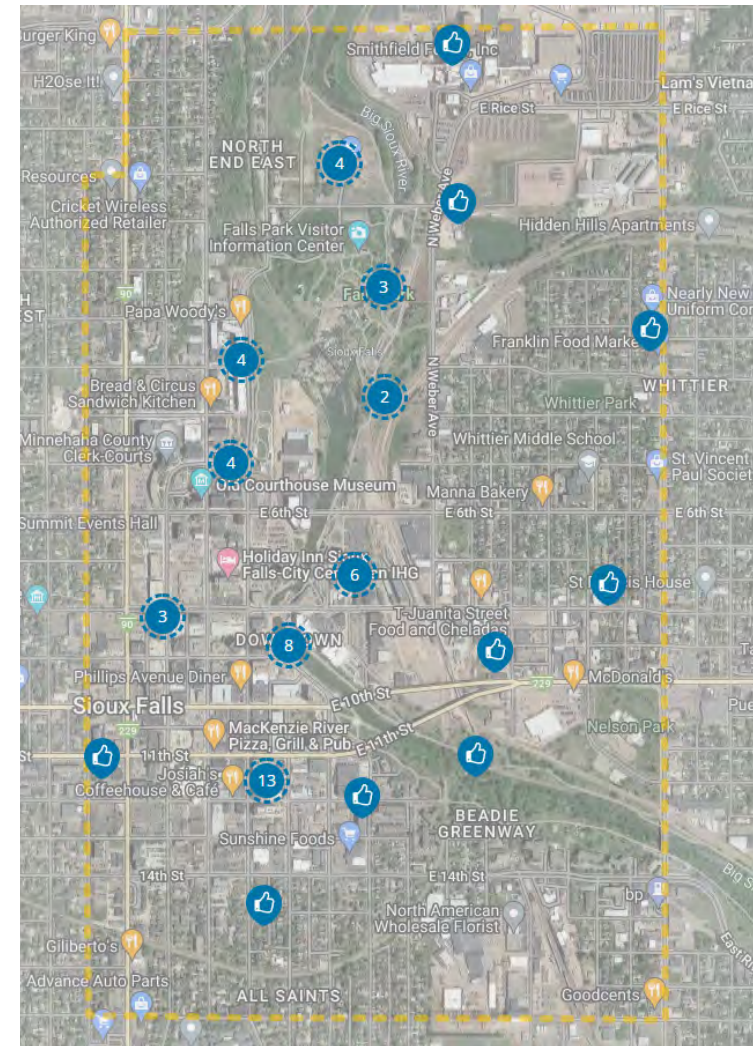


INTERACTIVE MAPPING

More of This

- The **Cascade** and all of the shops have been an awesome addition to Uptown
- More **pedestrian-friendly areas**
- Keep and **expand green spaces**
- Add more **trees** around DT for shading
- More outdoor year-round **market space**
- **Increase foot bridges** crossing the river
- Increase different types of pedestrian bridges
- More Map updates to include new developments
- **Wall art** about the story on the bridge
- Love the **bike / walking trails**
- More **dog parks**
- More **playgrounds** for kids
- **A pedestrian mall** would be a welcome addition to downtown.
- **Landmarks** like the arc
- **Summer space** activations
- The **farmers market** (but could use more parking and could be open longer)
- Keep downtown as **socially and economically diverse and inclusive**
- Changing **parking from meters to 2-hour**
- **Sculpture walk** is amazing!
- More projects like **Railyard Flats**
- More **dining**, especially outdoor
- **More level 2 EV charging stations**
- **Preserving** and adapting **historic buildings**
- **Highlight unique landscaping** in Downtown
- Individual, **family-sized restrooms**, serving strollers and wheelchair users.
- **More walkable streets** like the 8th
- **Pedestrian alleys** are phenomenal
- Downtown **grocery stores** are great.
- More **mixed-used projects** with diversity in target audience
- Structured parking
- **Preserve the heritage of Downtown**, its traditions, values, foods, character in many ways
- Add **bigger playgrounds** to accommodate for busy days (ex: Farmers Market)
- **Beautifying** the area with murals.
- More **patios** shaded and off of the road patios
- Appreciate that this space is used for **banners to announce upcoming events!**
- Appreciate the **water features** here.

Figure 37- Interactive Mapping with “More of This” Comments



INTERACTIVE MAPPING

Needs Work

Parks & Riverfront:

- Utilize spaces around Falls Park and integrate them in the plan
- Connect Falls Park to other landmarks, smaller parks and trails
- Clean up the river and improve water level
- Move the State prison away from the Park
- Widen bridges and add stops to look

Accessibility/ Roads:

- More paved parking for Farmers Market and Falls Park
- The walkability on Eastbank is far worse than it is on the other side of the river
- Give highest priority to pedestrian lights
- Part of the bike loop needs shade and wind blocks
- Develop the bike trail from the Farmers market up to the prison
- 14th St acts as a barrier between Downtown and south
- Replace viaduct with one 4 lane bridge
- Make streets and crossings more pedestrian friendly to reduce car use
- More bike parking/ racks
- Better public transport with better service
- Reduce parallel parking
- Consider road diet in some streets

- Better traffic signals, especially on turns

Streetscape:

- Repair and widen sidewalks in some areas
- Improve streetscape along N. Phillips Ave
- Beautify the side of the ramp
- Eliminate overpasses
- Upgrade lighting system around Downtown
- More development beyond 12th St

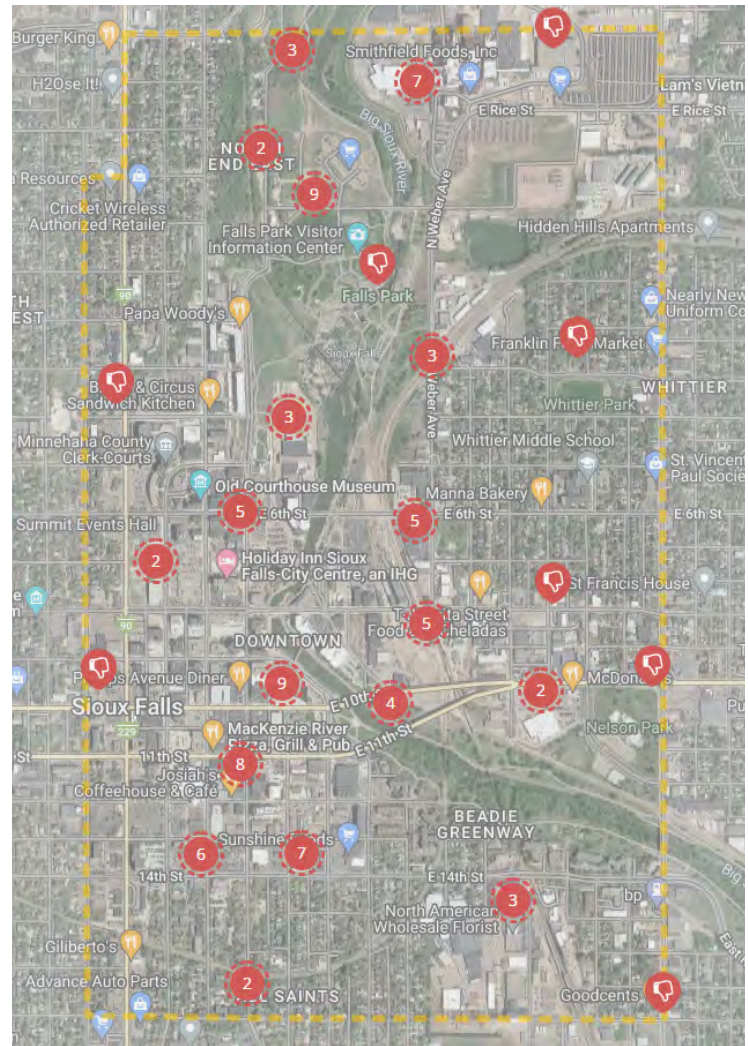
Buildings:

- Eliminate metal facades on buildings
- Redesign buildings on Phillips Avenue

Safety & Comfort:

- Some issues caused by the homeless
- Some areas smell bad especially around the heavier industrial use areas
- More trees for shade
- Improve traffic control lights
- Need crossing arms to silence train noise
- Noise from motorcycles and cars needs to be reduced along Phillips, 11th, and 10th
- More safety needed around gas stations
- Improve aesthetic of existing patios
- Train schedule aligning with rush hour

Figure 38- Interactive Mapping with “Needs Work” Comments

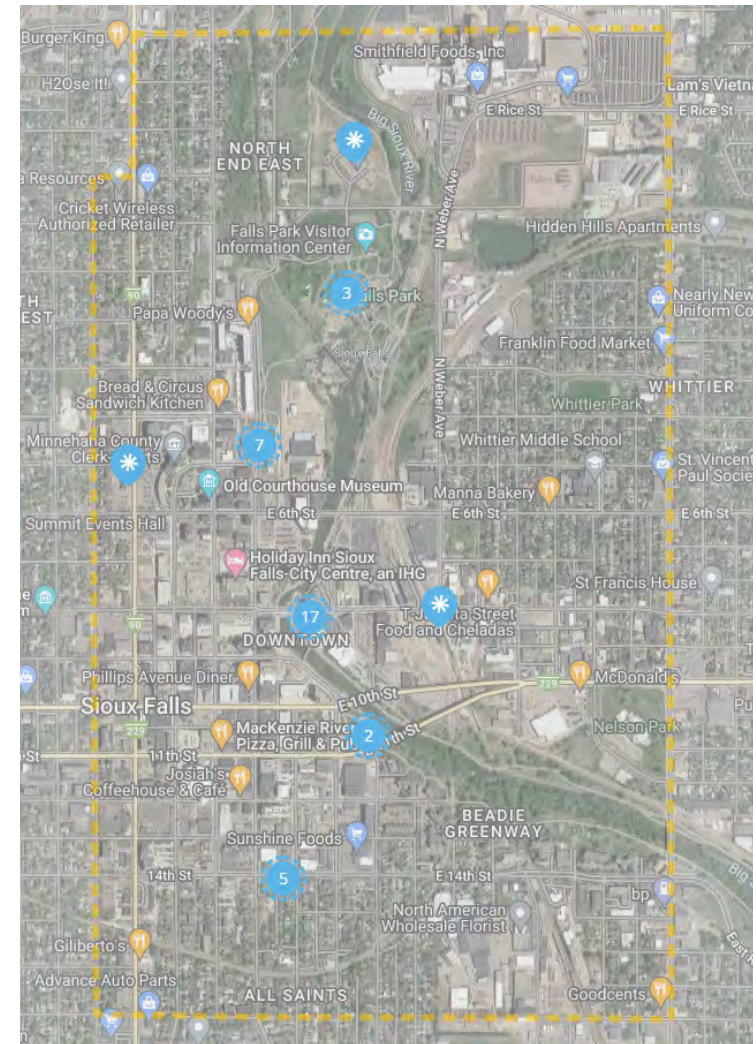


INTERACTIVE MAPPING

Favorite Places

- The **river walk** area
- **Great shops and restaurants**
- Keep the Sioux Falls **restaurants** that are classics
- **Beautiful historic buildings**
- The **art scene** and the murals
- The **dog park**
- Unique **plaza spaces** that are inviting
- **Underutilized green spaces** that are shaded and far from noise
- **Little parks in heart of the city for kids**
- **Parks with diners** around
- Favorite parks cannot **accommodate everyone on a nice day**
- Plaza spaces like WoodGrain's make downtown feel so inviting.
- River **Greenway** is great
- The **trees and viewpoints** along this the stretches.
- The "**skyline**" view showcases a cool view that feels like a city
- Cool ways to come into Downtown
- **Falls Park and the cafe**
- The **holiday lights** at Falls Park
- Having a general store in Downtown
- Our **Arc of Dreams**
- The **Farmers Market**
- **Levitt** as a favorite venue!
- Different options for **public seating**
- Great **community engagement activities**

Figure 39- Interactive Mapping with "Favorite Place" Comments

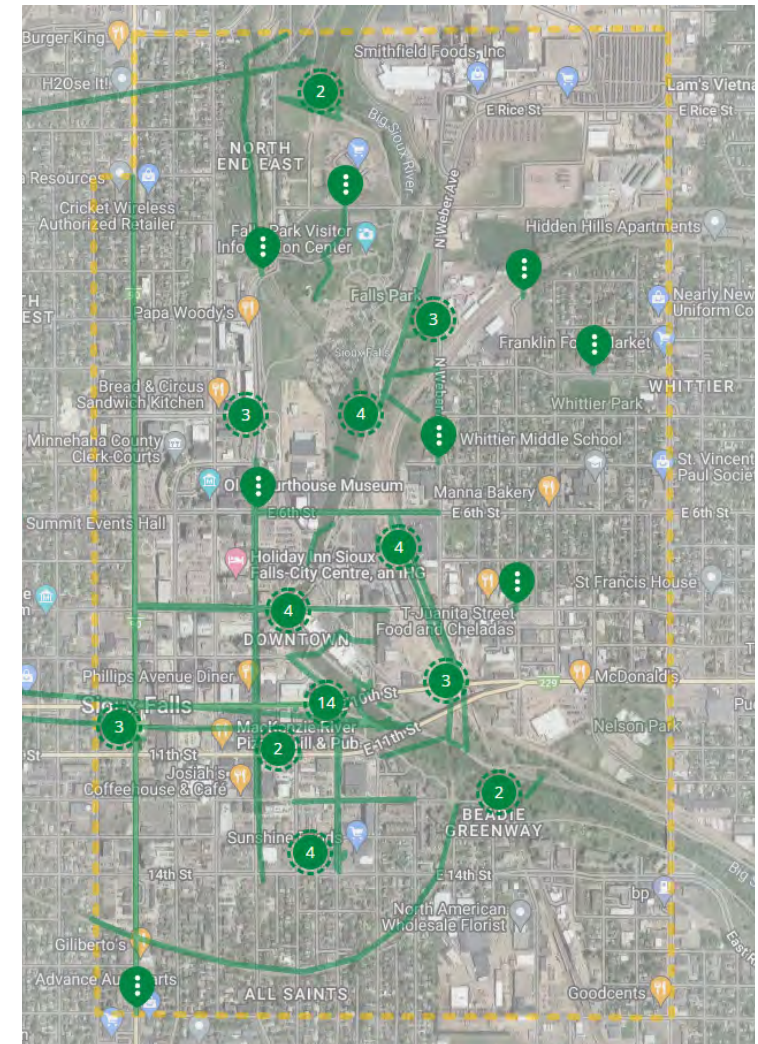


INTERACTIVE MAPPING

Trail/ Sidewalk

- Needs **improvements** in how to **walk from residential areas to Downtown** (10th, 11th, Phillips..)
- Add more **pedestrian bridges and bike paths** to cross from East of the River
- The **viaduct sidewalk does not feel safe**
- Trail** added under bridges
- Make streets more **pedestrian & bike friendly and safer** (ex: 6th)
- Diagonal crosswalk and pedestrian crossing signs with push-buttons**
- Develop **road diet plan** for some corridors
- Make some blocks **pedestrian only for first Fridays, weekend nights, and busy times**
- Add a **pedestrian walkway over Minnesota Avenue**
- Build a **pedestrian/bike bridge** to connect with Fawick Park and all of the events
- Improve sidewalks** to make them **safer and ADA accessible**
- Expand sidewalks around Weber Ave**
- Consider **an overpass by the railroad**
- Create **smooth paved trails** for bikes around Falls Park
- Implement **road diets around Phillips Avenue** and turn it into a pedestrian mall
- Develop the bike lane network and connect to green areas** (ex: 10th st, 2nd Ave to Sunshine market)
- Sioux Falls could follow the European model of a walkable Downtown
- Connect trails to existing parks**
- Pave this dirt path that pedestrians and bicyclists have created.
- Rebuild the waterfront at Fawick Park** to have a similar look and feel to the River Greenway at Cherapa Place.
- Build a path along the waterfront from Arc of Dreams** towards Raven to a bridge that crosses to the northeast, creating stronger links between both sides
- Create a single track loop for bikes.**

Figure 40- Interactive Mapping with “Trail or Sidewalk” Comments



INTERACTIVE MAPPING

Ideas

Streetscape and public amenities:

- **Awnings and outdoor seating**
- **Public Restrooms**
- **Expand sidewalks/** patio on Phillips
- Improve **landscape** around parking
- **Art Installations** along the riverbanks
- Introduce better way finding signage
- Adding a **quartzite entrance & historic installations into the Cathedral District**
- Give more **character** to Downtown (ex: Old Clocks)
- Add **gas lanterns for night illumination**
- Add **water fountains** in main squares
- Add a **historical railroad installation**

Parks & Trails:

- **Make Falls Park as a destination and more pedestrian/ ADA accessible**
- More **stop offs along the river**
- Parks in front of parking, with amenities
- **Connect trail riverfronts and parks**
- More **trees** and green **open spaces**
- Improved bike trail **signage**
- Add a **small dog parks**
- Develop the **Pioneer Memorial**
- More pockets parks and activations

Pedestrian Experience:

- Add **more pedestrian crosswalks** on 14th, Weber, 8th, 10th and 11th

- Turn main **streets** into **pedestrian**, especially Phillips Ave as a pedestrian mall
- **Mid-block crosswalks** and raised crossings
- Create a pedestrian connection to the river
- Add **pedestrian bridge** to create a loop around Falls Park

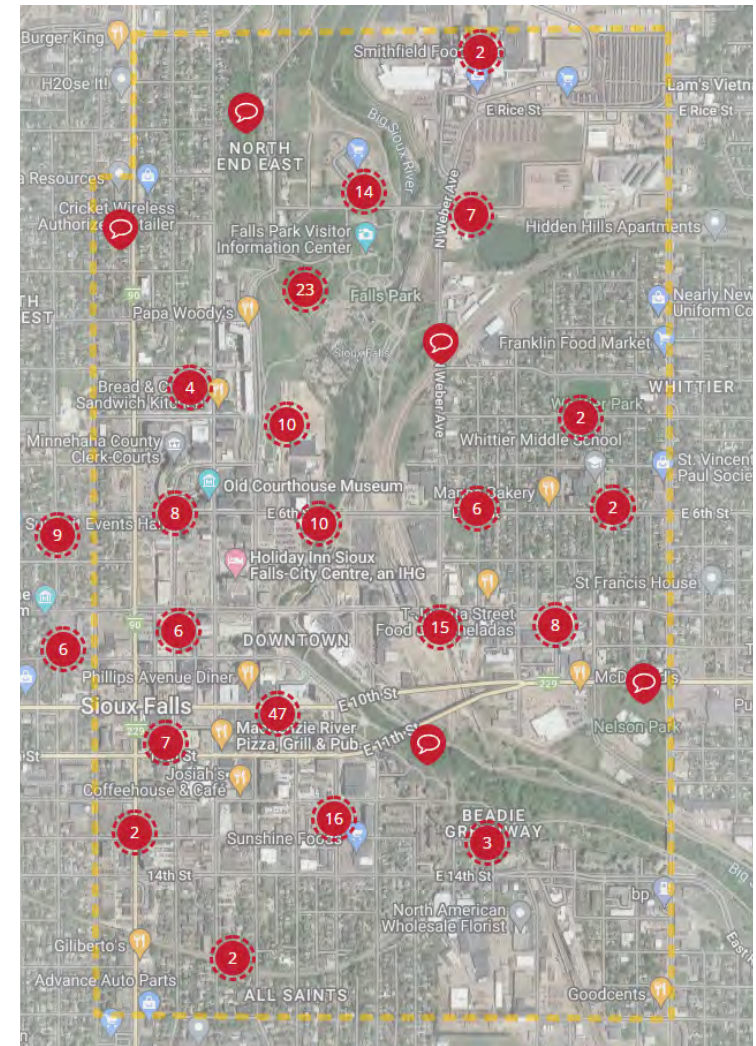
Transit and Roadways:

- Add a **4-way stop** on 12th and 3rd
- Make 13th St a one-way street
- Reduce car use by **encouraging other modes** and increasing frequency
- Add a tram from Falls Park to 14th St
- Add **parking** for easy access to **Levitt**
- **Do not remove parking from Phillips Ave.**
- More **parking signage for free hours**
- Clear location to lock up bikes
- Install **solar panel** as parking shading
- **Add seating and amenities in bus stops**
- **Slow down speed limits and add signs**
- Keep parking by the Post Office
- More **protected bike and pedestrian paths**

Economic Development:

- Build a **small business incubator.**
- Supporting businesses through **grants**
- Expand investment opportunities outside
- Attract **funds for the historic parts of Downtown**
- Attract young professionals to SF
- Seasonal and holiday events
- **Add a walking map of the district**

Figure 41- Interactive Mapping with “Idea”



INTERACTIVE MAPPING

Ideas

Programming and activities:

- More **outdoor space programming**
- Permanent **Farmers Market**
- Make **Morrell Quarry accessible to the public**
- More **murals**, especially by the ramp
- More **park supervisors** for safety
- Help the school district keep a school here
- Create some sort of **“Art Alleys”** in Downtwon
- Also developing this area as a **kayak place**
- **Seasonal and holiday events**

Land Use:

- Small neighborhood **coffee shops** or **bar/restaurants** to keep people connected
- More **dining & commercial** on east Phillips
- Place **studio fitness options** in Downtown
- Make more **food truck** friendly areas
- Set up a **PUD** with compact, walkable plan
- More **efficient use of storefronts**
- More **grocery stores**

Buildings:

- **Adapting buildings to become art hubs, restaurants** and/or history centers (ex: 300)
- Build a new Canaries **baseball stadium**
- Make the **Cascade more ADA accessible**

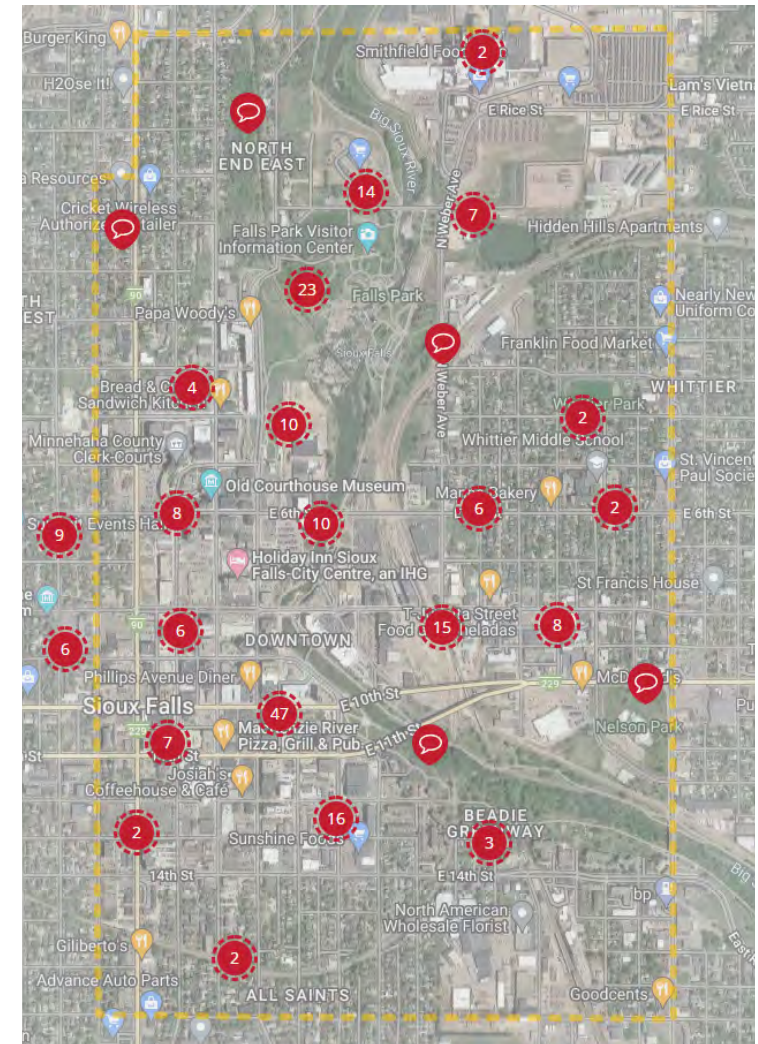
Environment:

- **Clean the river** & activate the quarry lake
- Start normalizing **prairie restoration** and fixing the **water and soil quality**.
- Increase **native Plants and prairie**
- Add a **Botanic Garden**
- Create an **urban food community garden**

Housing:

- More **equitable & diverse housing** around
- Enforce regulations to fix homelessness

Figure 42- Interactive Mapping with “Idea”

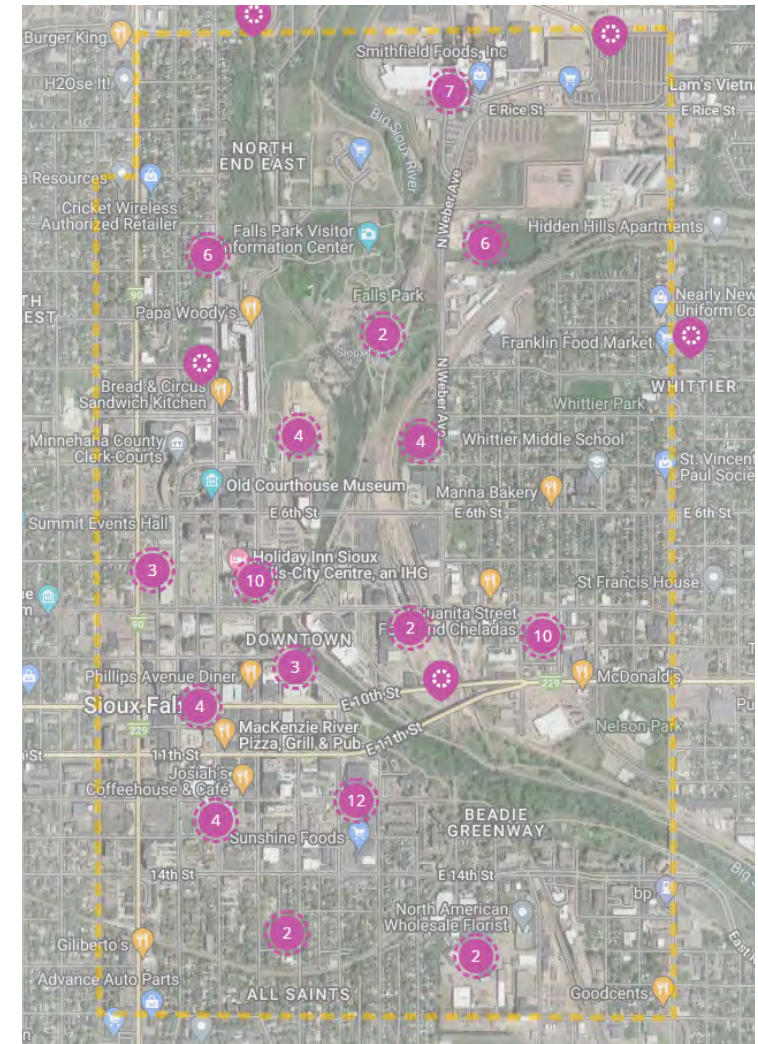


INTERACTIVE MAPPING

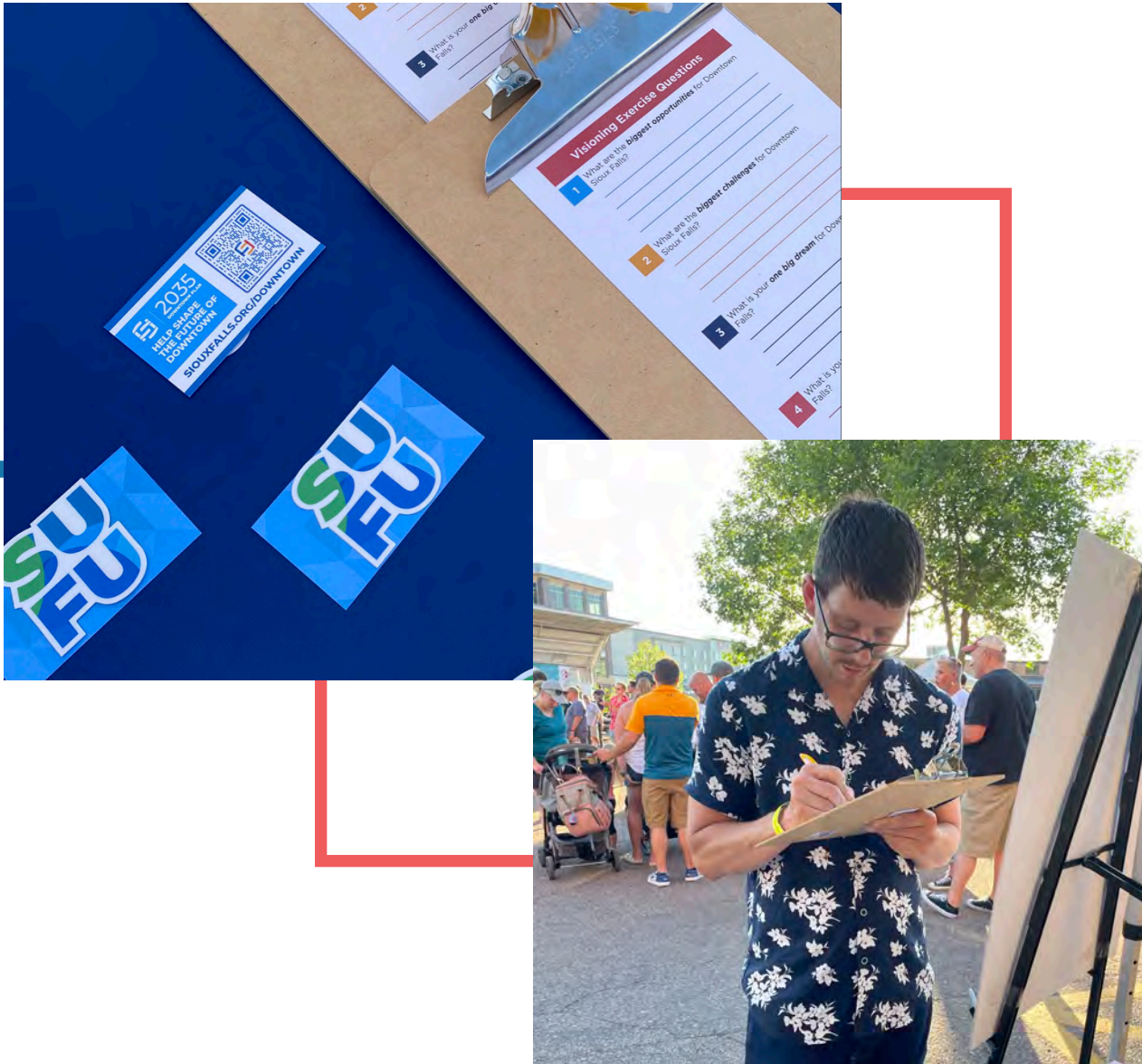
Redevelop This Area

- **Artist colony** should expand, and be open during festivals at Falls Park
- **Redeveloping all industrial areas into mixed-use neighborhoods**
- Increase **Dining/Bars** in vacant areas
- Develop **more parking** for Raven, Wells Fargo, the Minnehaha County Jail
- Parking ramp with retail/housing
- **Roads** need development to be smoother
- Add **more retail** next to The Break, Total Drag, and Common Sense
- A lot of **wasted pockets to be developed**
- Some **parking lots can be turned into high-density housing developments**
- Use **public-private partnership**, incentives, grants, loans to relocate and redevelop underutilized areas/ businesses
- Enhancing **neighborhoods** to the north
- **Turn old buildings to local art hubs**
- More friendly spaces around the **river**
- Add a show-stopping **city center structure** of real height to gather all retail
- Building more **mid/high rise buildings**
- **Redevelop areas along the river** into retail and mixed multi residential
- **Expand Levitt** area park
- **Develop the existing parks**
- **Relocate houses far from train tracks**
- **More shops** along North of Phillips.
- **Public plaza spaces**
- Create an **amphitheater** or a sports stadium out of the quarry
- **Revive the Queen Bee Mill**
- **Extend Downtown/Eastbank eastward** over the railroad tracks.
- Support adding a **skate park**
- **Add planters, crosswalks, specialty lights**
- **Create places for homeless in all seasons**
- **Remove fencing** in areas around the park
- **Redevelop surface parking lots**, but be sensitive to the risk of gentrification
- **Preserve the ethnic character** and support BIPOC businesses along east 8th street
- Make a **recreational area** to add to complement Falls Park
- Reuse the existing line to connect Downtown to the surrounding and the Airport
- Opportunity to develop probation offices
- Downtown needs to utilize **underground parking**
- Redevelop the post office for food, art, music spaces
- Make this **historic warehouse into a public market**

Figure 43- Interactive Mapping with “Redevelop This Area” Comments



CITY ENGAGEMENT STRATEGIES



To supplement the consultant team’s public engagement efforts, the City of Sioux Falls’ Staff formed an Advisory Committee (AC) and nine resident work groups. The AC met monthly to discuss the progress of the plan, review feedback, and review recommendations. The AC is further described on the following page.

The resident work groups focused on these nine key topics:

- Amenities + Services
- Arts, Culture + Entertainment
- Environment + Design
- Growth + Development
- Identity + Branding
- Infrastructure + Public Improvements
- Parking
- Safety
- Transportation, Connectivity + Mobility

In addition to these groups, the City attended various public events to continue to get the word out on the plan and gather feedback. These six events and the feedback received will be summarized within this chapter as well.

Advisory Committee Meetings

The Advisory Committee included the following members:

- ▶ Ann Nachtigal
- ▶ Apolonia Davalos
- ▶ Arthur McCray
- ▶ Brienne Maner
- ▶ Chris Daugaard
- ▶ Curt Soehl
- ▶ Dan Statema
- ▶ Darrin Smith
- ▶ Del'Inkka Beaudion
- ▶ Erik Nyberg
- ▶ Ivy Oland Dandar
- ▶ Joe Batcheller
- ▶ Kevin Tupy
- ▶ Natalie Eisenberg
- ▶ Penny Klinedinst
- ▶ Riccardo Tarabelsi

Supported by City Staff:

- ▶ Erica Beck
- ▶ Jeff Eckhoff
- ▶ Kevin Smith
- ▶ Adam Roach
- ▶ Dustin Powers



Figure 44- Downtown 2035 Plan Advisory Committee

Resident Work Groups

In order to further refine the development of the plan, nine resident work groups were formed to create recommendations for goals and action steps. Each work group had 8-11 members, and met four times throughout July and August. The groups were organized by the City and residents were able to volunteer or were asked to join. Each group was also assigned a member of the Advisory Committee (AC) to help with assisting the groups as they developed their goals and action steps.

Amenities and Services

Arts, Culture + Entertainment

Environment + Design

Growth + Development

Identity + Branding

Infrastructure + Public Improvements

Parking

Safety

Transportation, Connectivity + Mobility

Figure 45- Themes of the Nine Resident Work Groups

Resident Work Groups

1. Amenities and Services

Members:

- ▶ Barry Hoogland
- ▶ Matt Zobel
- ▶ Madelyn Grogan
- ▶ Kyler D Krogh
- ▶ Larry Rehfeld
- ▶ Reece Chambers
- ▶ Ric King

Advisory Committee Representatives:

- ▶ Erik Nyberg
- ▶ Joe Batcheller



*AS = Action Step

Goal 1: Generate more year round events that have a greater draw to people that live outside of Sioux Falls.

AS. 1.1 Create and sustain a large scale winter festival.

Goal 2: Create connected public spaces with flexible programming opportunities (along the river and private spaces).

AS. 2.1 Continue the development of the River Greenway Master Plan.

AS. 2.2 Integrate creative art into public spaces.

AS. 2.3 More and larger patio spaces that face the river.

Goal 3: Create more year-round daily activity by developing mutlipurpose cultural, recreational, and entertainment facilities.

AS. 3.1 Repurpose underutilized buildings and parking lots for temporary activations to identify complementary uses and programs.

AS. 3.2 Establish a permanent cultural and entertainment facility based on Action Step 1.1.

Goal 4: Provide a broad range of amenities that will accommodate the daily lived of people that live, work, and visit Downtown.

AS. 4.1 Addition of a centralized visitor’s center in the core of Downtown that includes a public restroom and would serve as a hub for the Ambassador’s Program.

AS. 4.2 Provide public restrooms in places with high foot-traffic.

AS. 4.3 Provide EV charging stations within public parking ramps throughout Downtown.

Resident Work Groups

2. Arts, Culture + Entertainment

Members:

- ▶ James Clymer
- ▶ Jennifer Hoelsing
- ▶ Danielle Fritz
- ▶ Casey Kelderman
- ▶ Wally Wolanin
- ▶ Andrew Olson

Advisory Committee Representatives:

- ▶ Apolonia Davalos
- ▶ Del'Inkka Beaudion



*AS = Action Step

Goal 1: Better promote and connect the Sioux Falls Artist Community to their audience.

AS. 1.1 Declare Downtown as the designated arts district.

AS. 1.2 Uplift and expand entertainment calendars already in existence between small businesses, municipalities, and the arts community.

AS. 1.3 Utilize the Sioux Falls Arts Council as the central source for Arts, Culture, and Entertainment.

Goal 2: Program arts and entertainment for all demographics.

AS. 2.1 Provide entertainment that is family-, teen-, and young adult-friendly.

Goal 3: Locate and designate specific spaces for the artist community.

AS. 3.1 Invest in a multipurpose space that can be used by various artists including, but not limited to, painters, filmmakers, sculptors, dancers, theatre, performing artists, and educational programs.

AS. 3.2 Define the various space and program needs for each specific art form.

Goal 4: City allocated funding through Capital Improvement Projects for the arts.

Resident Work Groups

3. Environment + Design

Members:

- ▶ Michaela Carlson
- ▶ Justin Johnson
- ▶ Amber Lively
- ▶ Jacob Ricke
- ▶ Libby Stengel
- ▶ Amy Pokela
- ▶ Chris Brockevelt
- ▶ Mike Smyth

Advisory Committee Representatives:

- ▶ Ivy Oland Dandar
- ▶ Ann Nachtigal



*AS = Action Step

Objective for Environment + Design:

Cohesive **Streetscapes**, embracing and enhancing all modes of **Mobility**, better **Wayfinding** to key points of interest, enhanced **Gateways** welcoming folks to downtown, **Public Space** activation, expanded **Sustainability** efforts reducing the **Environmental** impact surrounding the river, embrace **Historic Preservation**, reduce **Light and Noise Pollution** and evaluate **Design Standards** to ensure harmonious development throughout downtown.

Goal 1: Improve and expand existing streetscape design to be more vibrant, pedestrian-friendly, and consistent throughout the Downtown area.

- AS. 1.1** Provide more dispersed programming for congregation with benches and increased amenities.
- AS. 1.2** Increase the amount of shade trees located within streetscapes.
- AS. 1.3** Beautify and activate alleys and blank walls with art installations.
- AS. 1.4** Increase the amount of landscape vegetation.
- AS. 1.5** Encourage “parklets.”
- AS. 1.6** Address parking space length requirements on busy streets.

Goal 2: Improve mobility and wayfinding for all modes of transportation to and within Downtown.

- AS. 2.1** Create designated spaces and protected bike routes for alternate modes of transportation (rideshare, transit, compact, etc.)
- AS. 2.2** Provide consistent wayfinding kiosks throughout the downtown identifying points of interest, surrounding neighborhoods, and amenities.
- AS. 2.3** Improve crosswalks and accessibility throughout Downtown.
- AS. 2.4** Increase public transit connectivity throughout the core and into Downtown.
- AS. 2.5** Relocate visitor center to a more identifiable location.
- AS. 2.6** Increase wayfinding along the bike path to draw users into Downtown.
- AS. 2.7** Increase and highlight bike amenities Downtown.

Resident Work Groups

3. Environment + Design Cont'd

Members:

- ▶ Michaela Carlson
- ▶ Justin Johnson
- ▶ Amber Lively
- ▶ Jacob Ricke
- ▶ Libby Stengel
- ▶ Amy Pokela
- ▶ Chris Brockevelt
- ▶ Mike Smyth

Advisory Committee Representatives:

- ▶ Ivy Oland Dandar
- ▶ Ann Nachtigal

*AS = Action Step

Goal 3: Identify and strengthen gateways into and within Downtown.

AS. 3.1 Identify and enhance gateways into Downtown districts.

AS. 3.2 Locate and place identifying signs/landmarks at gateways Downtown.

AS. 3.3 Increase connectivity from all bike trails and neighborhoods adjacent to Downtown.

AS. 3.4 Create “instagrammable” photo opportunities unique to Downtown Sioux Falls.

Goal 4: Expand and enhance public space within Downtown to accommodate all users year round.

AS. 4.1 Create a central public market/plaza that can be utilized year round.

AS. 4.2 Identify and develop underutilized pockets into programmed public spaces.

AS. 4.3 Create a community multi-purpose facility Downtown.

AS. 4.4 Provide more kid-friendly spaces Downtown.

AS. 4.5 Fill in gaps of river greenway throughout Downtown.

AS. 4.6 Activate blank, public spaces with programming activities and art installations.

AS. 4.7 Increase lighting features to activate public spaces at night.

Goal 5: Implement sustainable practices within Downtown, focused on environmental impact and responsible use of resources.

AS. 5.1 Increase native grasses, flowers, and trees to break up continuous concrete.

AS. 5.2 Implement rain gardens/bio-swales within Downtown to reduce surface runoff and increase vegetation.

AS. 5.3 Expand public education around the river ecology and local environments (Interactive educational installations or app).

AS. 5.4 Implement small, sustainable design measures to enhance existing buildings.

AS. 5.5 Provide EV charging stations within Downtown.

AS. 5.6 Install solar panel canopies above parking ramps and surface lots to increase shade and generate renewable energy.

AS. 5.7 Reduce the amount of concrete used along river greenway. Consider elevated boardwalk that allows for natural river banks.

AS. 5.8 Be intentional about engaging with the river. Implement recreation opportunities focused around the river.

Resident Work Groups

3. Environment + Design Cont'd

Members:

- ▶ Michaela Carlson
- ▶ Justin Johnson
- ▶ Amber Lively
- ▶ Jacob Ricke
- ▶ Libby Stengel
- ▶ Amy Pokela
- ▶ Chris Brockvelt
- ▶ Mike Smyth

Advisory Committee Representatives:

- ▶ Ivy Oland Dandar
- ▶ Ann Nachtigal

Goal 6: Protect and encourage historical preservation and education within Downtown.

- AS. 6.1** Create an interactive historical walking tour via smart phone app.
- AS. 6.2** Identify existing opportunities for historical preservation within Downtown.
- AS. 6.3** Increase historical markers where applicable.
- AS. 6.4** Implement interpretive displays illustrating the transformation of the downtown area and how it relates to the river, environment, industry, and development of the city.

Goal 7: Effectively manage light and noise pollution within the downtown area.

- AS. 7.1** Increase streetscape features, such as trees, to slow traffic and reduce road noise.
- AS. 7.2** Monitor and enforce vehicle noise pollution.
- AS. 7.3** Require shielded light fixtures to reduce light at residential levels.
- AS. 7.4** Implement quiet zones/hours for party vehicles.

Goal 8: Implement sustainable practices within Downtown, focused on environmental impact and responsible use of resources.

- AS. 8.1** Include landscape requirements within the Downtown Design Standards.
- AS. 8.2** Evaluate existing design standards based on individual districts within Downtown.
- AS. 8.3** Prevent buildings along the greenway from turning their back to the river.
- AS. 8.4** Activate blank spaces with art installations.
- AS. 8.5** Enhance the aesthetics of new and existing parking ramps.
- AS. 8.6** Require high quality material for new buildings.
- AS. 8.7** Incorporate “riverscape” design into buildings/landscape design standards.
- AS. 8.8** Limit future parking ramp frontage along public right-of-way.

*AS = Action Step

Resident Work Groups

4. Growth + Development

Members:

- ▶ Joshua Bloom
- ▶ Janet Kittams
- ▶ Brady Aldrich
- ▶ Craig Markhardt
- ▶ Brad Rehfeldt
- ▶ Moses Idris
- ▶ Brett Anderson
- ▶ Treet Knoff

Advisory Committee Representatives:

- ▶ Darrin Smith
- ▶ Brienne Maner



*AS = Action Step

Goal 1: Growth Boundaries

- AS. 1.1** Expand boundaries to the north to incorporate all of Falls Park into the downtown boundaries.
- AS. 1.2** Expand boundaries to the east to encourage the continued development momentum occurring in the area.
- AS. 1.3** Expand DT PUD standards to new growth areas, and consider how downtown development transitions in the neighborhoods.
- AS. 1.4** Long-term expansion to the west of Minnesota Avenue.

Goal 2: Stimulate Development

- AS. 2.1** Encourage the use of current incentive to promote desired developments.
- AS. 2.2** Review and enhance available incentive programs.
- AS. 2.3** Review peer cities and create new incentive programs.
- AS. 2.4** Continue to invest in Quality of Life projects to support an environment for individuals to live, work, and play.
- AS. 2.5** Create more consistent design standards.

Goal 3: Market Downtown

- AS. 3.1** Create a prospectus for downtown to encourage development and business recruitment.
- AS. 3.2** Work with partner organizations to market downtown as a great place to do business.

Goal 4: Promote a Dense, Walkable Environment

- AS. 4.1** Identify City property that can be offered for redevelopment.
- AS. 4.2** Identify potential development sites for strategic development.
- AS. 4.3** Encourage Infill development to promote walkability.
- AS. 4.4** Continue to support residential development.
- AS. 4.5** Discuss a minimum square feet / unit per acre approach to encourage density.
- AS. 4.6** Encourage first floor uses that activate the streetscape.

Resident Work Groups

5. Identity + Branding

Members:

- ▶ Tenley Schwartz
- ▶ Joel Engel
- ▶ Nichelle Lund
- ▶ Jeff Hanson
- ▶ Morgan Frahm
- ▶ Jordan Haeckel
- ▶ Ryan Martin
- ▶ Ashley Lawrence

Advisory Committee Representatives:

- ▶ Riccardo Tarabelsi
- ▶ Arthur McCray



*AS = Action Step

Goal 1: Downtown Sioux Falls has a clear and recognized brand identity.

AS. 1.1 Define stakeholders' roles and responsibilities related to branding, marketing, and communications.

AS. 1.2 All communications utilized established brand guidelines consistently.

AS. 1.3 Make Downtown hard to miss with better physical and online wayfinding.

AS. 1.3 A Complete an audit of existing signage.

AS. 1.3 B Add consistent signage for all modes of transportation (interstates, airport, Minnesota Ave, Russell Ave, other major entry points, Google Maps, Apple Maps, etc.).

AS. 1.4 Remove perception of parking as a barrier.

Goal 2: Define, promote, and physically distinguish districts.

AS. 2.1 Establish criteria and process for creating aesthetically unique, but cohesive, districts.

AS. 2.2 Establish funding sources for physical distinctions in districts (installment and replacement) i.e. pillar, arch, planter, light poles, etc.

Goal 3: Create more awareness of what is happening Downtown.

AS. 3.1 Establish annual new resident campaign.

AS. 3.2 Create and distribute an iconic, universal map of Downtown including specific locations (districts, attractions, landmarks), parking options, and a link to events.

Goal 4: Make Downtown the destination for businesses.

AS. 4.1 Develop a business recruitment strategy by district with the intent of diversification.

Resident Work Groups

6. Infrastructure + Public Improvements ...

Members:

- ▶ Marissa Brinkman
- ▶ Anita Rau
- ▶ Brad Hearst
- ▶ Chris Motz
- ▶ Jeff Hayward
- ▶ Zach Dickson
- ▶ Lance Dunlap
- ▶ Sarah Delaney
- ▶ Mike Gray
- ▶ Zach DeBoer

Advisory Committee Representatives:

- ▶ Dan Statema



*AS = Action Step

Goal 1: Improve quality of life, safety, and walkability for pedestrians Downtown.

AS. 1.1 Improve access to public restrooms in diverse locations across the downtown area.

AS. 1.2 Increase pedestrian safety at crosswalks and consider adding crossings.

AS. 1.3 Investigate lane reductions (road diets) on downtown streets with upcoming traffic study (Dakota, Second, 10th, 11th, 14th and Viaducts).

AS. 1.4 Investigate conversion of one ways to two ways with upcoming traffic study (Main, Dakota, 10th, 11th).

AS. 1.5 Support change of city ordinance and/or state law to increase pedestrian safety.

Goal 2: Maintain an acceptable level of service for drivers in and through Downtown.

AS. 2.1 Increase use of back-in angle parking where appropriate.

AS. 2.2 Address vehicle length parking that can obstruct driving lanes on Philips.

AS. 2.3 Continue evaluation of Russell to Rice connectivity to relieve pressure from 10th and 11th.

AS. 2.4 Investigate lane reductions on Downtown streets with upcoming traffic study.

AS. 2.5 Improve gateways into Downtown.

AS. 2.6 Determine future viaduct design and lane configuration that takes into account traffic and pedestrian accessibility to surrounding and upcoming development.

Goal 3: Implement Whistle Reduction Zone through Downtown on BNSF Rail Crossings.

Goal 4: Incorporate smart city designs into the downtown area as they become prevalent.

AS. 4.1 Incorporate EV charging stations as EV's are adopted by the public.

AS. 4.2 Investigate designated signage for pick-up/drop-off spots for food, as well as rideshare

Resident Work Groups

7. Parking

Members:

- ▶ Lynne Jones
- ▶ Jackie Swanstrom
- ▶ Rochelle Vela
- ▶ Alex Steed
- ▶ Zon Tran
- ▶ Zach Mulder
- ▶ JP McLaren
- ▶ Michael Jauron

Advisory Committee Representatives:

- ▶ Chris Daugaard



*AS = Action Step

Goal 1: Encourage public knowledge and visibility of parking options.

- AS. 1.1** Create a consistent and simple marketing effort to promote free parking.
 - AS. 1.1 A** Partner with downtown organizations, like DTSF or the VAC, to promote parking information and education.
 - AS. 1.1 B** Welcome document for new employees, businesses, and residents.
- AS. 1.2** Own locations in Google Maps and similar process for Apple Maps.
- AS. 1.3** Design distinct signage to distinguish public parking from private parking.
 - AS. 1.3 A** Evaluate public parking signage options as one enters the core of downtown.
 - AS. 1.3 B** Offer digital signage where impactful-start with 1st Avenue Parking Ramp.
 - AS. 1.3 C** Add digital signs to show availability of spaces in lots or ramps.

Goal 2: Create parking availability and convenience.

- AS. 2.1** Explore expanded enforcement hours and dynamic pricing options.
- AS. 2.2** Offer increased accommodations for daytime visitor parking.
- AS. 2.3** Influence and work with private businesses to sign an agreement for public spaces to private parking utilizing consistent signage.
- AS. 2.4** Plan for future parking demands in new development areas/land acquisition.
 - AS. 2.4 A** Assess the public and private parking mix to ensure adequate policies to support expected growth.
- AS. 2.5** Explore opportunities for future road diets and angled parking.

Goal 3: Enhance technology and infrastructure.

- AS. 3.1** Include EV charging stations.
- AS. 3.2** Convert all meters to contactless payment options.
- AS. 3.3** Offer an app based payment system for all meters.

Resident Work Groups

7. Parking Cont'd

Members:

- ▶ Lynne Jones
- ▶ Jackie Swanstrom
- ▶ Rochelle Vela
- ▶ Alex Steed
- ▶ Zon Tran
- ▶ Zach Mulder
- ▶ JP McLaren
- ▶ Michael Jauron

Advisory Committee Representatives:

- ▶ Chris Daugaard

Goal 4: Create a FTE position who facilitates downtown coordination for all aspects of downtown activity-construction, street sweepers, parking, art, etc.

Goal 5: Consider alternate revenue streams.

AS. 5.1 Advertise naming rights on parking ramps.

AS. 5.2 Sell advertising and sponsorship from businesses.

AS. 5.2 A Explore opportunities to work with third party groups to facilitate donations and sponsorships. (Ex: Sioux Falls Area Community Foundation, Development Foundation, and DTSF)

AS. 5.3 Consider downtown TIF district to provide revenue stream to support downtown enhancements.

Goal 6: Create a welcoming space.

AS. 6.1 Add visual aspects such as arts and murals.

AS. 6.2 Add landscaping to promote walkability.

AS. 6.3 Develop a long-term walkability plan.

Goal 7: Rework the parking on Phillips Avenue.

AS. 7.1 Limit extended length vehicles on Phillips Avenue.

AS. 7.2 Consider adding more back-in parking areas.

AS. 7.3 Charge for on-street parking during select times on weekends to incentivize parking in parking ramps.

*AS = Action Step

Resident Work Groups

8. Safety

Members:

- ▶ Dean Christenson
- ▶ Betty DeBorg
- ▶ Lucinda Noronha
- ▶ Karl Hernes
- ▶ Amy Scott-Stoltz
- ▶ Susan Perry
- ▶ Darren Lee

Advisory Committee Representatives:

- ▶ Curt Soehl
- ▶ Penny Klinedinst



*AS = Action Step

Goal 1: Increase pedestrian safety throughout downtown and surrounding neighborhoods.

- AS. 1.1** Evaluate traffic concerns including bike safety, light timing, pedestrian walking signals, especially on Phillips Avenue.
- AS. 1.2** Evaluate safety specific to corridors into downtown where traffic tends to funnel. For example: 14th Avenue, Phillips Avenue, Minnesota Avenue, and Cliff Avenue.
- AS. 1.3** Pedestrian crossing signs and speed readers at east/west streets. Such as 6th, 10th, 11th, and 14th Streets.
- AS. 1.4** Improve police presence, if possible, in areas of high rates of traffic violations.
- AS. 1.5** Create pedestrian safety group (ex: incentivize personal protection devices).
- AS. 1.6** Partner with new developments to address parking and pedestrian safety during construction.
- AS. 1.7** Evaluate need to close a section of Phillips Avenue for events such as a weekend "Summer Market."
- AS. 1.8** Add speed bumps in areas where speeding occurs.
- AS. 1.9** Add ADA drop-off locations.

Goal 2: Environmental Adjustments

- AS. 2.1** Improve lighting on bike paths (south past CNA building).
- AS. 2.2** Evaluate parking ramp safety and perception of safety including adequate lighting and other safety technology.
- AS. 2.3** Add phone chargers along bike path.
- AS. 2.4** Designate parking space for longer vehicles.

Resident Work Groups

8. Safety Cont'd

Members:

- ▶ Dean Christenson
- ▶ Betty DeBorg
- ▶ Lucinda Noronha
- ▶ Karl Hernes
- ▶ Amy Scott-Stoltz
- ▶ Susan Perry
- ▶ Darren Lee

Advisory Committee Representatives:

- ▶ Curt Soehl
- ▶ Penny Klinedinst

Goal 3: Manage crowds during events and bar traffic.

AS. 3.1 Designate an alternative rideshare drop-off and pick-up locations.

AS. 3.2 Work with establishments to configure efficient dispersment of crowds. For example, utilizing the front and back doors at bar closing.

Goal 4: Reduction of panhandling

AS. 4.1 Research effective techniques and preventative approaches from larger communities.

AS. 4.2 Provide education of public partnerships with schools.

AS. 4.3 Partner with DTSF for additional Downtown Ambassadors.

Goal 5: Scaling for growth

AS. 5.1 Planning for increased need of police presence in years to come.

AS. 5.2 Evaluate need for private establishments construct with City for police presence.

AS. 5.3 Utilize existing and potential walkability studies and implement their suggestions.

AS. 5.4 Explore expansion of trolley routes.

AS. 5.5 Ensuring that safety precautions such as dead space analysis and code enforcement are prioritized throughout the east side of Downtown.

Goal 6: Work with existing groups such as neighborhood associations to identify and rectify safety issues.

*AS = Action Step

Resident Work Groups

9. Transportation, Connectivity + Mobility ••

Members:

- ▶ Jeremy Dambach
- ▶ Angie Brown
- ▶ Stacey McMahan
- ▶ Tyler Klatt
- ▶ Jordan Priebe
- ▶ Sarah Spencer
- ▶ Erica Mullaly

Advisory Committee Representatives:

- ▶ Natalie Eisenberg
- ▶ Kevin Tupy



*AS = Action Step

Goal 1: Improve wayfinding for destinations within Downtown.

AS. 1.1 Work with Downtown Sioux Falls to provide Downtown wayfinding through methods other than signage. Such as QR Codes, websites, brochures, etc.

AS. 1.2 Utilize historic landmarks to connect adjacent neighborhoods and Downtown through expanded signage.

AS. 1.3 Provide signage and website information to direct citizens to parking destinations.

AS. 1.4 Provide signage at a scale and frequency appropriate for pedestrian and bicyclists to guide to destinations.

AS. 1.5 Identify key Downtown destinations and guide travelers continuously from arrival and decision points to these destinations.

Goal 2: Improve bicyclists and pedestrian's safety and comfort when traveling to, from, and within Downtown.

AS. 2.1 Add street trees for a better walking and bicycling experience.

AS. 2.2 Add high visibility crosswalks at busy intersections and at strategic mid-block crossings.

AS. 2.3 Reduce the crossing distance and reduce right-turn-on-red conflicts for pedestrians and bicycle crossings at major streets (Minnesota Avenue, 10th, 11th, and 14th Streets.)

AS. 2.4 Reduce curbside sidewalks and increase buffers in and near Downtown to improve comfort and safety for pedestrians.

AS. 2.5 Add protected and buffered bicycle lanes in strategic locations in and near Downtown consistent with the bicycle plan.

AS. 2.6 Add additional bicycle parking options to Downtown including bike lockers in or near parking ramps and bike corrals in strategic on-street locations.

AS. 2.7 Develop safe and comfortable bike routes from all corners of the city to Downtown.

AS. 2.8 Add mixed-use options in Downtown and in the neighborhoods adjacent to Downtown.

AS. 2.9 Improve access to Downtown from the Greenway Trail.

Resident Work Groups

9. Transportation, Connectivity +

Mobility Cont'd

Members:

- ▶ Jeremy Dambach
- ▶ Angie Brown
- ▶ Stacey McMahan
- ▶ Tyler Klatt
- ▶ Jordan Priebe
- ▶ Sarah Spencer
- ▶ Erica Mullaly

Advisory Committee Representatives:

- ▶ Natalie Eisenberg
- ▶ Kevin Tupy

Goal 2: Improve bicyclists and pedestrian's safety and comfort when traveling to, from, and within Downtown.

AS. 2.10 Educate and raise public awareness for residents about pedestrian safety and bicycling rules of the road.

AS. 2.11 Encourage parking in the Downtown area to be hidden from direct view of the street.

Goal 3: Improve the reliability and frequency of transit services for riders traveling to, from, and within Downtown.

AS. 3.1 Improve the frequency of some strategic routes to, from, and within Downtown.

AS. 3.2 Add on-demand services to expand the reach of transit services to new areas of the city from Downtown.

AS. 3.3 Add park-and-ride options in or near Downtown to allow people to ride transit instead of parking Downtown. Work with local developers and businesses to identify strategic park-and-ride locations in coordination with the Transit Development Program.

AS. 3.4 Cooperate with Downtown businesses to institute parking cashout programs to encourage transit and active transportation options.

Goal 4: Maintain a safe level of service for traffic to, from, and within Downtown.

AS. 4.1 Maintain safe speed limits Downtown by incorporating traffic calming, such as curb extensions, narrowed streets, mid-block crossings and speed enforcement.

AS. 4.2 Add short-term parking for ride share and delivery service pick-up locations in Downtown.

AS. 4.3 Study options to reduce one-way streets in Downtown that do not adversely affect commuter traffic patterns.

AS. 4.4 Improve accessibility to downtown streets by providing wayfinding to downtown parking ramps and on-street locations. Wayfinding to parking will also help reduce congestion during event and peak period times.

*AS = Action Step

Community Events

The City attended six public events in an effort to get the word out on the 2035 Downtown Plan. The events and dates of their attendance is below:

- ▶ **July Block Party at 8th + Railroad**
 - ▶ July 1, 2022
- ▶ **Innoskate: Arts, Music, Skateboarding and Culture Festival at the Levitt Shell**
 - ▶ July 8, 2022
- ▶ **Farmers Market at Falls Park**
 - ▶ July 16, 2022
- ▶ **August Block Party at 8th + Railroad**
 - ▶ August 5, 2022
- ▶ **Farmers Market at Falls Park**
 - ▶ August 13, 2022
- ▶ **Riverfest at Fawick Park**
 - ▶ August 20, 2022



Figure 46- Community Event Booths

Community Events

I want to see _____ in Downtown.

145 responses:

- ▶ E-scooters
- ▶ Year-round indoor market
- ▶ Water play feature / splash pad
- ▶ More benches
- ▶ Expanded farmers' market
- ▶ Live music
- ▶ Ferris wheel
- ▶ More green space
- ▶ Affordable housing
- ▶ Protected bike lanes
- ▶ Bike paths
- ▶ Parking app
- ▶ Food truck hub
- ▶ Book store
- ▶ Skate park
- ▶ Bathrooms
- ▶ Community garden
- ▶ Stadium
- ▶ More wayfinding
- ▶ Bike racks and facilities
- ▶ Ice rink
- ▶ Pool
- ▶ ADA improvements
- ▶ More trees
- ▶ Wider sidewalks
- ▶ Grocery stores
- ▶ Disc golf
- ▶ Kayaking
- ▶ Animal shelter
- ▶ More transit options
- ▶ Daycare
- ▶ Medical clinic
- ▶ Candy store
- ▶ Toy store
- ▶ Playground
- ▶ More retail options



Figure 47- Community Event Booths #2

Community Events

The same preference board prompts were used for the community events to gauge feelings from residents on a variety of topics related to Downtown. The figure to the right highlights one portion of the combined responses for the preference board.

The numbers on each scale signify the number of dots that were placed in that location over the course of the community events.

Major themes from this portion include:

- ▶ Residents are split in feeling that there are/ are not adequate connections Downtown. The other feedback indicates that there could be better connections for bicyclists and pedestrians, as well as additional streetscape improvements.
- ▶ People generally feel safe walking or biking.
- ▶ It is easy to find your way around Downtown.
- ▶ The City should try and bring additional growth and development to Downtown.
- ▶ There should be a priority for multi-modal opportunities for residents and visitors.

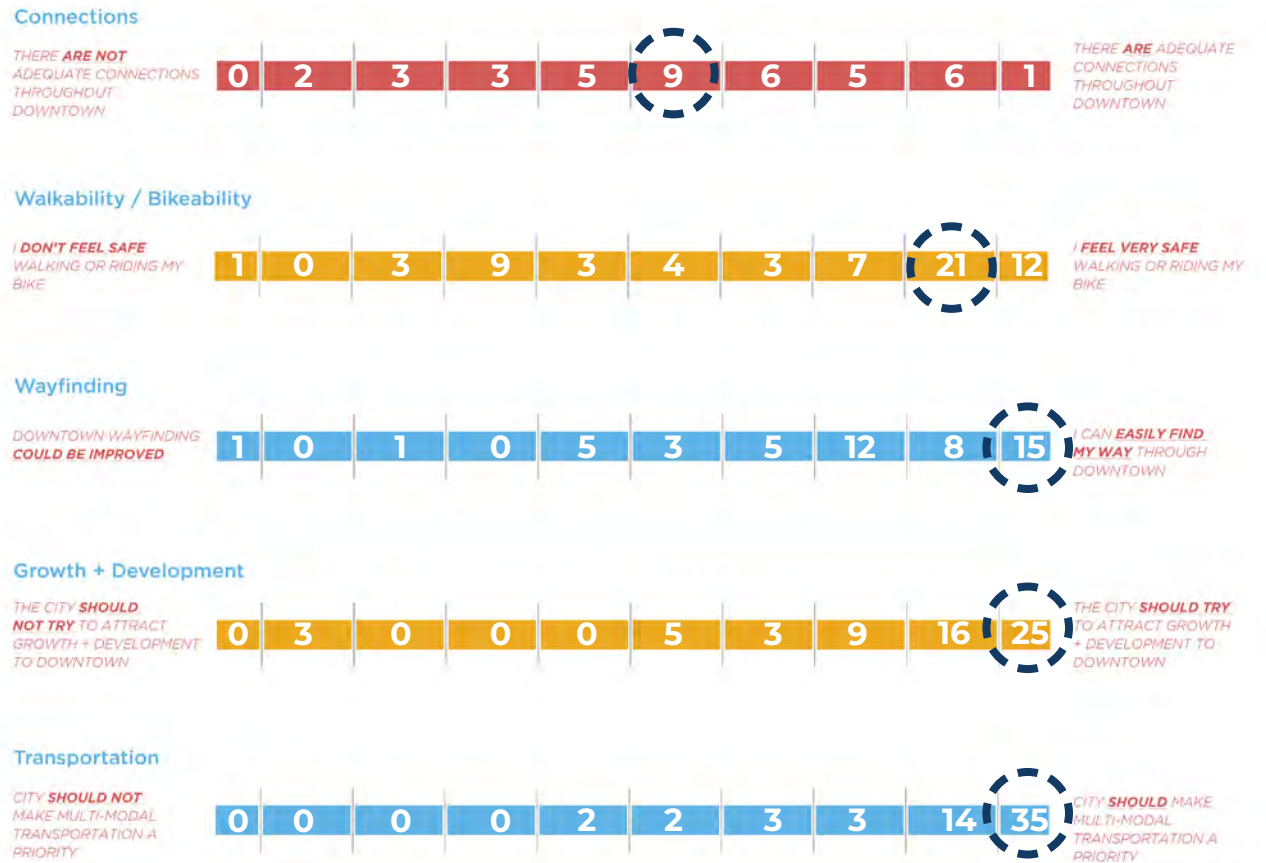


Figure 48- Community Event Booth Preference Scale Results Part 2

Community Events

The figure to the right highlights second portion of the combined responses for the preference board.

The numbers on each scale signify the number of dots that were placed in that location over the course of the community events.

Major themes from this portion include:

- ▶ The City should offer tax or financial incentives
- ▶ There are mixed opinions on the feelings toward the available housing stock Downtown. Referencing back to the other feedback received related to housing, it was noted that there are needed options for young families, as the current market is geared toward young professionals and seniors.
- ▶ People generally feel safe in Downtown.
- ▶ There is a desire for additional public spaces throughout the Downtown.

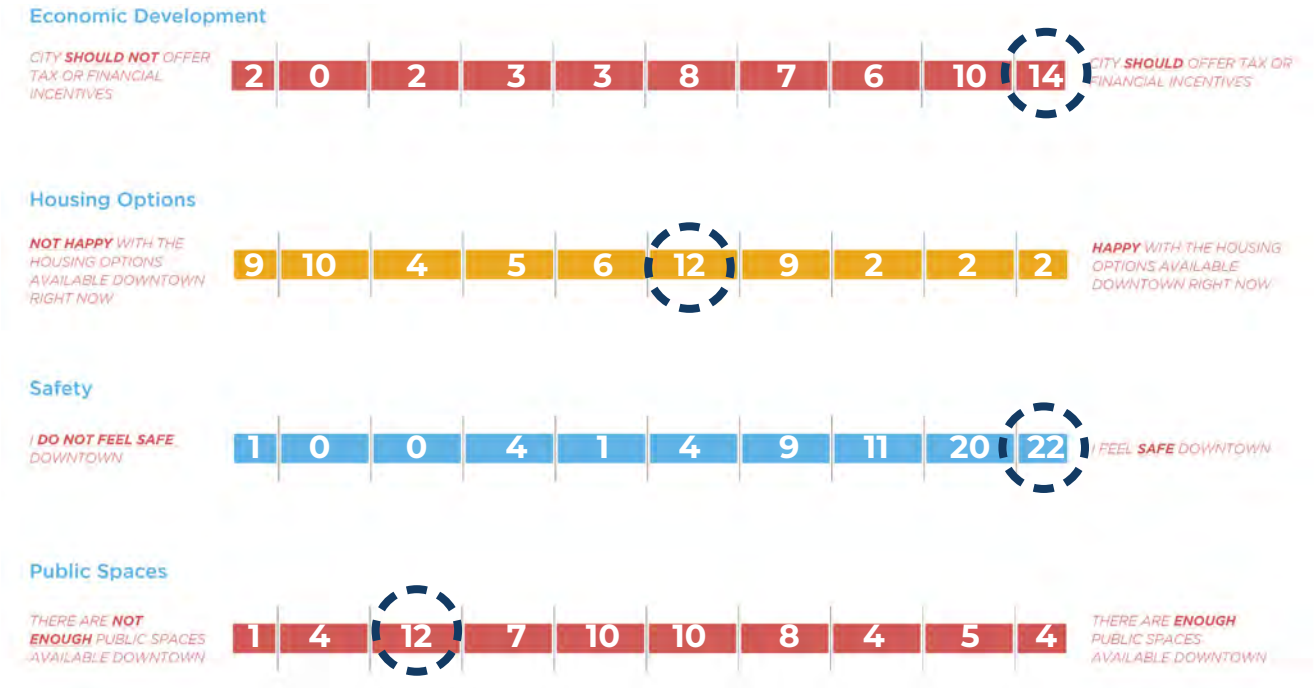


Figure 49- Community Event Booth Preference Scale Results Part 2

Sioux Falls 2035 Downtown Plan: Market Analysis

Date December 8, 2022 |
To Sioux Falls Downtown Plan Project Team
From Chris Zahas and Ted Kamp,
Leland Consulting Group

Executive Summary

In 2014, the City of Sioux Falls adopted the *2025 Downtown Plan*, an ambitious strategic framework for revitalizing the city's central core. That plan was accompanied by a *Sioux Falls Downtown Plan Market Study*. This report represents an update to that 2014 market study and is intended to help guide the updated *2035 Downtown Plan* with a fresh look at market conditions and development prospects for downtown¹. This report includes a new quantitative forecast of development potential and a strategic overview of development opportunities –all grounded in a fresh analysis of market conditions and review of progress to date.

Robust Pace of Growth

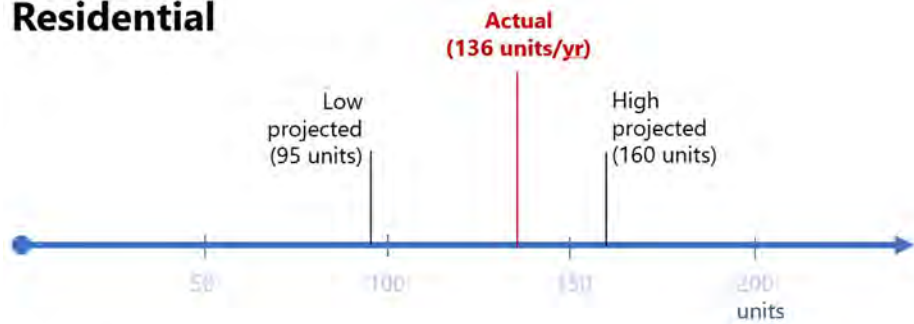
- Population growth in Sioux Falls overall has outpaced even the highest scenario projections laid out in the 2025 Downtown Plan, and downtown development and redevelopment activity has been robust since plan adoption.
- Actual citywide growth from 2015 to 2020 averaged 2.5 percent annually.
- Growth in 2021 and the first half of 2022 has been even more dramatic, with **citywide residential building permits hitting record levels**. After averaging just under 1,700 annual units from 2010 through 2019, Sioux Falls permitted approximately 2,800 in 2020, 3,100 in 2021, and over 2,600 units in the first half of 2022 alone.
- With the exception of a brief blip due to the global COVID-19 pandemic, **both downtown and the city as a whole have enjoyed a vigorous boom period since 2014**, with significant private sector development activity and wide-ranging public sector investments in physical and cultural infrastructure.

Including projects under construction as of this report, residential, retail, and office development downtown has absorbed at exceptional annual rates -- well within the ambitious ranges envisioned in the *2025 Downtown Plan*.

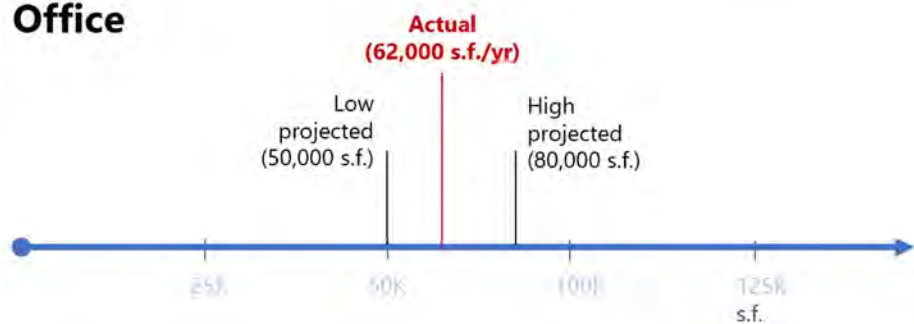
¹ Note that for this analysis, "downtown" refers to a rectangular geographic study area (shown in exhibits throughout this report) that encompasses the central Sioux Falls business district together with neighborhoods immediately adjacent.

Figure ES1: Comparison of Recent Downtown Development Pace vs. 2025 Plan Targets (Annual)

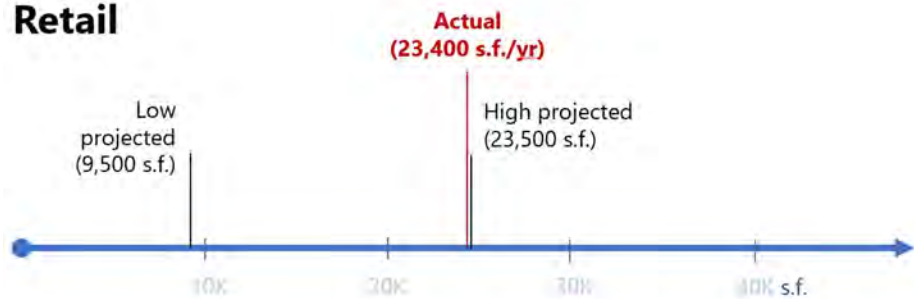
Residential



Office



Retail



Source: City of Sioux Falls; and Leland Consulting Group

Downtown Job Growth Response

While employment growth in Sioux Falls has been strong throughout the past decade, post-recession job growth for downtown was stagnant from 2011 to 2014 – only rising to match citywide rates after adoption of the 2025 Downtown Plan. Although the same jobs data is not available for 2020 to 2022, commercial development activity suggests that downtown’s annual job growth rate may have doubled over the past two years.

Figure ES2: Citywide vs. Downtown Job Growth Comparison



Source: LEHD/On the Map; and Leland Consulting Group

Note: Although the same jobs data source is not available for 2020 to 2022, commercial development activity suggests that downtown's annual job growth rate may have doubled over the past two years.

Residential Market

Market demand for new residential has been exceptionally strong across Sioux Falls in recent years, driven by unusually high multifamily absorption.

For 2015 through the first half of 2022, the multifamily share of all units permitted increased to 55 percent, up from 38 percent historically.

Since 2014, 1,366 housing units have been built (or are currently under construction) within the downtown study area, including these major projects:

- Cascade Lofts (701 N. Phillips), 197 units, completed 2020
- First Avenue Partners (400 S. 1st Ave), 190 units, pending
- The Clark at Cherapa Place, 124 units, under construction
- Steel District residential, 115 units, under construction
- The Dakota at Cherapa Place, 109 units, under construction
- Third Avenue Lofts, 87 units, under construction
- Phillips Avenue Lofts, 86 units, completed 2014

The residential market, both in Sioux Falls and throughout the urban U.S., is characterized by high demand and insufficient supply production, resulting in low vacancies and spiraling home prices and rents.

Demand on the for-sale side is driven chiefly by family formation among Millennials finally entering the ownership stages of life, typically looking for suburban product. Demand for downtown-type housing comes from a combination of sources including downsizing Boomers and Gen Xers, and older Generation Z youth entering the apartment market (plus increasing numbers across the board now priced out of the ownership market).

Based on a 2.3-percent annual citywide growth rate projection (conservative relative to recent record years), along with relatively steady resident incomes and household sizes, Leland Consulting Group projects **attainable annual residential absorption of 100 to 160 units per year in the downtown study area** over the coming decade, representing a 4 to 8 percent overall share of likely citywide demand.

- Product mix going forward should resemble recent and ongoing projects – all multifamily rentals or ownership attached product (townhomes, condos, rowhomes, lofts, etc.).
- Some limited accessory dwelling unit (ADU) conversions and opportunistic plex (2, 3, 4 units attached) redevelopment is likely for the existing single-family neighborhoods east of Weber Avenue. Such densification should respect existing neighborhood character and may need to be mitigated by increased bike/pedestrian facilities, pocket parks, and similar public amenities.
- The Railyard property represents the largest single redevelopment opportunity for residential in the study area, with potential for around 275 units.

Office Market

- Office development in downtown Sioux Falls has excellent momentum, with over 300,000 square feet of new space coming online at the Cherapa Place and Steel District projects currently underway.
- Recent major completions include the 76,000 s.f. First Premier Bank building at 500 S. Minnesota, finished in 2021, and the 58,000 s.f. (public sector) City Center offices at 231 N. Dakota.
- Class A office vacancy is extremely low at approximately 4.2 percent in suburban Sioux Falls and approaching 2.0 percent in the downtown area. Overall office vacancy across Sioux Falls is on the tight side of healthy, at 9 percent (compared to just over 15 percent nationally). High demand and low vacancy are driving rising rents across all product types.

Based on an analysis of historical and projected employment growth rates across industry groupings in Sioux Falls, along with assumptions of office space usage by industry, **LCG projects average annual office demand for downtown of 24,000 to 35,000 s.f.** – representing a 20 to 30 percent share of citywide demand.

- Successful lease-up of the Cherapa Place and Steel District (with limited negative absorption elsewhere) will be an important bellwether for downtown office development prospects going forward.
- A challenge facing the office market nationally is the open question of how many post-COVID office workers will continue with work-from-home arrangements. During current conditions of extremely low national unemployment, employees have generally had sufficient negotiating power to maintain at least a flex arrangement, but that could change under even a mild recession scenario.

Retail Market

- Despite the ever-increasing share of Amazon and related online retail, downtown Sioux Falls has managed to add almost 60,000 s.f. of new retail space since 2014, with another 140,000 s.f. under construction.
- The 20,000 square feet of ground floor dining and shops beneath the Cascade Lofts project on the north end of Phillips Avenue is the largest recent retail completion to date (2020).

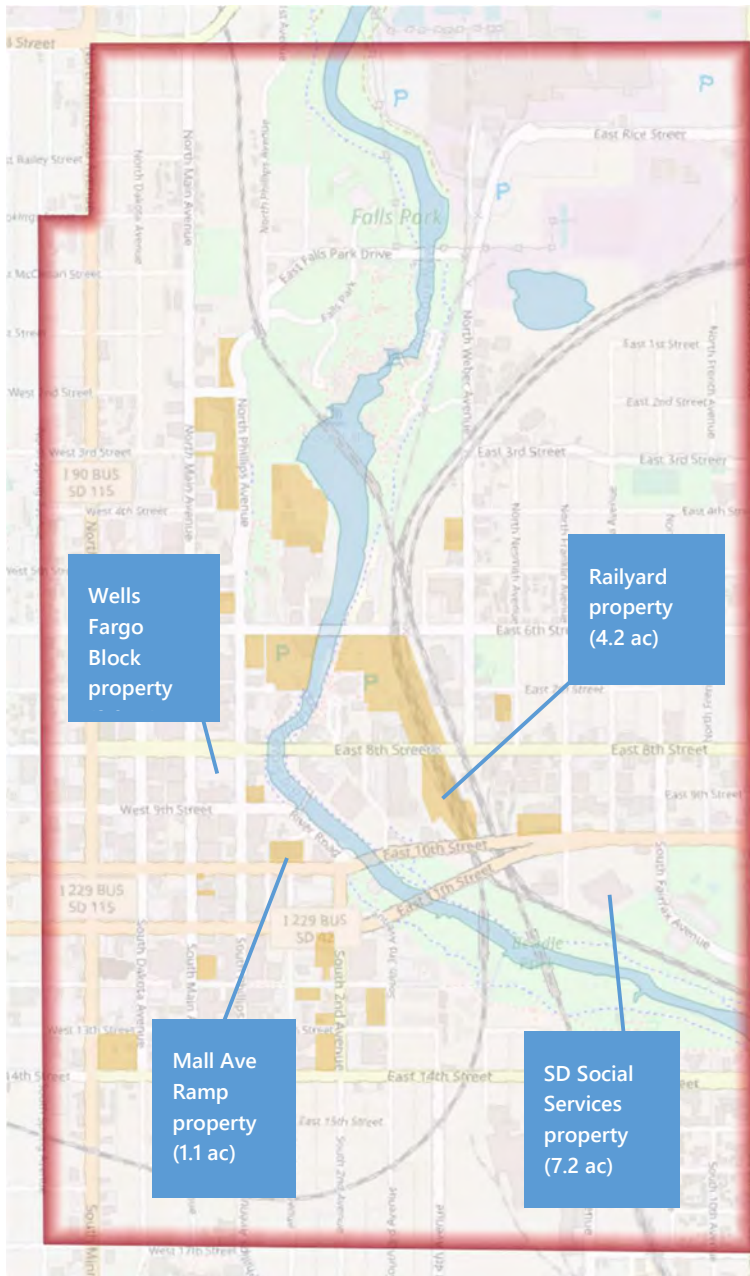
- The downtown area has no measurable spending “leakage” in any major store category – generally drawing most of its customer base from shoppers and diners living outside the study area.
- With no real leakage and such an active pipeline due for completion over the near term, LCG projects a tapering of retail demand over the coming decade.
- The addition of new residential rooftops will add modest levels of new demand for commodity goods like grocery and drugstores, with enough demand generated to support a small format grocer (10,000-15,000 s.f.) and potentially another drugstore of similar size. To the extent that such a store is a destination brand that would attract shoppers from across the city, the supportable size could be significantly higher.
- Other future retail demand will continue in the form of dining/drinking and specialty shops appealing to the growing downtown office worker and visitor populations.
- LCG estimates total **annual retail and dining demand ranging from 15,000 to 22,000 square feet**, coming from added households, visitors, and office workers.

Areas for Additional Research

Finally, the following map highlights four major properties with significant redevelopment potential but that may be in need of additional analysis to ensure likelihood of development success and consistency with City of Sioux Falls’ strategic priorities:

- **“Wells Fargo Block” property:** a 2.6-acre site with residential, office, or mixed-use potential. Not currently on the market, as the bank and offices are operational, but building is outdated and the site as a whole is underutilized.
- **Mall Avenue Parking Ramp** property: a 1.1-acre site with potential for multiple land use types. Facility was built with structural capacity for multistory construction above, so need to find right user to redesign and complete.
- **Railyard** property: 4.2-acre site with preliminary planning studies complete, but no projects underway. Excellent potential for mixed-use residential/commercial redevelopment.
- **Social Services Building** property: currently operational as public sector building, but underutilized given location and potential value. 7.2-acre site for a potential municipal complex or mixed-use development.

Figure ES3: Development Opportunity/Analysis Sites



Introduction

In 2014, the City of Sioux Falls adopted the *2025 Downtown Plan*, an ambitious strategic framework for revitalizing the city's central core. That plan was accompanied by a *Sioux Falls Downtown Plan Market Study*. This report represents an update to that 2014 market analysis and is intended to help guide the updated *2035 Downtown Plan* with a fresh look at market conditions and development prospects for downtown. This report includes a new quantitative forecast of development potential and a strategic overview of development opportunities –all grounded in a fresh analysis of market conditions and review of progress to date.

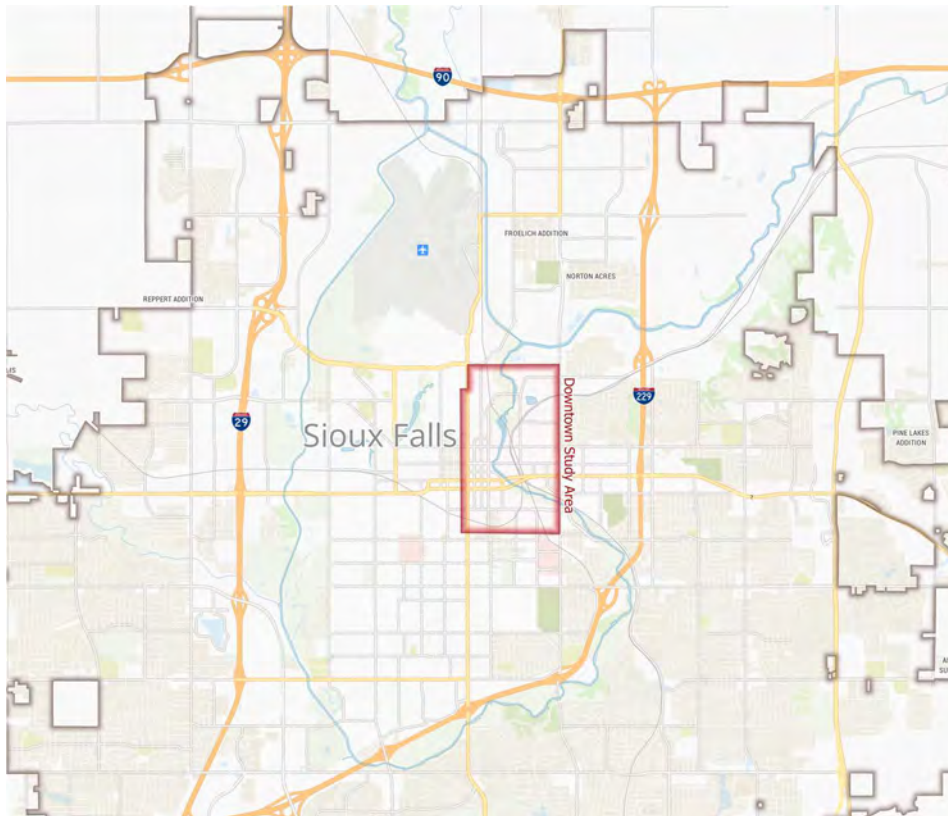
Task Overview

This Market Analysis includes existing and future market conditions for development in the project study area based on current forecasts for population and employment growth; published forecasts for expected growth and development trends; contact with industry professionals; and information provided by City staff.

Project Study Area

The project study area encompasses a one-mile-wide rectangle around downtown Sioux Falls from Russell Street on the north to 17th Street on the south, as indicated below in Figure 1. The study area is bounded by Spring Avenue on the west (one block west of Minnesota Avenue) and extends eastward to Cliff Avenue. The area includes blocks typically considered to be part of downtown along with adjacent blocks closely impacted by downtown and relevant to the plan update.

Figure 1. Downtown Study Area



Source: City staff, Leland Consulting Group

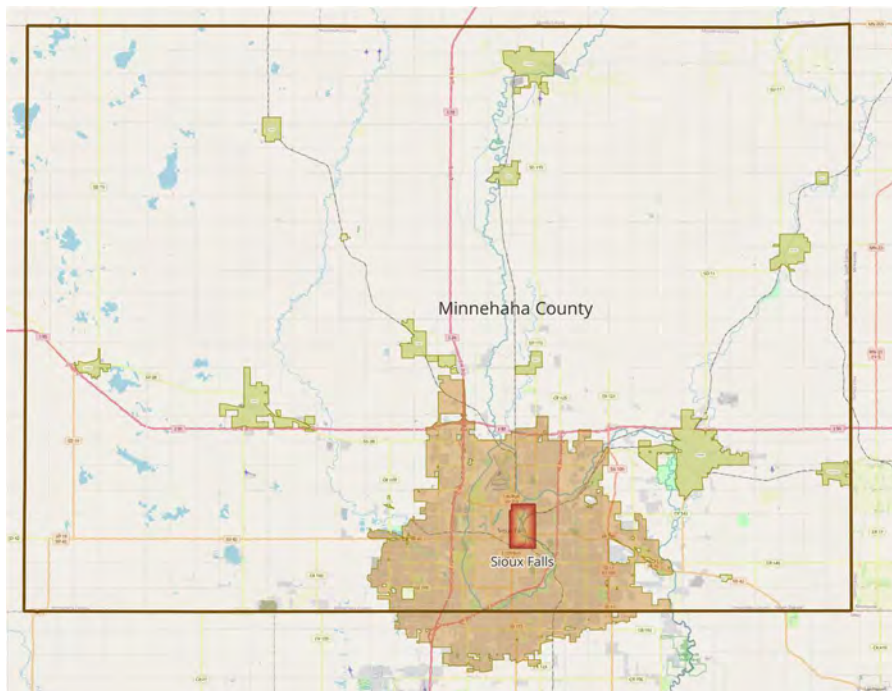
Market Area Definitions

Market areas are defined based on several variables, including drive time, destinations, commute patterns, and other geographic relationships. Data quality and availability also play a role in determining the most useful area boundaries. Unlike many metropolitan areas, Sioux Falls is far larger than any neighboring suburban municipality and faces very little development competition from unincorporated lands within Minnehaha County, making the city itself a suitable market area for most demand estimation.

For retail and dining/drinking uses, a market area represents the geography from which most spending demand will be drawn, either from household “rooftops” or from nearby office workers. Because of the destination nature of many downtown retailers and restaurants, the effective retail market area in this case is considered to be the Sioux Falls city limits overall, with some exceptions and caveats explained in the retail demand discussion.

Likewise, for residential, office, and industrial/flex uses, a market area geography is assumed to encompass the city overall. For these land uses, the market area definition is driven more by competition than the location of potential areas of demand (since it is quite common for prospective new residents and new employers to relocate from well outside the market area). In other words, downtown developments are generally expected to compete with potential developments across the local region to capture a share of likely future citywide growth. While competition may be even more localized for certain specific land uses within these categories, a citywide market area boundary is best for estimating the overall available pool of demand across multiple product types.

Figure 2. Regional Overview and Market Area (Sioux Falls City Limits)



Note: While the primary market area definition for all land uses is the Sioux Falls City Limits, this analysis makes use of data for Minnehaha County (and to a lesser extent, Lincoln County) in cases where data availability is limited to the county level.

Source: TIGER, Leland Consulting Group

National and Regional Context

Global and National Events: COVID, Supply Chain, Inflation

The past two years have been especially turbulent for real estate development and society in general, with the COVID pandemic, the Russian invasion of Ukraine, widespread supply chain disruptions, and global inflation pressures among the many significant factors contributing to market uncertainties.

The most significant economic impacts of the COVID pandemic were felt in 2020, as most nations implemented lockdown policies that resulted in complete shutdowns of large sectors of the economy. While commerce briefly ground to a halt across the board, those service sector industries relying on face-to-face contact, such as hospitality and travel, saw the most extended interruptions to normal business. Office workers temporarily had to rely on remote meetings via home offices, an arrangement that has proven preferable to many employees even as lockdown restrictions have long since faded.

The global post-lockdown rebound in household and industrial demand, coupled with supply chain disruptions (some of which predated COVID) and excess available household cash in the form of stimulus payments, combined to spark widespread consumer and wage inflation with housing and fuel seeing especially steep price increases. Rising inflation, in turn, has caused the Federal Reserve to raise interest rates to cool the economy – with the direct result of further driving up mortgage payments for new borrowers (payments already rising due to low/slow supply and strong demand).

These dynamics have taken place in the context of remarkably low national unemployment. The tight labor market has led to several related trends tying back into some already-mentioned themes. An undersupplied labor pool places more power in the hands of employees versus owners, all but ensuring that rising consumer prices will place upwards pressure on wages, feeding the inflation cycle. As many firms struggle to hire and retain skilled (even semi-skilled) workers, many supply chain disruptions have stubbornly persisted. Also, many white-collar workers have thus far been able to resist management's push to return to the office, causing most firms to assume that a more flexible home/office work arrangement may be the new normal, at least for the time being – causing prolonged post-COVID demand uncertainty in the commercial office market.

Demographics

This section provides an overview of past, existing, and projected demographic conditions focused on the City of Sioux Falls, the downtown study area, and larger comparison geographies.

Core Demographic Shifts

Broadly speaking, the demographic landscape in the U.S. remains dominated by its two generational population bulges, Baby Boomers and Millennials, as their needs and consumer demands adapt to each new life stage. Boomers, aged 58 to 76 as of 2022, are retiring in droves. While some Boomer retirees may consider urban settings (like downtown Sioux Falls) as an amenity-rich, lower-maintenance housing option, that cohort has shown a general preference for more suburban real estate. Generation X, a cohort now aged 42 to 58, is much smaller in size, but is nevertheless an important pool of demand for downtown housing, partly because many are downsizing as they enter empty-nester years, and also because many have maintained an affinity for urban settings through life.

The massive Millennial generation is expected to primarily generate demand for suburban detached housing development, drawn by superior schools, more yard space, and perceived safety advantages. Though they have been notoriously late to form separate households and to enter the ownership housing market (in part due to unfortunate economic timing), Millennials now fully span prime child-raising and home-buying ages (26 to 41 as of 2022) and have become a driving force for demand in that sector. Due to the sheer size of the group, if even a substantial minority choose to remain in single and dual households, they may be another legitimate source of downtown housing (and shopping/entertainment) demand.

Today’s Gen Z (now aged 10 to 25) are straddling adulthood, with a suburban-heavy younger segment still living at home with parents, plus a growing group just beginning to strike out and spur multifamily housing demand. Like Millennials a decade ago, this generation faces some difficult challenges ahead in transitioning from apartments to entry-level ownership housing. For now, however, they should be considered an important, growing target market for downtown housing and entertainment.

Household and Population Characteristics

In 2021, the downtown Sioux Falls study area was home to nearly 8,000 residents—just under four percent of Sioux Falls’ total population, which just passed 200,000 in 2021.

The city of Sioux Falls grew at 2.52 percent annually between 2010 and 2021, about 3.5 times the national growth rate. After a stagnant decade from 2000 to 2010, the downtown Sioux Falls study area grew faster than the national rate for 2010-2021, but slower than the city, county, or MSA overall. Residential projects currently in the development pipeline for downtown should result in a considerably faster study area population growth rate for the coming few years.

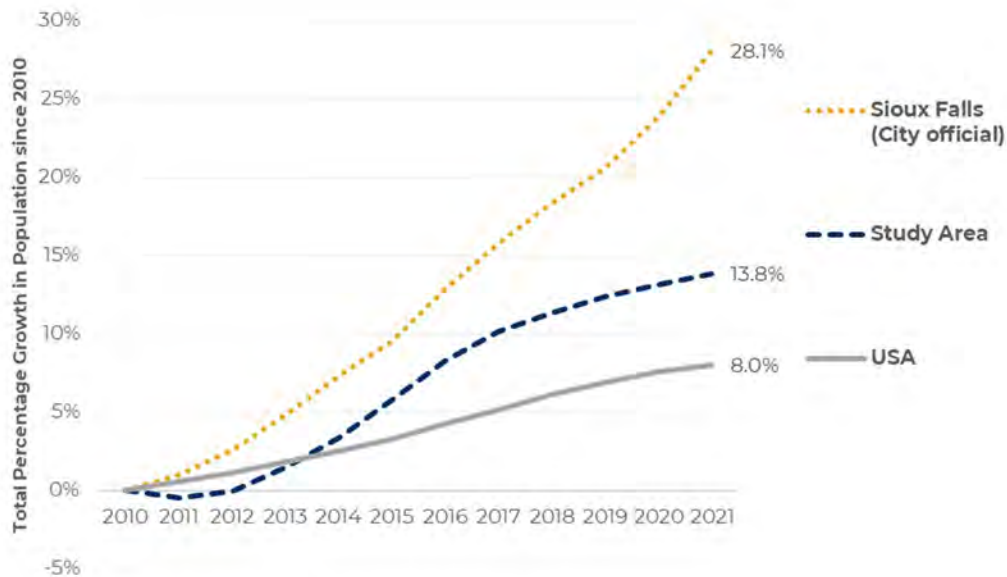
Table 1. Population Counts

| | Study Area | Sioux Falls | Minnehaha Co. | Sioux Falls MSA | USA |
|--------------------------|------------|-------------|---------------|-----------------|-------------|
| 2000 Total Population | 6,998 | 126,100 | 148,281 | 187,093 | 281,421,906 |
| 2010 Total Population | 6,882 | 154,087 | 169,468 | 228,261 | 308,745,538 |
| 2021 Total Population | 7,746 | 202,600* | 199,201 | 277,454 | 333,934,112 |
| 00-10 Annual Growth Rate | -0.17% | 2.02% | 1.34% | 2.01% | 0.93% |
| 10-21 Annual Growth Rate | 1.08% | 2.52% | 1.48% | 1.79% | 0.72% |
| 00-21 Annual Growth Rate | 0.48% | 2.28% | 1.42% | 1.89% | 0.82% |

Source: ESRI, U.S. Census, Sioux Falls Planning & Development; and Leland Consulting Group

* The City’s own estimates of 2021 (July) population is higher than the official Census estimate of 196,528

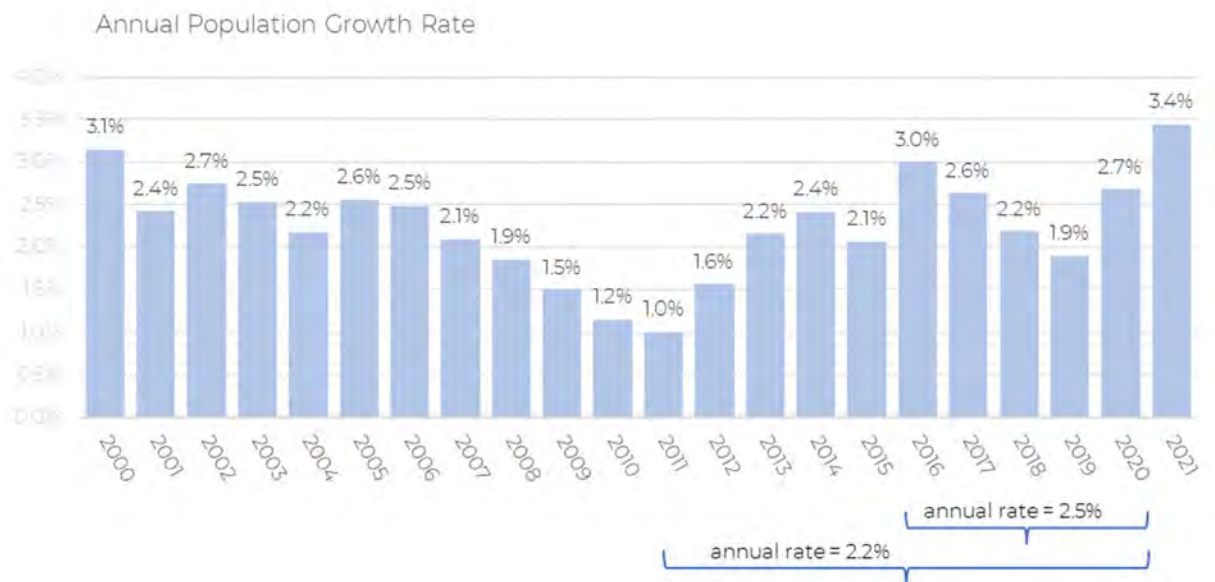
Figure 3 : Population Growth Comparison, Study Area vs. City of Sioux Falls, 2010 to 2021



Source: ESRI, U.S. Census, Sioux Falls Planning & Development; and Leland Consulting Group

For the Sioux Falls, the annual rate of population growth year by year is shown in the graph below from 2000 to 2021. The average annual rate for the five years ending in 2020 was 2.5 percent, slightly faster than the 2.2-percent rate seen over ten years (which is the same as the 20-year average annual rate).

Figure 4: City of Sioux Falls Population Growth, Annual Rates from 2000 to 2021



Source: U.S. Census, Sioux Falls Planning & Development; and Leland Consulting Group

Selected household characteristics are provided in the following table. Generally, existing households in the downtown study area are smaller, have lower incomes, lower home ownership, and lower home values than Sioux Falls and the wider region. As in many other revitalizing mid-sized downtowns, metrics related to income and home values are likely undergoing a significant upswing as a result of recent and planned development. Note also that home values shown in the table below reflect Census/ACS survey responses gathered over several years. The rapid pace of housing price inflation over just the past two years means that these figures are almost certainly significantly understated relative to today's pricing.

Table 2. Select Demographic and Housing Characteristics, 2021 Estimates

| | Study Area | Sioux Falls | Minnehaha Co. | Sioux Falls MSA | USA |
|----------------------------|------------|-------------|---------------|-----------------|-----------|
| Avg. Household Size | 1.96 | 2.40 | 2.42 | 2.47 | 2.58 |
| Median Home Value* | \$130,912 | \$226,410 | \$229,666 | \$237,645 | \$264,021 |
| Median HH Income | \$40,190 | \$60,881 | \$62,052 | \$64,823 | \$64,730 |
| Per Capita Income | \$26,274 | \$33,760 | \$33,554 | \$34,124 | \$35,106 |
| Median Age | 36.6 | 36.0 | 36.5 | 36.5 | 38.8 |
| Households: Percent Renter | 72% | 38% | 36% | 32% | 35% |
| Bachelor's Degree + | 33% | 36% | 35% | 35% | 34% |

Source: ESRI and Leland Consulting Group

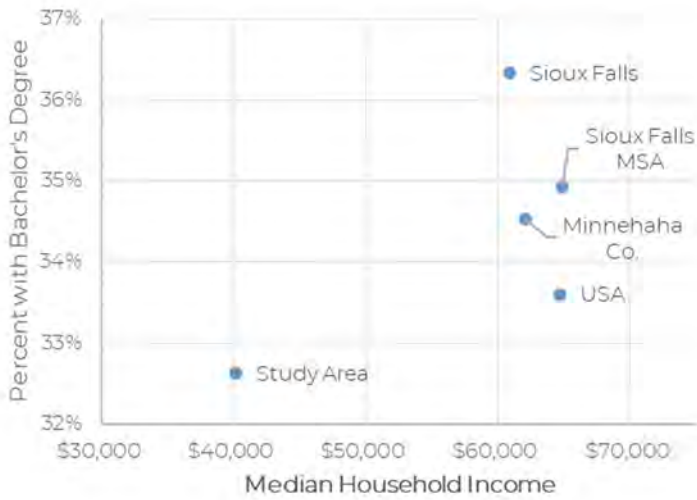
*Owner-occupied housing only

As shown in Income and Education

Figure 5, the downtown study area's median household income is considerably lower than Sioux Falls and larger comparison geographies. Downtown educational attainment is roughly on par with the U.S. overall, but lower than for the city of Sioux Falls. Again, these measures are almost certainly in transition as new housing is added to the downtown area at higher than existing price and rent points.

Income and Education

Figure 5. Income and Educational Attainment, Downtown Study Area and Comparisons



Source: ESRI, U.S. Census, and Leland Consulting Group

Figure 6 shows the percent of households by income group for the study area versus the city as a whole. Using these income groupings, both areas have the highest concentration of households in the \$50,000 to \$75,000 income range. However, the downtown area currently has proportionally more households in lower income groups and fewer households in higher income groups relative to the city overall.

Again, this relationship may be evening out as new households move to the study area to reside in newly constructed units. The amount of shift will depend in part on the extent to which the area is able to attract housing development targeting more moderate-income households (with or without some subsidy).

Figure 6. Households by Income Group, Study Area vs. Citywide



Source: ESRI and Leland Consulting Group

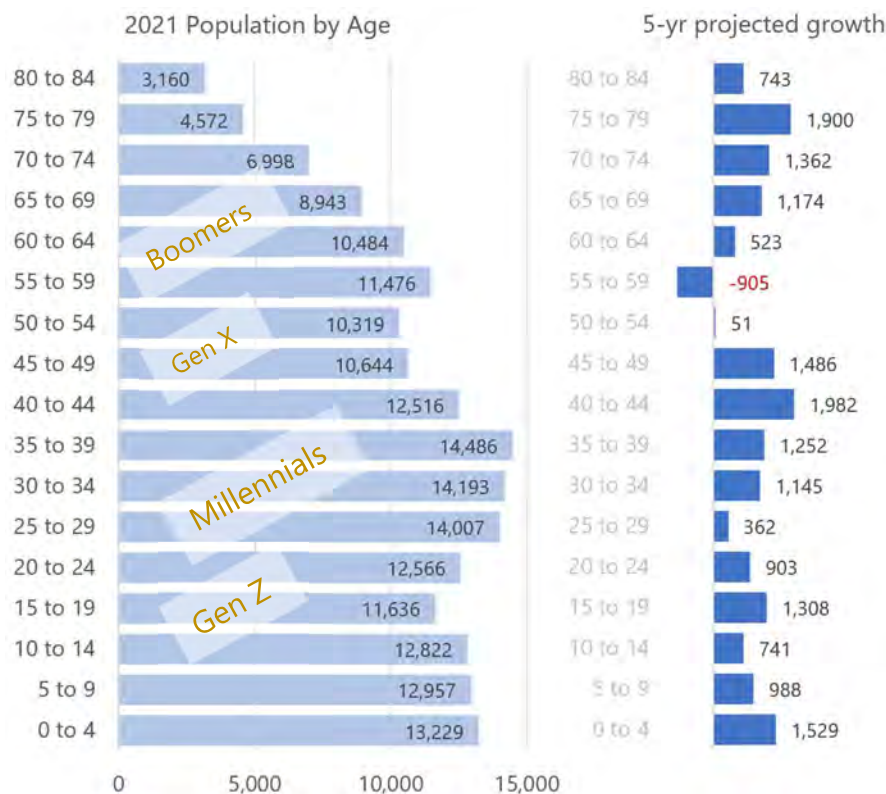
Age Demographics

The figure below shows the distribution of the Sioux Falls population by resident ages, both currently (2021) and projected forwards by five years. This short-term perspective on growth by age group can serve as an indicator of anticipated changes to demand drivers across several development/land-use types – especially residential.

The largest bulges in the current population, Millennials and Baby Boomers naturally account for the most growth. Over the next five years, the older edge of Boomers will spur growth of over 1,900 city residents in the 75 to 79 year group, while the largest segment of Millennials will turn 40 to 44 years old.

The smaller Gen X and Gen Z population groups translate into slow anticipated growth (even a moderate downward shift in the case of Gen X-ers entering their early 50s). While not as populous as Millennials or Boomers, these two groups will play a key role in near-term downtown housing demand as they seek to downsize their empty nest lifestyles or go in search of their first apartments.

Figure 7. Population by Age, City of Sioux Falls, Current and Projected (2021-2026)

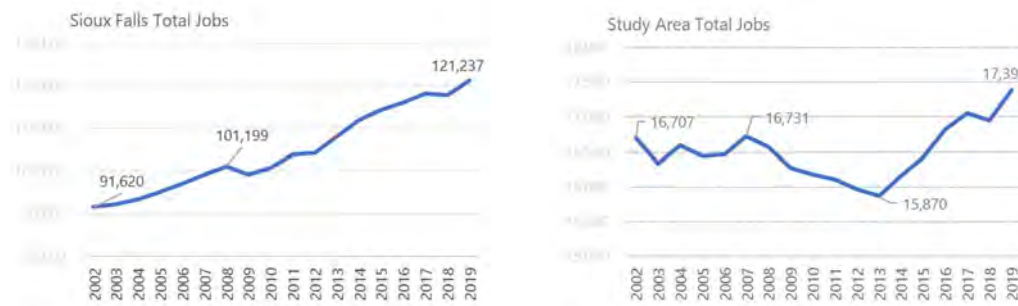


Source: ESRI, U.S. Census, and Leland Consulting Group

Employment Dynamics

This section provides an overview of past, existing, and projected employment conditions. Employment dynamics play an important role relative to downtown development prospects in several ways -- whether directly generating need for new office space, creating customers for downtown dining and entertainment, or indirectly bolstering interest in downtown housing.

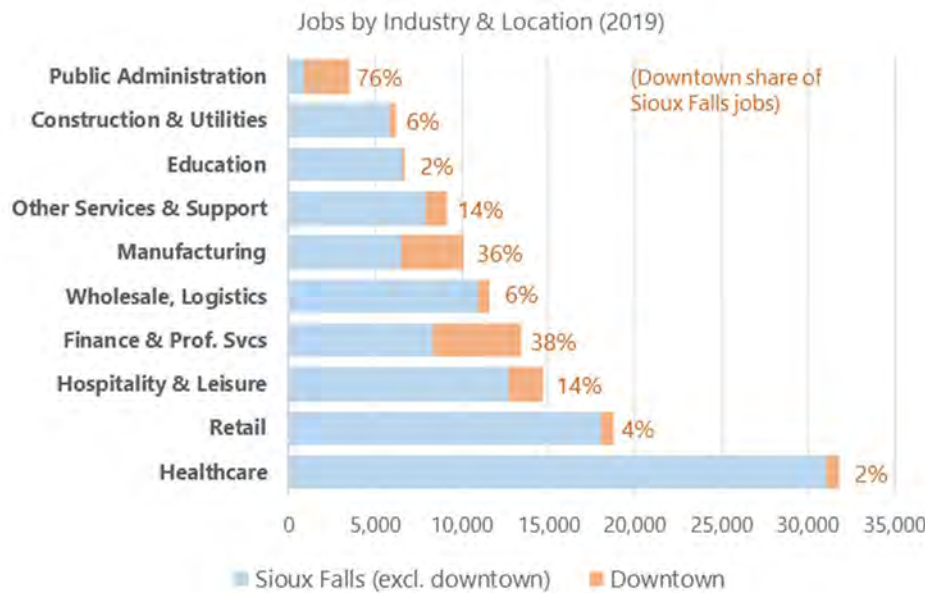
Figure 8: Total Employment, 2002 to 2019, Citywide versus Downtown Study Area



Source: Census/LEHD On the Map

The two graphs above give a side-by-side look at changes in employment citywide (left) versus just within the downtown study area (right) since 2002. During the 2002 to 2008 national economic boom period, the city of Sioux Falls grew quickly, adding nearly 10,000 total jobs. However, that growth was almost entirely suburban in nature, where downtown added no jobs through 2007 and, in fact, lost nearly 1,000 jobs before finding bottom in 2013. Since 2014, however downtown has been a major participant in the city’s vigorous post-recession growth. Growth since 2019 (the last available year in this particular data series) stumbled only slightly due to COVID-19 in 2020 but has likely climbed even more steeply through 2021 and 2022 both citywide and downtown (based on office construction and occupancy trends).

Figure 9. Employment by Industry, Downtown vs. Sioux Falls Overall (2019)

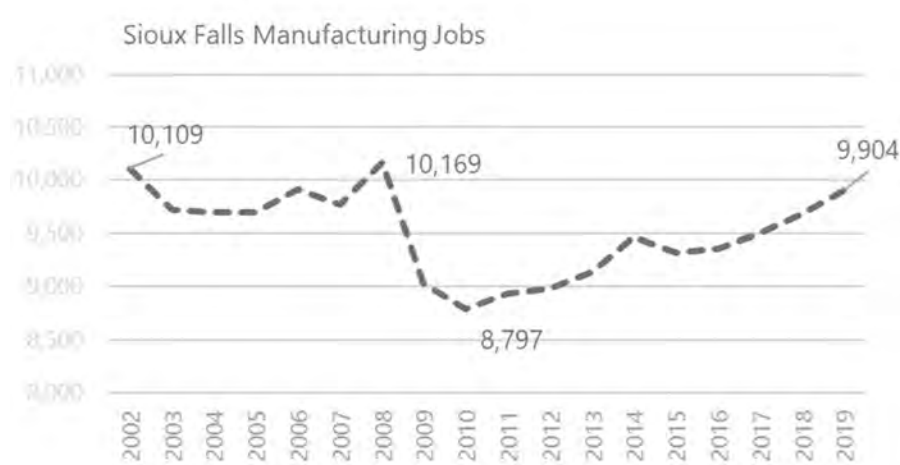


Source: Census/LEHD On the Map

The chart above shows the composition of the Sioux Falls workforce across major industry groupings, with the downtown employment share shown in orange. Downtown’s share of citywide employment is highest for Public Administration (government) jobs, while Finance & Professional Services and Manufacturing account for a larger absolute count of downtown jobs.

Manufacturing jobs are an important component to the employment mix of any city, since those jobs tend to be *basic sector* (i.e., importing money in from outside the city) rather than simply recirculating money within the local economy like many retail and service firms. Although Sioux Falls manufacturing firms took a hit in the 2008-2011 recession, losing more than 1,000 jobs, the sector has rebounded relatively steadily, nearly climbing back to the pre-recession high water mark of 10,000 workers. Historically, manufacturing jobs have had a strong multiplier effect on most economies, with job gains in that sector creating a ripple effect across the local economy as those firms buy supplies locally and their workers buy local retail goods and services. Widespread globalization of supply chains has tended to mute that positive local effect somewhat, however.

Figure 10: Manufacturing Employment, 2002 to 2019, City of Sioux Falls

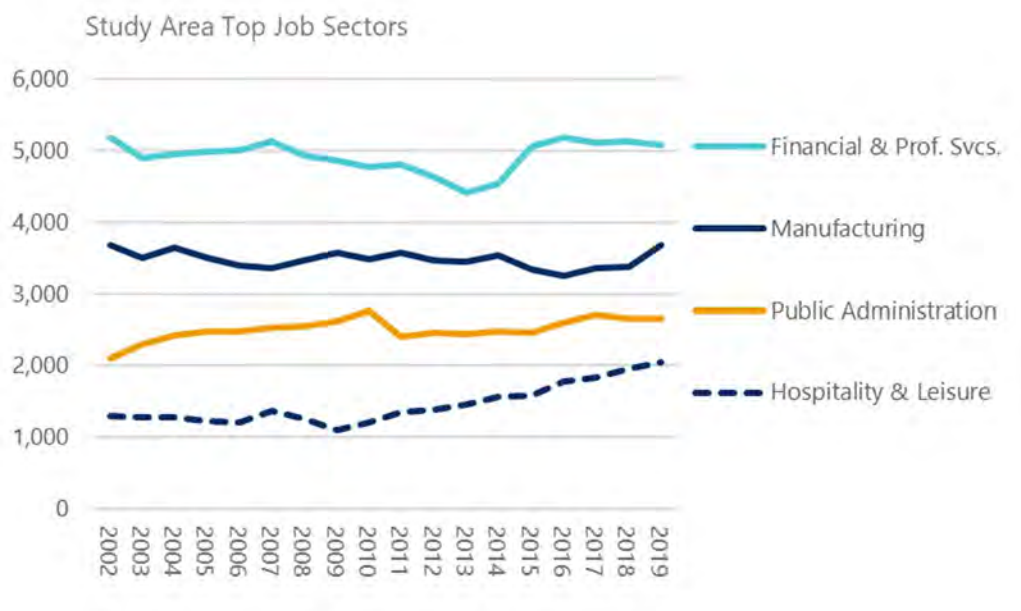


Source: Census/LEHD On the Map

Downtown employment is concentrated most heavily across four major industry groupings, Financial & Professional Services, Manufacturing, Public Administration, and Hospitality & Leisure. The two largest downtown sectors, Financial & Professional Services and Manufacturing have shown some volatility over the preceding decades but are roughly at the same job levels as they were in 2002. The Hospitality & Leisure grouping has shown the clearest upward trend, steadily adding nearly 1,000 net new jobs since 2009.

Recently completed projects and known planned developments since 2020 have likely added substantially to finance-related and hospitality/leisure employment beyond what is shown here for 2019.

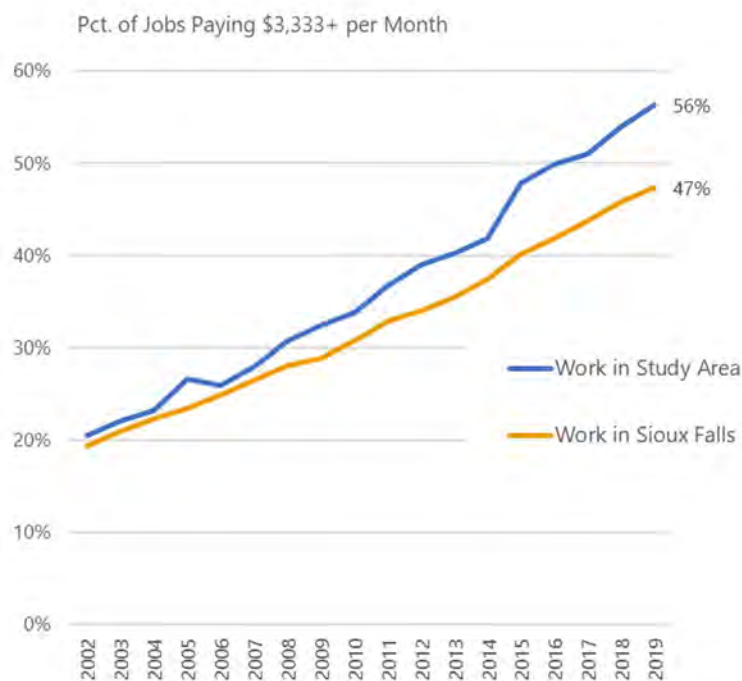
Figure 11: Employment Trends for Downtown Sioux Falls Top Industry Sectors, 2002 to 2019



Source: Census/LEHD On the Map

Although downtown’s fastest-growing job sector, Hospitality and Leisure, is typically associated with lower-wage, semi-skilled labor, the number of workers earning in the highest Census/LEHD wage bracket (\$3,333+ per month) has actually been growing somewhat faster for downtown workers than for Sioux Falls workers overall.

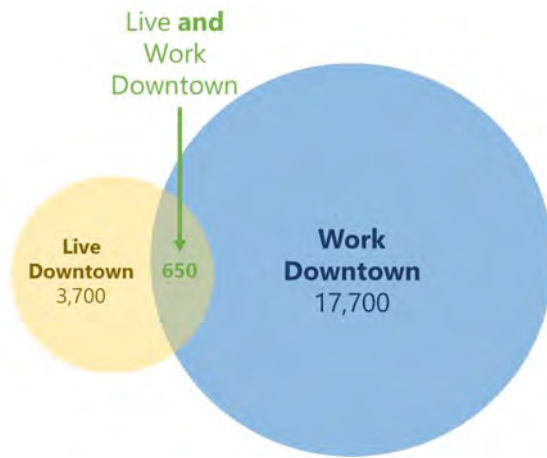
Figure 12: Share of Workers Earning \$3,333/mo. or Higher, Downtown versus Citywide, 2002 to 2019



Source: LEHD On the Map; and Leland Consulting Group, based on 2019 data.

Commuting Patterns

In pre-pandemic 2019, there were approximately 17,700 people going to work in downtown Sioux Falls. At the same time, there were 3,700 employed adults living in the downtown study area. Of those, just 650 workers managed to both live and work downtown. This means that around 17,000 people were having to commute in on a daily basis from homes outside downtown. Conversely, 3,000 downtown residents commuted out of the study area for work each day.



Source: LEHD On the Map; and Leland Consulting Group, based on 2019 data.

While this lopsided relationship is clearly not efficient, it is fairly typical of modern mid-sized U.S. cities – where auto-oriented suburbs have been a dominant urban form for decades and downtown is only recently revitalizing. This overlap measure can be a useful metric for tracking the well-roundedness of a downtown as land use diversity increases, pedestrian and bicycle amenities are improved, and more residential rooftops are added to the mix. Whether or not the unusually high fuel prices of 2022 become a new normal, the cost and personal time-use efficiencies of finding a more efficient live-work arrangement should become increasingly appealing over time to renters and homebuyers (and job seekers).

The number of people able to craft a downtown live-work lifestyle was actually somewhat higher in 2002, declined until the 2008-09 recession, and has stabilized around current levels since. During the recent prolonged economic recovery period, downtown in-commuting for work has increased steadily, climbing from 15,500 workers in 2013 to over 17,000 in 2019.

Figure 13: Trends in Study Area Commuting Patterns, 2002 to 2019



Source: LEHD On the Map; and Leland Consulting Group, based on 2019 data.

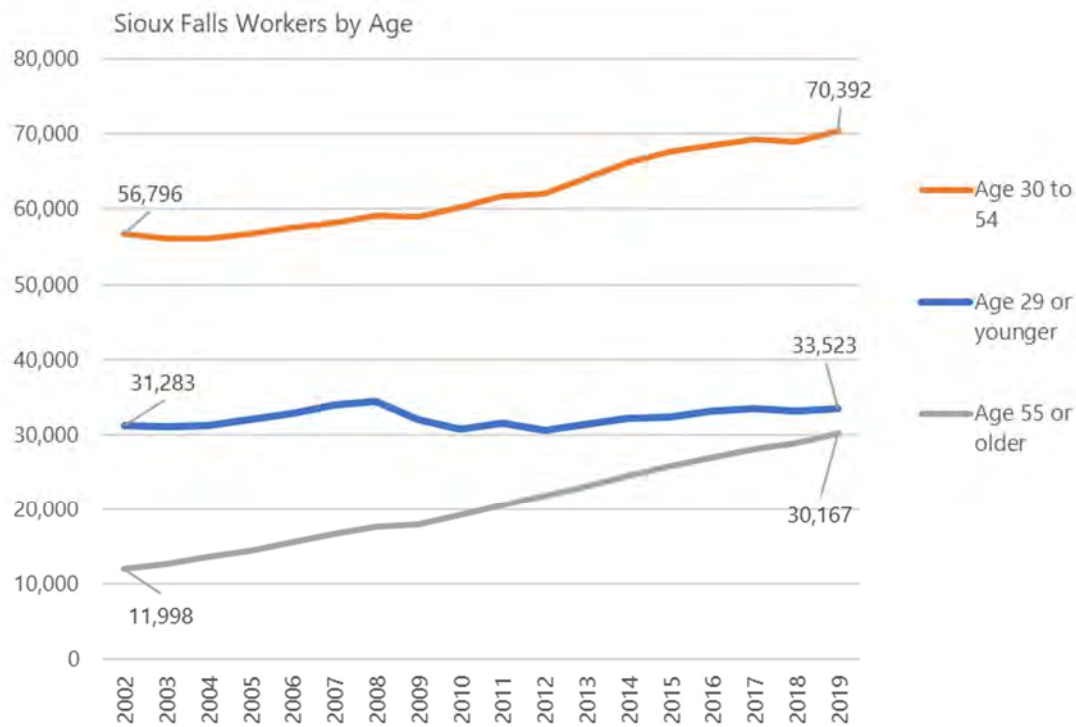
The figure below shows the number of Sioux Falls workers by three broad age groupings. All three added at least some employment between 2002 and 2019, with generational population skews largely driving the

patterns of growth. The large Baby Boomer segment contributed to steady growth in the oldest segment, aged 55 and up, accounting for more than 18,000 added jobs in 2019 compared with 2002. As that population bulge moves more fully into retirement age, we would expect those numbers to level off and then decline as the smaller Gen X cohort ages into that bracket.

Meanwhile, over that same time period, the segment of workers aged 30 to 54 also increased dramatically, adding around 12,400 jobs. Most of that growth is attributable to the size of the Millennial generation cohort (even though that age bracket included many Gen X'ers over that stretch of time).

The relative lack of job growth in the under-30 age bracket over the same years (just over 2,000 added jobs) is partly due to Millennial workers aging into the 30+ group, but also potentially reflective of a “brain drain” with a portion of highly educated young workers leaving to seek their fortunes in larger urban markets.

Figure 14. Change in Number of Employees by Age, Sioux Falls, 2002-2019



Source: On the Map/LEHD

Employment Projections

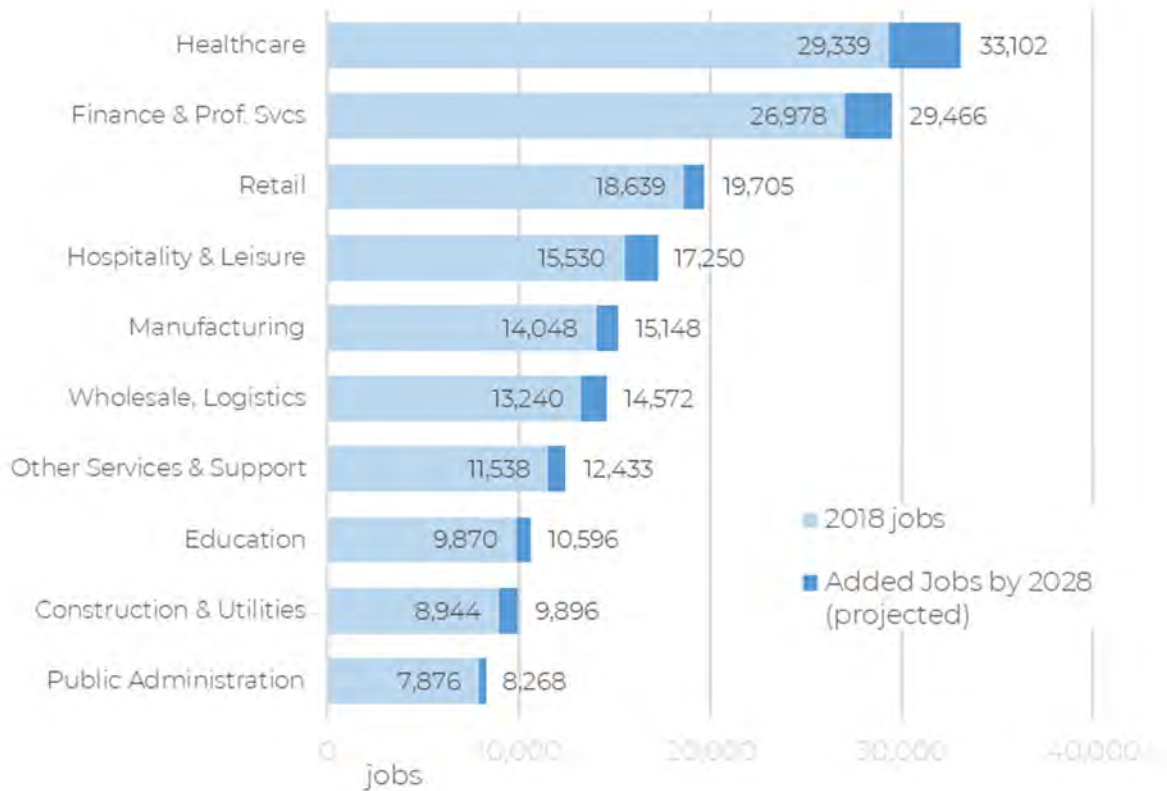
The South Dakota Department of Labor and Regulation periodically produces 10-year forecasts of employment by industry for the state and for major urban centers including the Sioux Falls MSA. The latest available forecast shows projected metro area job growth from 2018 to 2028.

As shown in the chart below, employment growth in the region is anticipated to be led by healthcare (including social services) and finance and professional services, which are already the largest industry groupings for the Sioux Falls area in terms of total jobs. These represent the most office-intensive industry categories, with 90 percent or more of finance and professional services jobs likely to occupy office space (at least in a flex

capacity). Healthcare jobs are split across hospitals and medical office buildings (including clinics), with roughly a third typically needing office space.

Notably, positive job growth is expected across all industry groupings in metro Sioux Falls. Even the slowest-growing sector in the forecast, public administration, is projected to add nearly 400 jobs over the decade.

Figure 15. Projected New Employment Growth, Sioux Falls MSA, 2018-2028



Source: South Dakota Department of Labor and Regulation

*The Sioux Falls MSA includes the four-county region of McCook, Turner, Lincoln, and Minnehaha counties

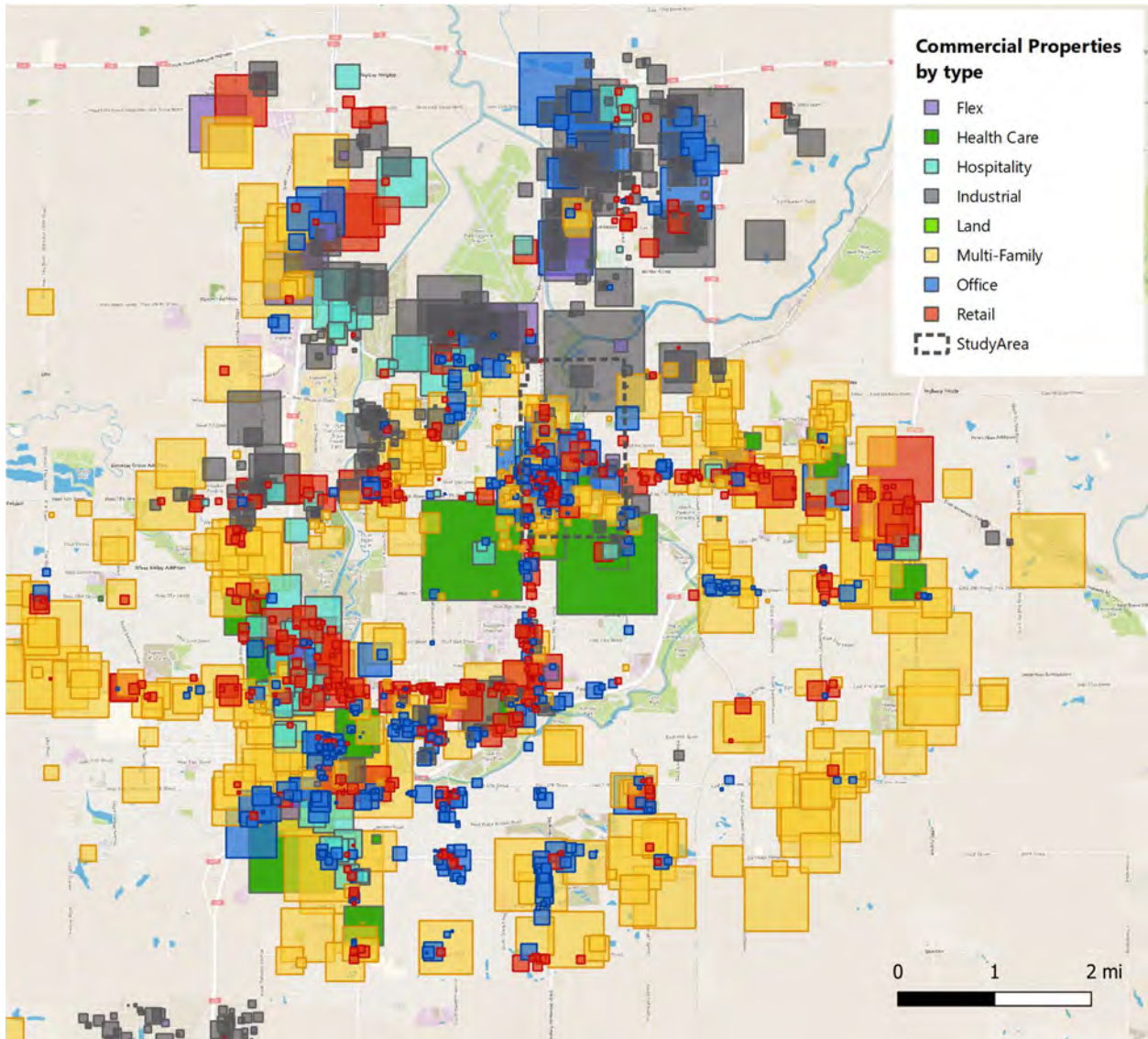
For purposes of projecting future office and industrial demand, information from these official projections is combined with data on actual historical growth across those same sectors for the city of Sioux Falls alone. Demand projections follow the section on market supply conditions.

Market Supply and Demand by Land Use

This section summarizes prevailing supply conditions for major land use categories that may be part of the future potential (re)development mix downtown, including multifamily residential, retail, office, medical, and hospitality, and “employment” space, which includes both industrial and office land uses. Market conditions—including the mix and geographic distribution of existing development, building vacancies, rents, planned/pipeline development, and other market trends—are critical to establishing the market’s strength and the prospects for financial feasibility and timely development of new projects.

The series of maps below show, at a glance, all major commercial land uses found citywide, including multifamily apartments. Although industrial or even flex/R&D developments are unlikely to be part of the redevelopment mix downtown, these property types are also included in the maps to illustrate the clustering and interrelationships of the different development types.

Figure 16. Sioux Falls Commercial and Multifamily Properties (2022)



Source: CoStar, including existing and under construction projects; (symbols scaled by property square footage)

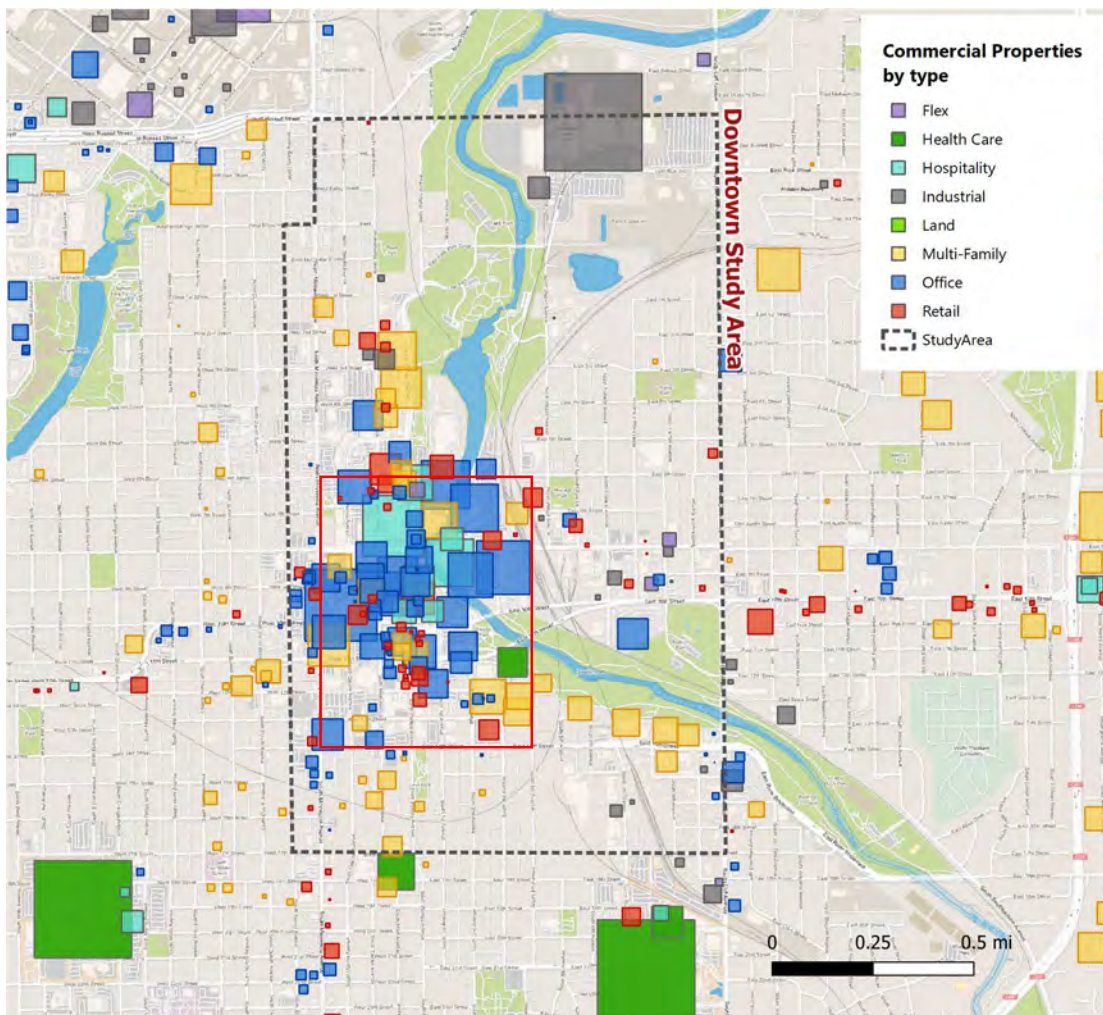
In broad terms:

- Industrial and flex development is clustered to the north and west of downtown.
- Multifamily development generally forms a ring around the city, with concentrations generally along West 41st Street and along I-29 to the north and south.

- Office development is most intense downtown, flanking the airport to the north, and in the southwest quadrant of the city.
- Retail is heaviest along two major east-west arterials, the West 41st Street corridor, southwest of downtown, and the 12th Street/10th Street corridor roughly bisecting the city through downtown. The largest regional retail clusters are at the northeast quadrant of I-29 and W. 41st St. (Empire Mall area) and near Arrowhead and Veterans Parkways on the east side of the city.
- Hospitality is attracted to the I-29 corridor, and south of the airport, with some activity downtown (better visible on the zoomed-in downtown map).
- Health care development in Sioux Falls (hospitals, medical office, and clinics) is dominated by the two major medical centers found just south of the downtown area – Avera McKennan and Sanford/USD

This next map uses the same symbology to show downtown area commercial and multifamily properties in greater detail. The largest single commercial property, by far, is the 700,000+ square foot Smithfield hog processing facility east of the river, at the northern edge of downtown – constituting the lion’s share of downtown’s 975,000 square feet of industrial and flex space.

Figure 17: Commercial Properties, Downtown Zoom (2022)



Source: CoStar and Leland Consulting Group

Most other commercial development is west of the river and mostly focused around a much smaller area shown in red below, between 6th and 14th Streets, from Minnesota Avenue on the west to Cliff Avenue on the east. In fact, that core area has over 80 percent of downtown’s 3.1 million square feet of office space, just over half of downtown retail space (approaching one million square feet), and all downtown hospitality properties. Apartment development is somewhat more spread out, with about 40 percent of the nearly 1,700 downtown units found in the core.

Planned and proposed projects downtown will largely add to this core area, strengthening the area east of the river and pushing somewhat to the north beyond 6th Street.

The chart below summarizes the existing square footage by commercial property type downtown.

Figure 18. Standing Downtown Commercial Development (2022)



Source: CoStar and Leland Consulting Group

Note: 1,700 multifamily units shown as square footage for comparison across types

Historic Character of Downtown Building Stock

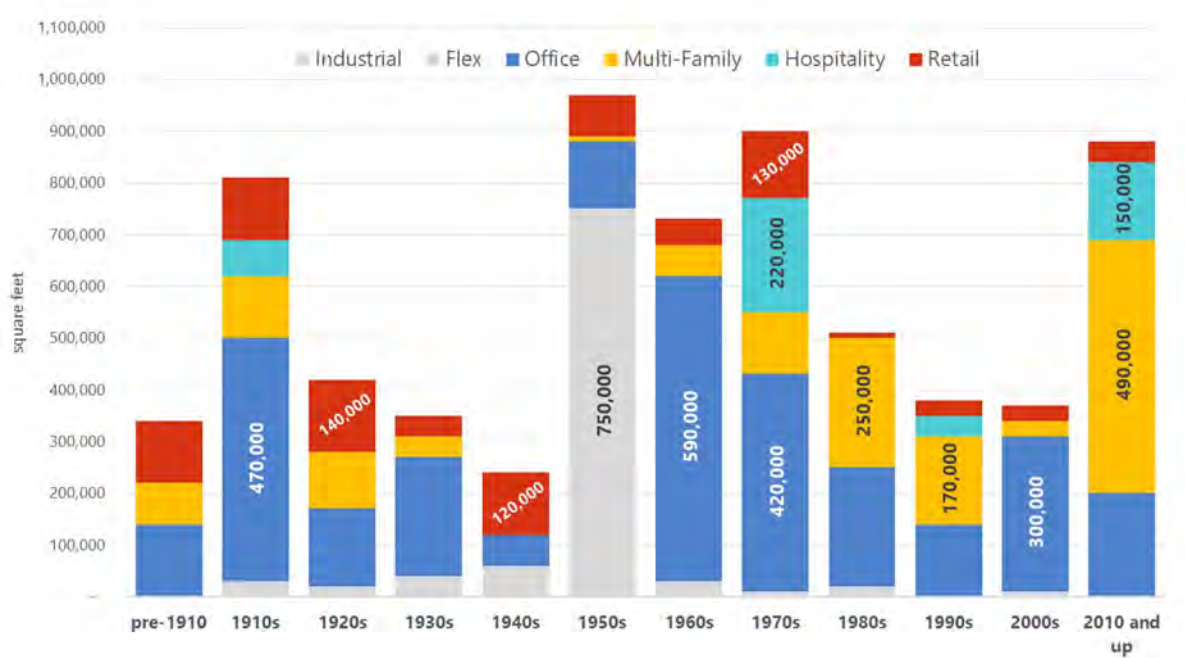
One of strongest assets of downtown Sioux Falls is the aesthetic appeal of its historic building stock. The downtown area stands out among similar-sized Midwestern cities for both the quality and quantity of its older construction. As shown in the following chart, downtown has a standing inventory spanning across each decade back to the turn of the 20th Century, with substantial remaining stock of office, retail, and multifamily buildings represented across the century.

This historical diversity lends exceptional character and is a natural complement to civic or philanthropic investments to streetscapes, public art, and other urban amenities. These factors, especially along Phillips and Main Avenues, enhance the urban experience for shoppers, outdoor diners, and pedestrians in general – whether they are part of the downtown workforce, visitors, or, increasingly, downtown residents.



Despite the many positive effects of a robust historic building inventory, the continual maintenance and occasional retrofitting of historic facilities can be costly, requiring a commitment to preservation and design creativity. The recently repurposed Hotel on Phillips, pictured here, is an excellent example of creative adaptive reuse (conversion of a bank/office building to boutique hotel and bar) contributing to downtown placemaking.

Figure 19: Downtown Sioux Falls Standing Commercial Inventory by Decade of Construction



Source: CoStar, and Leland Consulting Group

Note: Because this chart includes currently existing structures only, it may understate the level of building activity in prior decades in cases where some properties have been demolished over time. Recent renovation activity, including conversions is also not reflected.

Note the steady influx of substantial office inventory across the decades, along with the periodic bursts of retail development, generally topping out at around 100,000 to 150,000 square feet – accompanied in the 1970s by 220,000 square feet of hotel space that still remains operational. Multifamily activity has never been stronger than in the past decade.

Residential Market

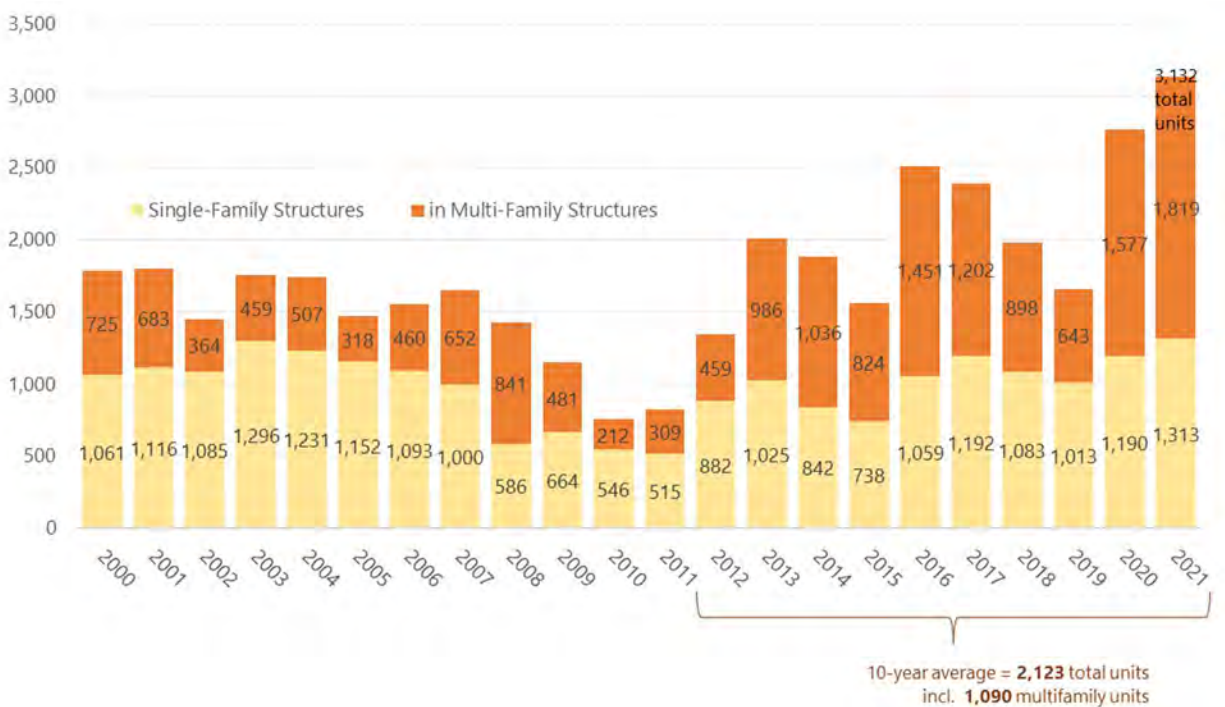
The downtown study area includes hundreds of single-family homes in older established modestly priced neighborhoods. While those neighborhoods are likely to see occasional opportunistic redevelopment and moderate densification, such as adding ADUs or converting from detached to multi-unit attached product a few lots at a time (especially if land prices continue to climb), most significant redevelopment activity will come in the form of apartments or attached ownership product (condominiums, townhomes, rowhomes, lofts, etc.) in mid-sized and occasionally larger projects. As such, this analysis focuses primarily on multifamily market dynamics without delving into trends and conditions in the single-family detached market.

Residential Supply Conditions

The chart below shows residential permit activity in Minnehaha County since 2000. As illustrated, residential permitting prior to the recession in 2008-09 was predominantly single-family. Since the recovery, half of total demand (or higher in some years) has been for multifamily units. In 2021, 1,825 out of 3,300 units were multifamily.

Over the past 10 years, the Minnehaha portion of Sioux Falls alone averaged 2,123 units permitted per year, with nearly 1,100 of those being multifamily. Permitting in 2022 has already exceeded the record totals from 2021, with the first nine months of 2022 yielding 4,261 permits, of which over 3,200 have been for multifamily units. 2022 has, in fact, been an unprecedented residential permitting year for many growing medium and large-sized cities throughout the United States.

Figure 20. Sioux Falls (Minnehaha Portion) Residential Permit Activity, 2000 to 2021

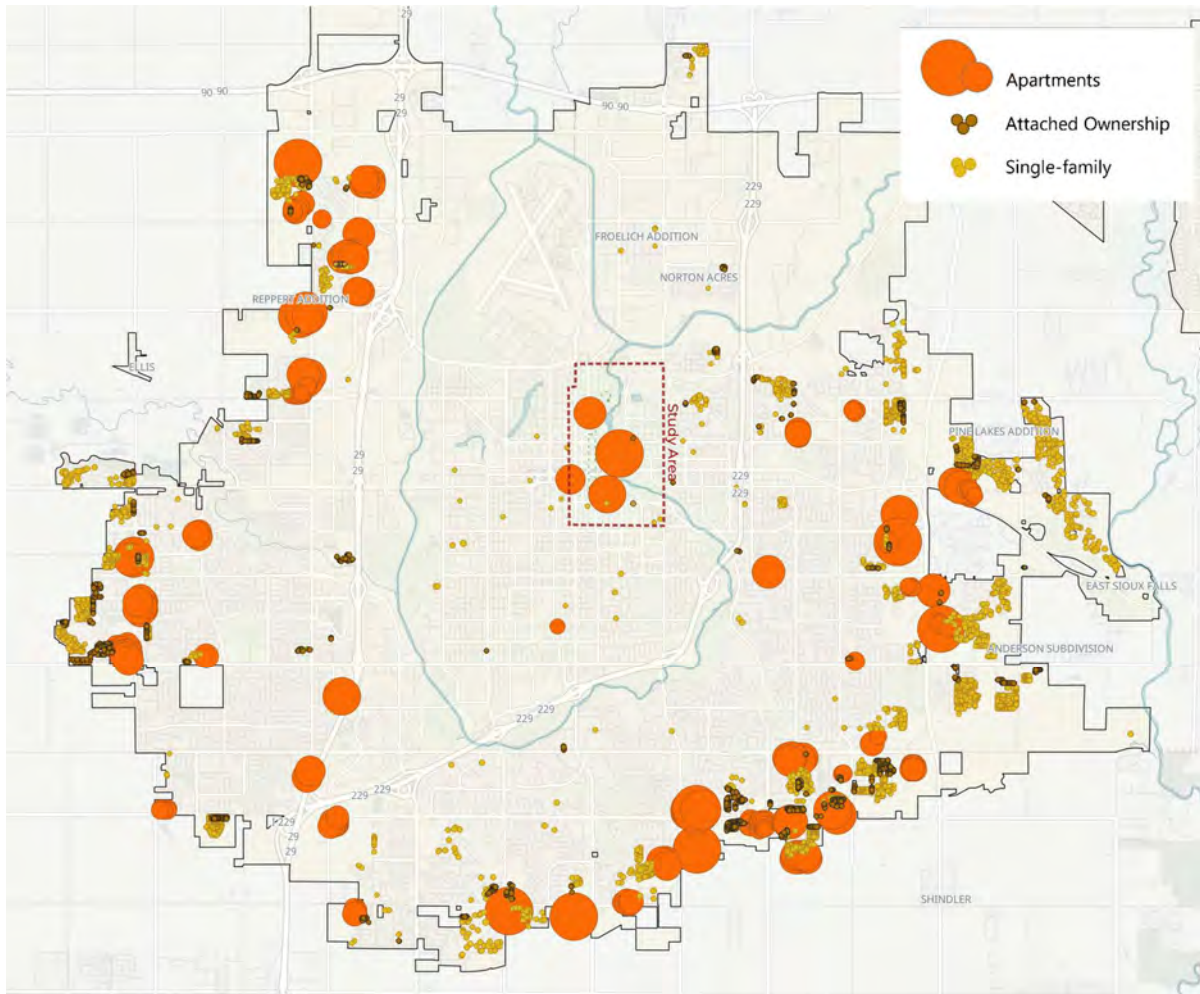


Source: U.S. Census, Leland Consulting Group

The following map shows recent residential building permit activity in Sioux Falls. Recent housing development in the city is distributed most heavily around the west, south, and east perimeter, with a pocket of heavy development within the downtown study at the primary exception to that pattern of edge growth.

Note that multifamily development (larger orange dots) has been occurring alongside single-family development activity in almost all areas of the city. At the furthest eastern and western edges of development, single-family can be found somewhat further towards the perimeter than townhomes. Very little single-family construction has been permitted in the downtown study area.

Figure 21: Residential Building Permit Activity (2018-2021)



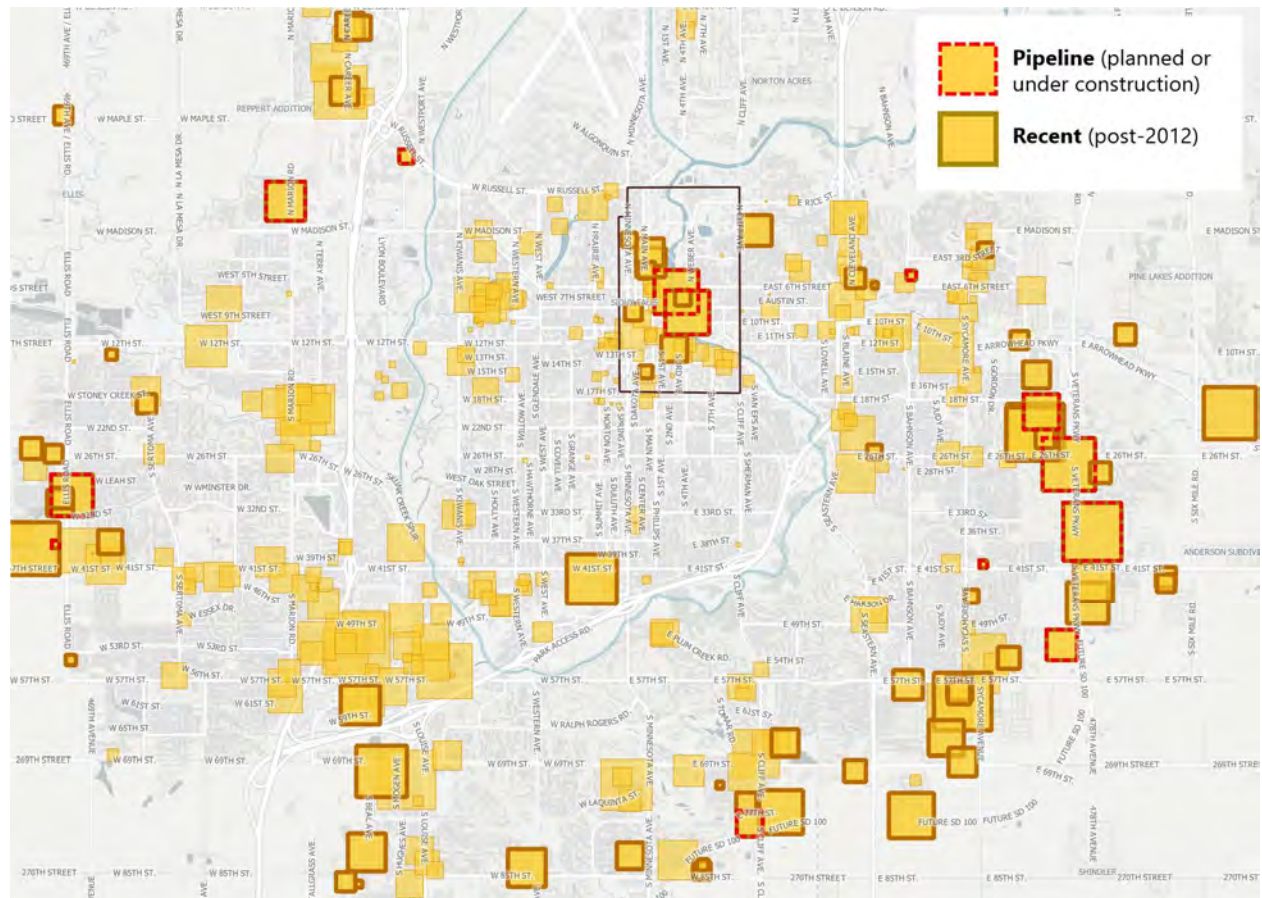
Source: City of Sioux Falls and Leland Consulting Group

Multifamily Rental Market Summary

Nationally, apartment demand and occupancy remained strong throughout 2021 and most of 2022, as supply chain issues, labor shortages, and some homebuilder risk aversion led to chronic underproduction of for-sale detached housing.

Because the important Millennial population bulge is approaching its optimal age/life stage for detached housing, that combination of high demand and supply shortfalls have kept intense upwards pressure on home prices. As a result, some fraction of the Millennial segment remained unable to afford to own and instead continued to bolster multifamily demand – joining downsizing Baby Boomers and a new younger generation of budding apartment-dwellers in Gen Z.

Figure 22. Multifamily Residential Development



Source: CoStar, Leland Consulting Group

The map above provides a dramatic snapshot of the remarkable level of multifamily construction activity that has taken place over the past decade in Sioux Falls (in bold outlines) – much of it in the past four to five years. Planned and under construction activity is shown with dotted red outlines, with major projects pending and under construction downtown and a substantial cluster of pipeline activity on the east side of the city, along Veterans Parkway.

Multifamily Supply Conditions

After 2011-2013 when there was less than 600 units of annual apartment production, the Sioux Falls multifamily market ramped up, with a bit of volatility during 2018, to a level of 1,859 units under production in the second quarter of 2022. From 2011 to 2021, the city’s apartment inventory increased by fully 8,000 units.

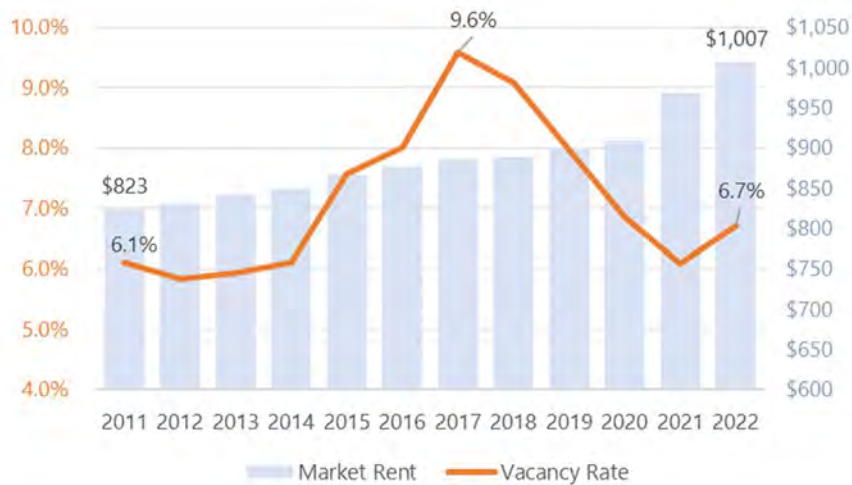
Figure 23: Sioux Falls Apartment Unit Inventory and Construction Activity, 2011 to 2022 (April)



Source: CoStar, Leland Consulting Group

While that those levels of apartment unit production have helped to fuel economic growth in the city and house its growing labor force, local vacancy rates have remained on the high side relative to typical multifamily markets nationally. The 6.7 percent vacancy in early 2022 was nearly two points higher than the U.S. average of 4.8 percent for the same month. That said, the steep decline in vacancy from the recent high of 9.6 percent in 2017 (resulting from unusually high unit deliveries from 2016 construction), contributed to the \$100 rise in typical market asking rents per unit over the past three years.

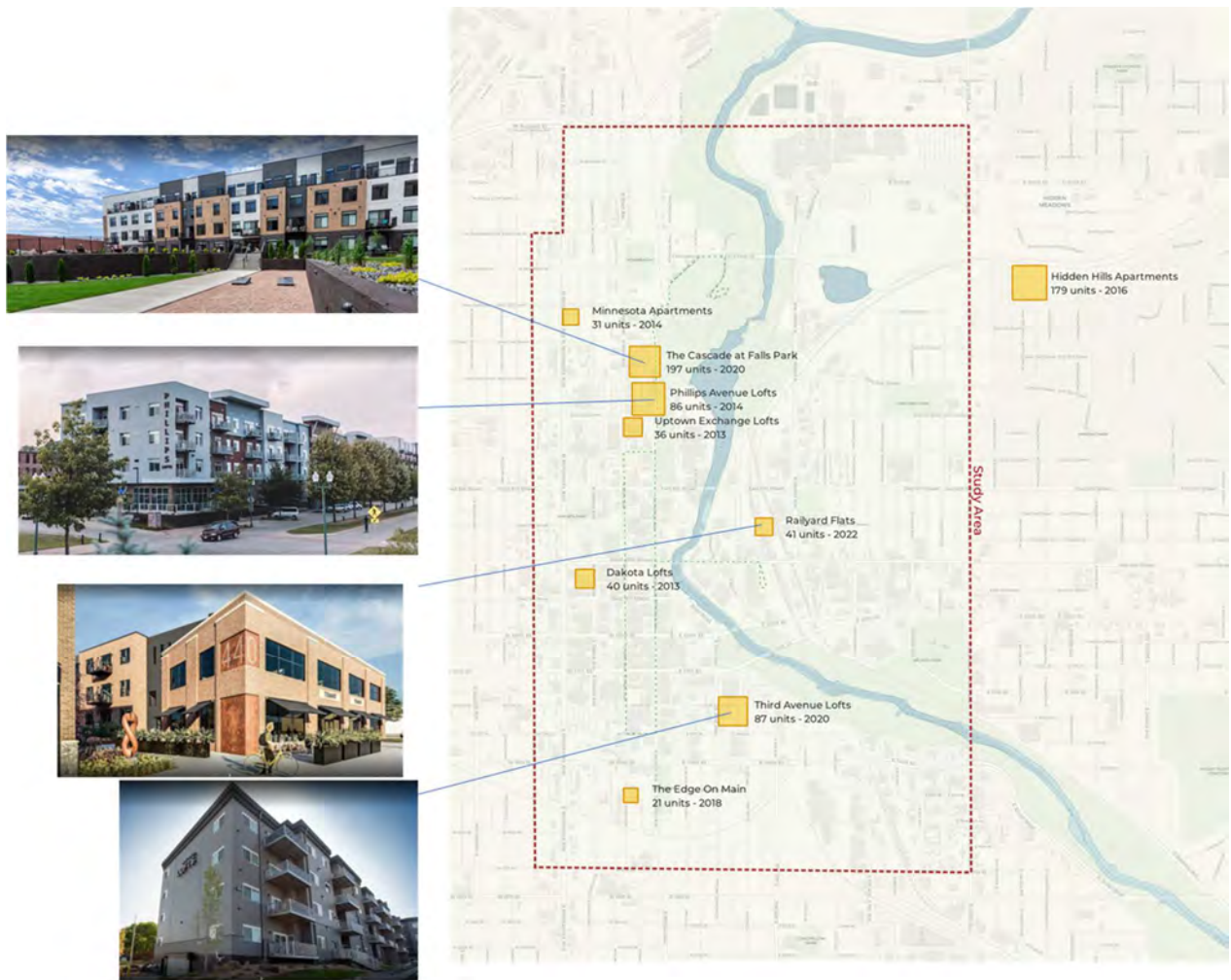
Figure 24. Market Area Multifamily Rent and Vacancy Trends, 2010-2022



Source: CoStar, Leland Consulting Group

Although most Sioux Falls apartment construction has occurred near the suburban edges, the downtown study area has seen substantial activity. The following map shows apartment projects completed post-2012 in the downtown study area – totaling 539 units (with the 179-unit Hidden Hills Apartments just blocks to the east).

Figure 25: Recent Downtown Multifamily Projects



Source: CoStar' City of Sioux Falls, and Leland Consulting Group

Adding to this recent downtown housing boom are two major mixed-use redevelopments and a third, smaller, project currently under construction and at least two others in late planning stages.

- The four-building mixed-use Cherapa Place project underway east of the river and adjacent to the Railyard Flats (developer's rendering shown at right) is expected to include 233 additional apartment units along with 12 luxury condominiums atop multistory office space, with retail, structured parking, and event space also in the mix.



Sioux Falls Downtown Plan: Market Analysis

- West of the river, just below Falls Park, is the Steel District project, another former industrial site being redeveloped as a commercial/residential mix. That project is currently adding 95 rental units together with 20 ownership attached units in the form of luxury lofts and condominiums, with additional housing envisioned for later project phases. Those residential components are being built alongside multistory office, hotel, and retail space (developer rendering shown above).
- Prescott Place is a 46-unit five-story apartment building near the southern edge of the downtown core, at 13th Street on the west side of 2nd Avenue. It is under construction and will feature 39 one-bedroom and 7 two-bedroom units.
- On the 1st Avenue side of that same block is a planned project that should add 190 more rental units.
- Finally, east of the river on former rail/industrial land is the mixed-use Railyard project, still in the planning stage, with 225 units planned along with 50,000 square feet of office and retail space envisioned.

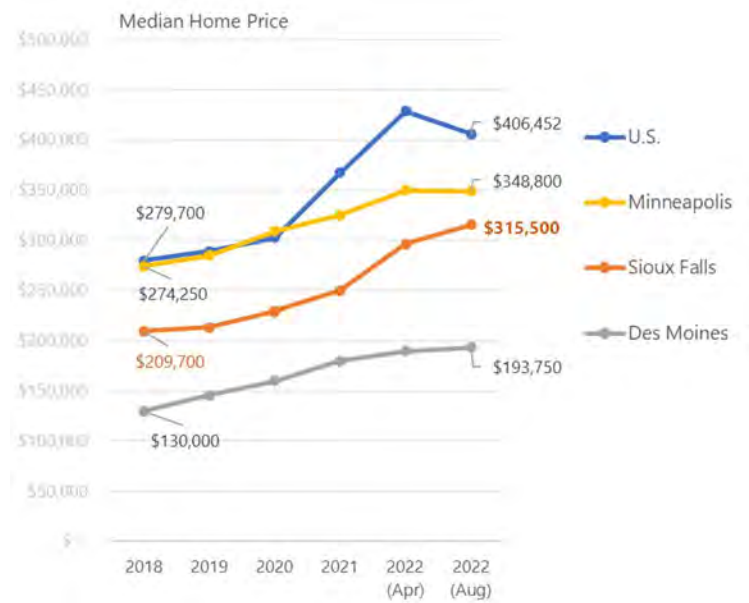


Housing Prices

A defining feature of the U.S. economy over the past five years has been the dramatic rise in housing costs, especially for single-family for-sale homes. The problem has been more pronounced in larger urban areas and desirable locales. The chart below shows median home prices for Sioux Falls, with two larger Midwest cities (Des Moines and Minneapolis) as comparisons, along with the U.S. as a whole. Since 2018, the median price home in Sioux Falls rose from \$209,700 to \$315,500 – an increase of 50 percent in just five years. This was on pace with Des Moines and considerable faster growth than Minneapolis, which grew by 29 percent over the same period. The median price grew by 45 percent for the U.S. as a whole.

Rents have grown rapidly, but not quite at the blistering pace as ownership housing, causing many to remain in rental housing longer than would normally be expected based on age and family status alone.

Figure 26: Median Home Price Trends, Sioux Falls and Comparison Areas, 2018-2022



Source: Redfin, and Leland Consulting Group

The following chart shows the distribution of pricing for single family detached and attached (townhome/condo) homes in the Sioux Falls market. It is based on sales occurring in the first half of 2022 for homes built in 2019 or later.

Figure 27: Sale Price of Homes Built 2019 to April 2022, Sioux Falls Market



Source: Redfin, as of May 2022

As shown, townhomes accounted for a significant portion of sales in that period (42 percent) and generally represented the lower end of the price spectrum in the for-sale market. The high percentage of townhomes

(only two sales were for condominiums) bodes well for downtown, which will likely rely on apartments and single-family attached units as its main residential product offering.

The overall median price for this limited sample was just over \$350,000, with the townhome median near \$375,000 and detached median of approximately \$425,000.

Residential Demand

Population growth is a key indicator and driver of demand for both residential and commercial development, and therefore, population forecasts are critical in estimating future demand. The official population forecasts for South Dakota counties have not been updated since the prior 2014 downtown plan. To estimate future residential demand, we combine projections from those most recent official forecasts with recent trend lines, permit activity, and employment growth to estimate future population growth. The pace of recent growth has exceeded what was anticipated in the 2014 study, so the table below reflects a blend of prior estimates and references to historical growth trends.

Table 3. Sioux Falls Population, Historical and Projected, 2000 to 2045

| | 2000 | 2005 | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Low | 127,900 | 144,600 | 158,200 | 173,300 | 195,850 | 216,000 | 238,000 | 260,000 | 283,000 | 306,000 |
| <i>annual rate</i> | | 2.5% | 1.8% | 1.8% | 2.5% | 2.0% | 2.0% | 1.8% | 1.7% | 1.60% |
| High | 127,900 | 144,600 | 158,200 | 173,300 | 195,850 | 222,000 | 251,000 | 281,000 | 315,000 | 349,000 |
| <i>annual rate</i> | | 2.5% | 1.8% | 1.8% | 2.5% | 2.5% | 2.5% | 2.3% | 2.2% | 2.10% |

Source: ESRI, U.S. Census, and City of Sioux Falls

Developing a forecast of residential demand for downtown Sioux Falls involves multiple steps in estimation. These steps are described below and correspond to a series of summary tables that follow.

- Determine a reasonable competitive residential market area for the downtown study area. For this analysis, we use the City of Sioux Falls as the market area. Although downtown will probably compete more heavily with other central parts of Sioux Falls for prospective renters and buyers, a citywide market area allows for a more robust set of prediction data and would also pick up potential future competition from New Urbanist-style developments in more suburban locations.
- Allocate existing households across broad income categories and tenure (rent versus own) groupings. This allocation is driven by Census/ACS data and ESRI updates. Note that tendency to rent is assumed to be lower for each higher income bracket, resulting in an overall rate that matches the Census estimate of 62 percent owner and 38 percent renter.
- Apply reasonable capture rates (market shares) to reflect the likely proportion of citywide absorption/demand that downtown could likely attract.

Calculations of estimated residential demand are shown in the series of tables that follow. In the first table, the existing distribution of the 76,041 households currently in Sioux Falls are broken out by income based on census estimates. Then, annual growth rates are applied to all groups for the 10-year period under study.

Applying those growth rates annually over the course of 10 years yields 19,415 additional households by the end of the coming decade. There is then a small adjustment, multiplying this total by 1.05 to convert household growth to actual new unit need, preserving a healthy market vacancy rate and assuming a modest amount of second-home purchasing. That adjustment results in **total citywide 10-year unit demand of 20,386 units**.

Table 4: Residential Demand Projection Summary, City of Sioux Falls Market Area

| Income Group | Households 2021 | Projected Annual Growth Rate | 10-yr New Households | 10-yr Unit Demand* |
|---------------------|------------------------|-------------------------------------|-----------------------------|---------------------------|
| less than \$50K | 29,546 | 2.3% | 7,544 | 7,921 |
| \$50K to \$100K | 25,268 | 2.3% | 6,452 | 6,774 |
| over \$100K | 21,227 | 2.3% | 5,420 | 5,691 |
| Total | 76,041 | | 19,415 | 20,386 |

Source: Leland Consulting Group, with ESRI and U.S. Census Inputs

Next, as shown in the following table, that total unit demand is allocated across rental and ownership product types, with ownership units further broken out into ownership attached (condo, townhome, plex, etc.), small lot single-family, and large lot single-family units, with proportions of each geared to roughly match recent construction activity, with an eye towards shifting demographics. The overall percent renter is expected to remain constant, as is average household size (virtually unchanged from 2010 to 2021 for the city).

Table 5: Allocation of Total Projected 10-Year Unit Demand to Renters and Owners, City of Sioux Falls

| Income Group | 10-yr Unit Demand* | % Renter | Rental Unit Demand | Ownership Unit Demand |
|---------------------|---------------------------|-----------------|---------------------------|------------------------------|
| less than \$50K | 7,921 | 75% | 5,658 | 1,886 |
| \$50K to \$100K | 6,774 | 20% | 1,290 | 5,161 |
| over \$100K | 5,691 | 7% | 379 | 5,040 |
| Total | 20,386 | | 7,328 | 12,088 |
| | | | 38% | 62% |

Applying appropriate tenure (rent versus own) assumptions for each of three broad income categories yields estimated 10-year demand for 7,328 rental units and 12,088 ownership units, citywide.

Downtown Capture of Citywide Demand (10-year)

Finally, the tables in this section summarize the portion of the 10-year citywide demand potential that could be captured downtown across the income brackets and broad product types shown. Estimated capture rates (market share) are informed by historical performance and a number of assumptions, including the following:

For products with higher density, like rentals (apartments) and ownership attached (townhome, condo, rowhomes, plex), downtown should have relatively high capture rates. This is reflective of downtown’s role as a more compact, urbanized environment relative to suburban competition.

For single family detached, we assume minimal net new unit demand, largely in the form of new ADUs and scattered, opportunistic conversions – replacing single-family homes with multiplex structures.

Note on Affordability

Note that the unit totals at this stage of demand estimation, and in the downtown capture tables that follow, include net new unit demand from expected growth among income groups that are unlikely (in some cases highly unlikely) to be able to afford any new market rate construction, especially on the ownership side.

Potential implications of this fact are that 1) the ability to capture such demand will rely in part on the ability deliver some subsidized units made affordable to those groups, and 2) the addition of net new units at *any* price point will presumably eventually free up some lower priced units as households in the area transition to housing units they can afford. Another factor to consider is that household income is not a perfect indicator of the ability to afford housing at a given price point. Some percentage of households whose income appears low on paper may in fact have sufficient net worth to enable home purchases or rent payments.

Table 6: Breakout of 10-year Citywide Rental Unit Demand and Downtown Capture

| Citywide Rental Unit Demand | Ownership Unit Demand | Downtown Rental Capture Rate | | Downtown Rental Unit Capture | | Downtown Ownership Capture Rate | | Downtown Ownership Unit Capture | | Downtown Total Unit Capture | |
|-----------------------------|-----------------------|------------------------------|------|------------------------------|--------------|---------------------------------|------|---------------------------------|------------|-----------------------------|--------------|
| | | low | high | low | high | low | high | low | high | low | high |
| 5,658 | 1,886 | 10% | 15% | 566 | 849 | 2% | 4% | 38 | 75 | 604 | 924 |
| 1,290 | 5,161 | 10% | 15% | 129 | 194 | 2% | 4% | 103 | 206 | 232 | 400 |
| 379 | 5,040 | 10% | 15% | 38 | 57 | 2% | 4% | 101 | 202 | 139 | 259 |
| 7,328 | 12,088 | | | 733 | 1,099 | | | 242 | 484 | 975 | 1,583 |
| 38% | 62% | | | | | | | | | 4.8% | 7.8% |

Source: Leland Consulting Group

Applying reasonable capture rate assumptions to rental unit demand would yield demand for approximately **733 to 1,099 new multifamily rental units and 242 to 484 new ownership attached units** (loft, townhome, condo, rowhome).

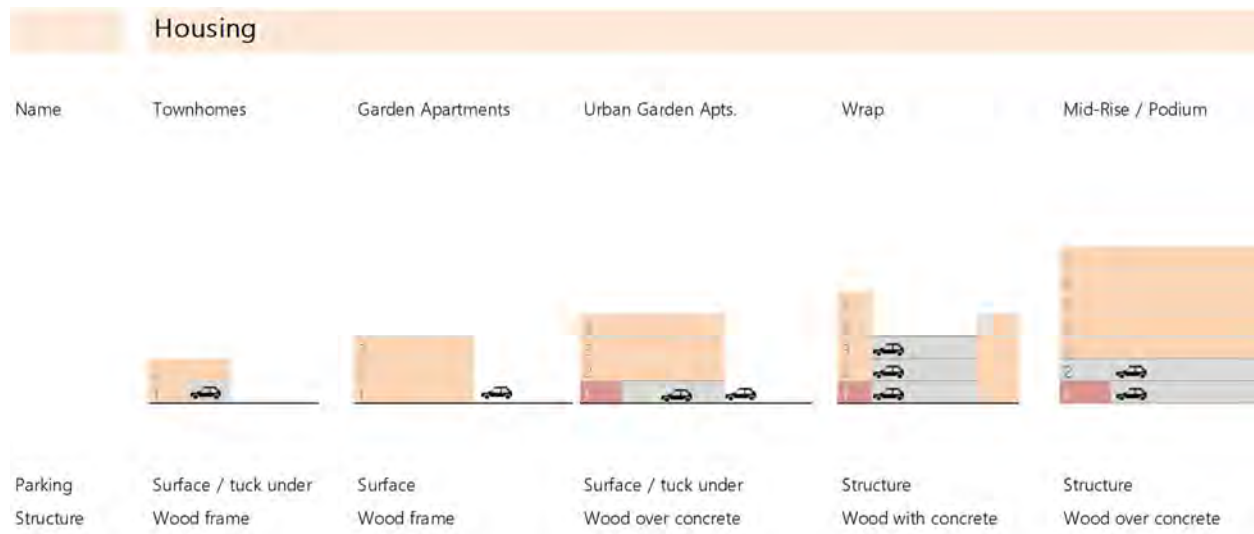
Housing Development Prototypes

Most housing can be categorized within a set of “prototypes,” which are shown below (single-family residential is not included). The prototypes increase in scale and density moving from left to right. Parking is a key factor that affects housing density and financial feasibility. Typical types of parking are surface, tuck under, structured,

and below-grade structured. Surface parking is the least expensive and below-grade structured parking is the most expensive. Structured parking can add tens of thousands of dollars of construction cost per housing unit, which often means that only hot housing markets with high rents can accommodate higher-density housing types with structured parking. Construction materials also change as housing density increases. Townhomes, low-rise (garden) apartments, and low-rise apartments with tuck-under parking (urban garden apartments) are typically entirely wood-frame buildings; while wrap and mid-rise/podium structures require concrete construction for parking areas; in addition, steel is sometimes used instead of wood for the apartment areas. The construction complexity and specialization required for these building types also increases costs.

As analysis moves from the more general overall downtown plan to more site-specific studies, these prototypes, along with land value and construction cost estimates, can begin to better focus redevelopment targets on product types with the best prospects for developer financial feasibility – and help identify cases where financing gaps will likely exist that require a public-private partnership to achieve desired outcomes such as meeting workforce housing targets.

Figure 28. Housing Development Prototypes



Residential Market Conclusions

Market demand for new residential has been exceptionally strong across Sioux Falls in recent years, driven by unusually high multifamily absorption.

For 2015 through the first half of 2022, the multifamily share of all units permitted increased to 55 percent, up from 38 percent historically.

Since 2014, 1,366 housing units have been built (or are currently under construction) within the downtown study area, including these major projects:

- Cascade Lofts (701 N. Phillips), 197 units, completed 2020
- First Avenue Partners (400 S. 1st Ave), 190 units, pending
- The Clark at Cherapa Place, 124 units, under construction
- Steel District residential, 115 units, under construction

Sioux Falls Downtown Plan: Market Analysis

- The Dakota at Cherapa Place, 109 units, under construction
- Third Avenue Lofts, 87 units, completed 2020
- Phillips Avenue Lofts, 86 units, completed 2014

The residential market, both in Sioux Falls and throughout the urban U.S., is characterized by high demand and insufficient supply production, resulting in low vacancies and spiraling home prices and rents.

Demand on the for-sale side is driven chiefly by family formation among Millennials finally entering the ownership stages of life, typically looking for suburban product. Demand for downtown-type housing comes from a combination of sources including downsizing Boomers and Gen Xers, and older Generation Z youth entering the apartment market (plus increasing numbers across the board now priced out of the ownership market).

Based on a 2.3-percent annual citywide growth rate projection (conservative relative to recent record years, along with relatively steady resident incomes and household sizes, Leland Consulting Group projects **attainable annual residential absorption of 100 to 160 units per year in the downtown study area** over the coming decade, representing a four to eight percent overall share of likely citywide demand.

- Product mix going forward should resemble recent and ongoing projects – all multifamily rentals or ownership attached product (townhomes, condos, rowhomes, lofts, etc.).
- Some limited ADU conversions and opportunistic plex redevelopment is likely for the existing single-family neighborhoods east of Weber Avenue. Such densification should respect existing neighborhood character and may need to be mitigated by increased bike/pedestrian facilities, pocket parks, and similar public amenities.
- The Railyard property represents the largest single redevelopment opportunity for residential in the study area, with potential for around 275 units.

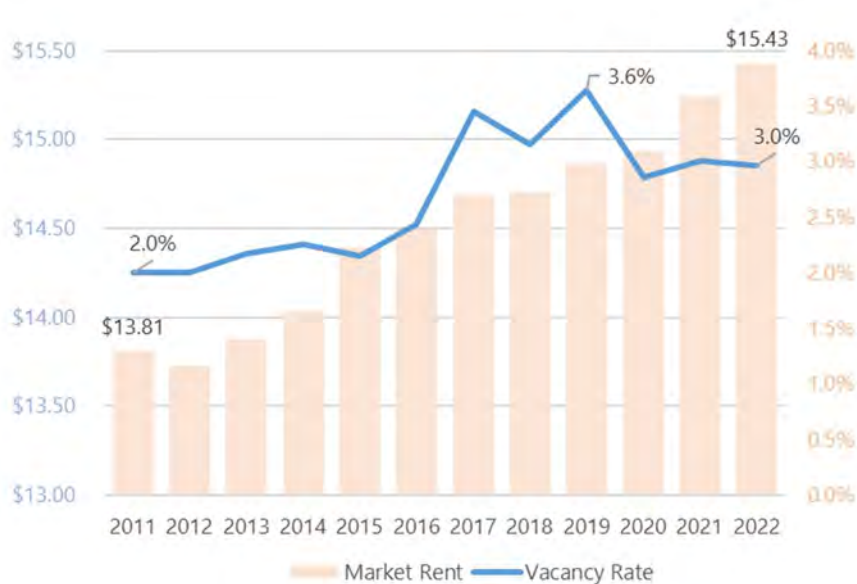
Retail Market

As in most mid-sized cities in the U.S., Sioux Falls’ downtown retail represents a relatively small share of the overall metro market -- heavily focused on dining/drinking establishments and entertainment, with some limited specialty goods stores, personal services, and a few convenience-oriented stores. But, like other downtowns experiencing vigorous revitalization and re-introduction of substantial residential development, the study area is beginning to attract a somewhat more diverse retail offering.

Retail Supply Conditions

The figure below shows recent trends in retail vacancy and asking market rents over the past decade. Retail in Sioux Falls has the lowest vacancy rate of any commercial land use category. Although vacancy citywide has risen from 2.0 percent in 2011 to 3.0 percent as of early 2022, that rate is still considerably tighter than the national vacancy rate of approximately 4.7 percent (also April 2022).

Figure 29. Sioux Falls Retail Rent and Vacancy Trends, 2011-2022 (April)



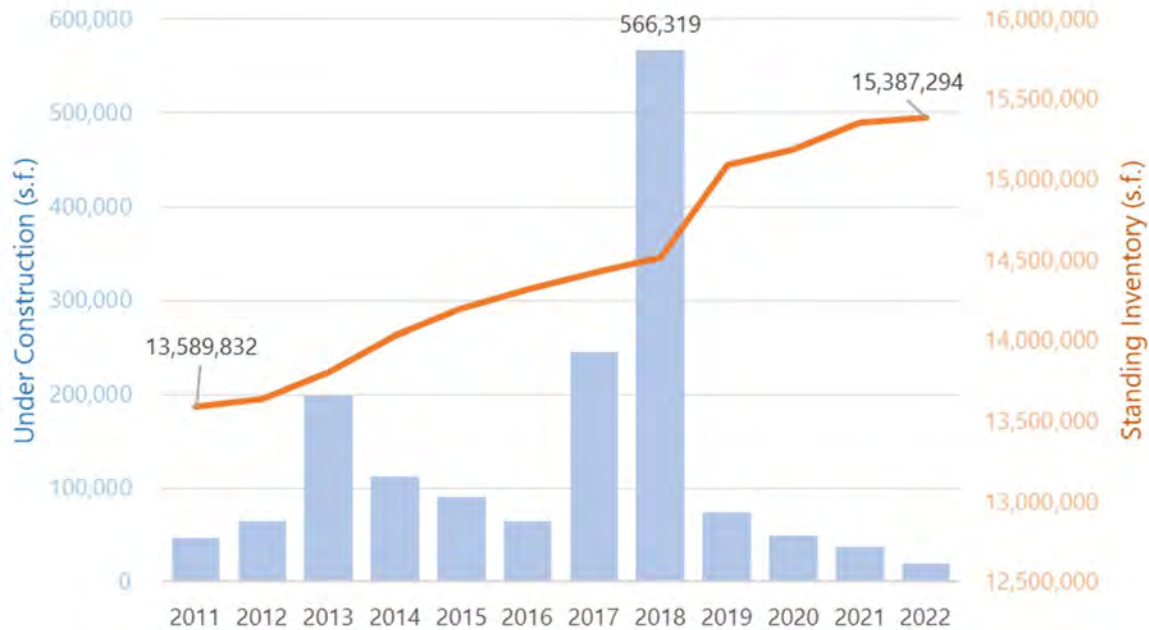
Source: CoStar

This lack of vacancy has contributed to a steady rise in market rents, topping \$15 per square foot per year in 2021 and continuing to rise since. The potential downside is some inefficiency around the lack of choice in store location and other space characteristics for retail tenants (especially for smaller independent sellers and restaurateurs with less access to investment capital). In contrast to other markets, however, Sioux Falls still represents an attractively low-cost location for start-up retail operations – with rents in the mid-\$15s, versus a national average approaching \$30.

The strong occupancy levels for retail were one driver for the surge in retail construction activity that peaked in 2018, but that has dropped off drastically after those deliveries – mostly in 2019. The surge in development occurred primarily outside of downtown, spread across dozens of small and mid-sized centers. The largest single development underway in 2018 was the 190,000 s.f. Fleet Farm completed west of the airport along I-29.

As shown below, that surge helped bring the metro retail inventory to nearly 15.4 million square feet in 2022, of which 13.8 million square feet are in Sioux Falls proper, and almost one million square feet are in the downtown study area.

Figure 30. Greater Sioux Falls Retail Inventory and Construction Activity 2011-2022



Source: CoStar; and Leland Consulting Group

CoStar reports that the City of Sioux Falls has 800 properties totaling 13.9 million square feet of retail space, with nearly one million square feet in the downtown study area. The map below shows the location and size of retail properties in the Sioux Falls area. Retail is heaviest along two major east-west arterials, the West 41st Street corridor, southwest of downtown, and the 12th Street/10th Street corridor roughly bisecting the city through downtown. The largest regional retail clusters are at the northeast quadrant of I-29 and W. 41st St. (Empire Mall area) and near Arrowhead and Veterans Parkways on the east side of the city.

The Empire Mall property has nearly 650,000 square feet of retail space within its main enclosed portion and over 1.1 million square feet including the Hy-Vee and all other outlying property within that superblock, making that development alone as large as the downtown study area in terms of retail inventory.

The competitive disadvantages of traditional stores and products were highlighted during the Covid-19 pandemic, with a surge in online shopping that has had lingering effects on consumer habits.

By contrast, experiential consumerism is an emerging trend in which retailers offering a special experience, or offering services that cannot be procured online, have the potential to thrive. A prime example is dining—as one retail guru has said, “you can’t eat the internet;” and you certainly cannot dine with family and friends on the internet. Therefore, food and beverage establishments have become a larger and larger part of the retail experience on both main streets and larger shopping centers. Another growing “retail” sector is healthcare. Small, neighborhood-scale providers are moving into both main street and retail center locations.

The following are among the more promising retail trends, as brick-and-mortar properties are finding ways to thrive in the face of on-line competition

- Retail that offers a special experience
- Food/restaurants in general – especially with strong social or experiential atmosphere.
- “Fast casual,” e.g., Panera Bread, Chipotle
- Food halls, artisanal markets
- Food trucks in combination with experience-friendly physical space for eating/drinking
- Grocery, ranging from discount to organic, small format, and ethnic
- Medical users, e.g., walk-in urgent care clinics
- Apparel: Fast fashion, off-price, active sportswear
- Sporting goods and outdoor stores
- Fitness/health clubs

Downtown and Independent Retail

A downtown retail district, if done correctly and complemented by a mix of experience-friendly amenities and touches, is a particularly promising environment for overcoming retail competitive weaknesses against both online vendors and suburban big box stores. The look and feel of a historic downtown is truly an experience that cannot be replicated by online shopping or even by expensively-crafted new suburban retail environments.

The atmosphere inside the front door of any downtown shop or restaurant is critical to its success but largely outside the control of city governments to dictate. Beyond simply pursuing or incentivizing development deals, local governments (ideally, together with formal or informal cooperative business coalitions) need to ensure that there is continuity and synergy between the total street environment – including sidewalks, wayfinding/signage, parking, plantings, crosswalks, lighting, pedestrian/bike facilities, etc. – and the stores themselves.

The main retail and dining portion of Phillips Avenue, from roughly 9th to 13th Streets, is already a good case study in how to nurture (or at least not mess up) a desirable downtown retail environment. That stretch of downtown Sioux Falls, already endowed with excellent “bones” in the form of historic buildings and a pleasing, human-scale relationship between its streets, sidewalks, and largely two- to four-story storefronts, has been well supported by public infrastructure investment and planning.

Although not strictly prohibited through regulation, Phillips Avenue and other retail clusters downtown have remained largely free of national chain stores and restaurants, relying instead on mostly local, independent

businesses – either one-off locations or one of a very small number of local or regional locations. For the most part, this strategy has helped to keep downtown Sioux Falls unique and regarded as a worthwhile destination by visitors and loyal locals.

One recent exception to the independents-only pattern has been the Duluth Trading Company store on Phillips Avenue. Despite its regional (Minnesota) roots, the workwear and outdoor-oriented outfitter has been a major national brand for many years now. So far, the store appears to have been a significant attractor of new customer foot traffic that might not otherwise have visited Phillips Avenue. Given the rather extreme current imbalance between independents versus chains downtown, it may be worth considering how that win-win approach could be carefully expanded to include a limited number of other national or regional chains, with the goal to expand the reach of hometown retailers by leveraging the reputation and recognition of select national tenants.

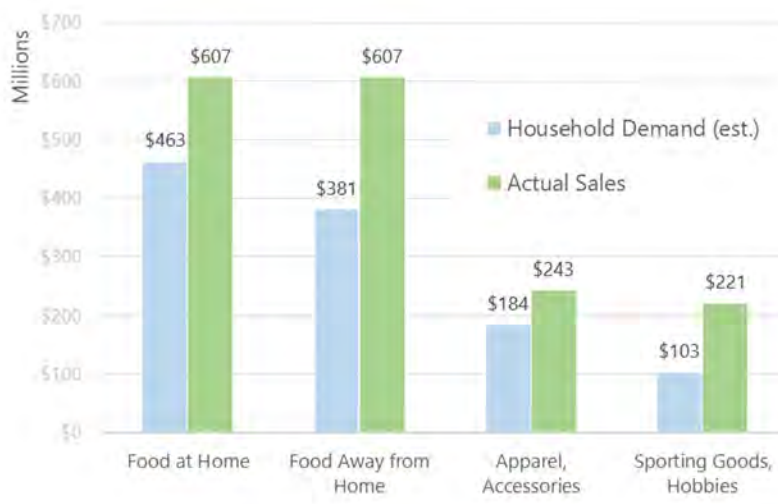
Retail Demand

Estimating demand for new retail in cities like Sioux Falls is challenging because of the uncommonly dominant role the city plays in the surrounding region. Although Sioux Falls technically lies within a four-county metropolitan statistical area (MSA), it is home to 75 percent of metro area residents and has just over 90 percent of all metro retail inventory. In fact, of the nearly 100 smaller towns within a 60-mile radius of Sioux Falls, only Brookings has more than one-tenth of the retail inventory (with 10.3 percent).

As a result of this outsized regional role, conventional measures of available market area retail demand, such as retail “leakage” (how much market area household spending “leaks” to stores outside the market area) are not particularly helpful when looking at Sioux Falls.

To illustrate, based on the number and income levels of households in the city of Sioux Falls, they should spend approximately \$463 million annually on food at home (primarily grocery shopping). However, for the 12 months ending in June 2022, Sioux Falls food-at-home category stores had \$607 million in sales. So, instead of leaking sales, Sioux Falls brings in around \$144 million in “surplus” grocery sales, above and beyond what would be expected just from local residents. Other spending categories are similar, as shown in the graph below.

Figure 32: Retail Gap Analysis, Select Categories, City of Sioux Falls



Source: ESRI, Leland Consulting Group, City of Sioux Falls taxable sales for 2021/22

Although the total dollar amounts involved are lower than for groceries and dining, the sporting goods/hobby/books/music spending category has the most impressive surplus (or “draw”) factor, bringing in more than double the sales that would be expected from local household spending potential alone.

In the case of retail leakage, one can use the difference as evidence of unmet demand – arguing that a city (or other defined market area) ought to be able to recapture some of those sales dollars leaking to outside stores. A surplus, rather than indicating *too much* retail, suggests a category of retail strength, where an area already has a proven potential to draw in sales from non-local households. In such a case, demand should rise along with general growth in the broader region.

For the much smaller downtown study area, a leakage analysis is more difficult, as sales and spending power data are less reliable due to smaller sample size and mismatched census geographies (and confidentiality concerns with taxable sales data). Based on ESRI inputs, CoStar data on retail supply, and Leland Consulting Group estimates, downtown area retail and restaurant sales are even higher relative to downtown resident spending potential than is the case citywide. We estimate that downtown residents spend approximately \$95 million across all retail and dining categories, while the downtown area brings in over \$200 million in taxable sales. Realistically, most downtown resident spending occurs outside of downtown, but that spending is far outweighed by the volume of downtown spending coming from visitors and non-resident employees.

Even without leakage, however, retail demand can be expected to increase as long as the various customer segments already spending downtown grow. Retail development found in downtown Sioux Falls is shaped by the market segments it primarily serves. These can be broadly grouped into four customer segments:

- residents of downtown and its immediate vicinity,
- downtown employees (especially office workers),
- visitors from outside the metropolitan area, and
- occasional diners/shoppers from within metro Sioux Falls.

The following table relates expected growth in the first two categories over the coming years. Based on demand analysis for residential and office space discussed elsewhere in this report, we assume that approximately 1,500 new housing units and 1,000 new office workers will be added to the study area by the 2035 plan horizon.

Table 7: Downtown Retail Demand Growth Projections

| Downtown retail customer segments | Current count | S.F. of retail supported per | Total DT retail supported | Share of current Downtown retail demand | 10-yr growth factor | 10-year total retail support | |
|-----------------------------------|---------------|------------------------------|---------------------------|---|---------------------|------------------------------|---------------------|
| Households | 3,500 | 80 | 280,000 | 29% | 1.29 | 361,200 | |
| Employees | 17,500 | 20 | 350,000 | 36% | 1.06 | 371,000 | |
| Visitors | | | 330,000 | 34% | 1.25 | 412,500 | 10-yr growth (s.f.) |
| | | | 960,000 | | | 1,144,700 | 184,700 |

Source: ESRI (for retail spending per household), ULI (office worker spending patterns, adjusted by LCG); assuming 1,500 added households and 1,000 added jobs to downtown by 2035.

Based on these major sources of growing support, **we estimate that downtown retail demand could grow by around 15,000 to 22,000 s.f. annually.**

For example, in the downtown context, this level of annual demand could translate in a given year into:

- five new restaurants in the range of 2,500 to 3,500 s.f. each (15,000 s.f. total),
- a small clothing boutique (2,000 s.f.)
- a coffee shop (2,000 s.f.)
- an optometrist (3,000 s.f.)

In another year, demand could take the form of one small format independent grocer (18,000 s.f.).

Retail development activity rarely takes place at a slow and steady rate, so there may also be three years of no activity followed by a single where a 30,000 s.f. specialized sporting goods store and a 20,000 s.f. dining/entertainment cluster (like the one in the ground floor of the Cascade project) go in at the same time.

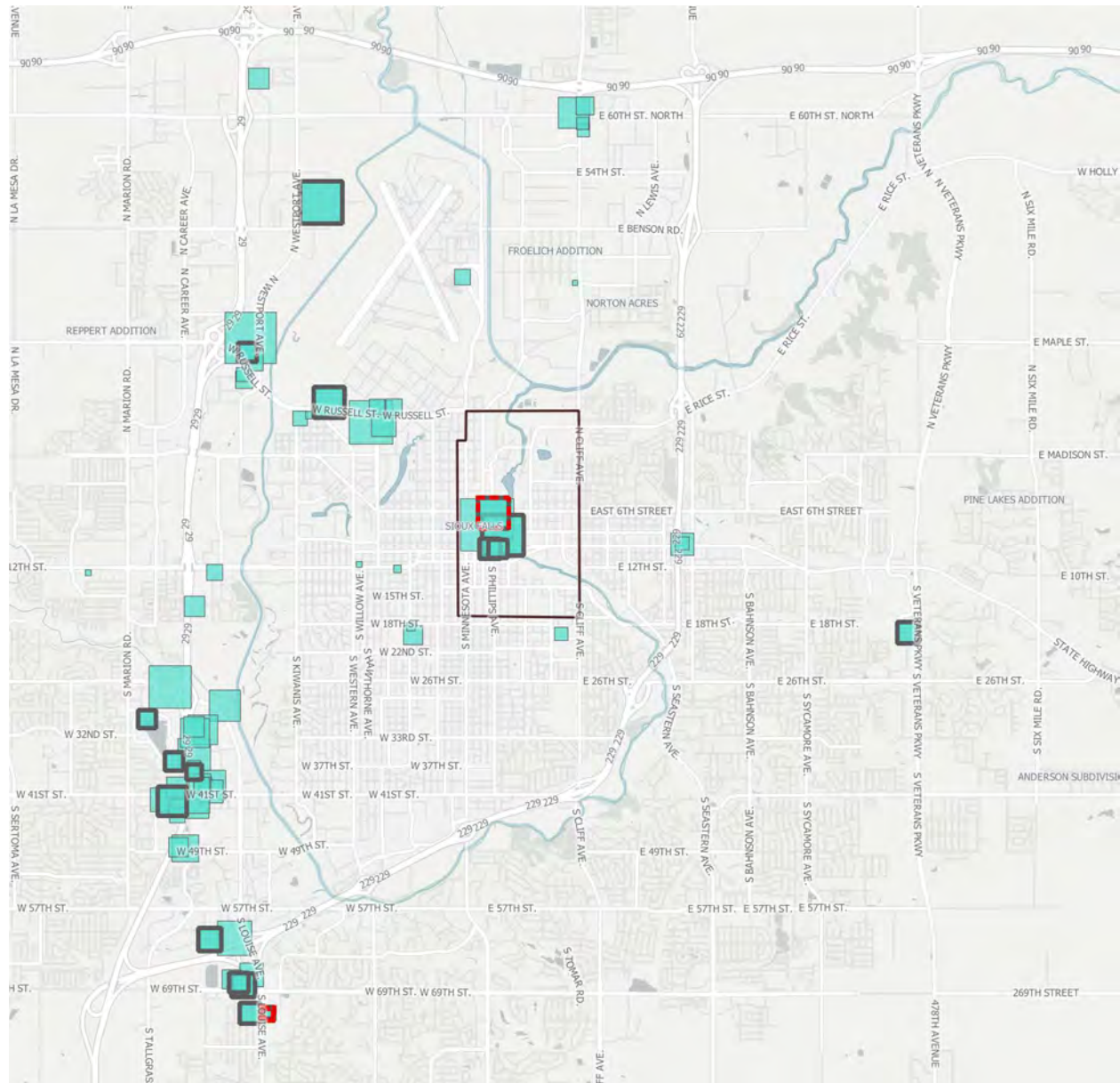
Retail Market Conclusions

- Despite the ever-increasing share of Amazon and related online retail, downtown Sioux Falls has managed to add almost 60,000 s.f. of new retail space since 2014, with another 140,000 s.f. under construction.
- The 20,000 square feet of ground floor dining and shops beneath the Cascade Lofts project on the north end of Phillips Avenue is the largest recent retail completion to date (2020).
- The downtown area has no measurable spending “leakage” in any major store category – generally drawing most of its customer base from shoppers and diners living outside the study area.
- With no real leakage and such an active pipeline due for completion over the near term, LCG projects a tapering off of retail demand over the coming decade.
- The addition of new residential rooftops will add modest levels of new demand for commodity goods like grocery and drugstores, with enough demand generated to support a small format grocer (10,000-15,000 s.f.) and potentially another drugstore of similar size.
- Other future retail demand will continue in the form of dining/drinking and specialty shops appealing to the growing downtown office worker and visitor populations.
- Combining a variety of methodologies, LCG estimates **annual retail and dining demand ranging from 15,000 to 22,000 square feet**, coming from added households and office workers.

Hospitality Market

The figure below shows the geographic distribution of the 5,600 hotel rooms in the Sioux Falls market, with recent construction in bold, and planned/proposed activity in a dotted red outline. Note that, with the exception of downtown hotels, almost all inventory is strung along I-29 from the I-229 intersection to the airport.

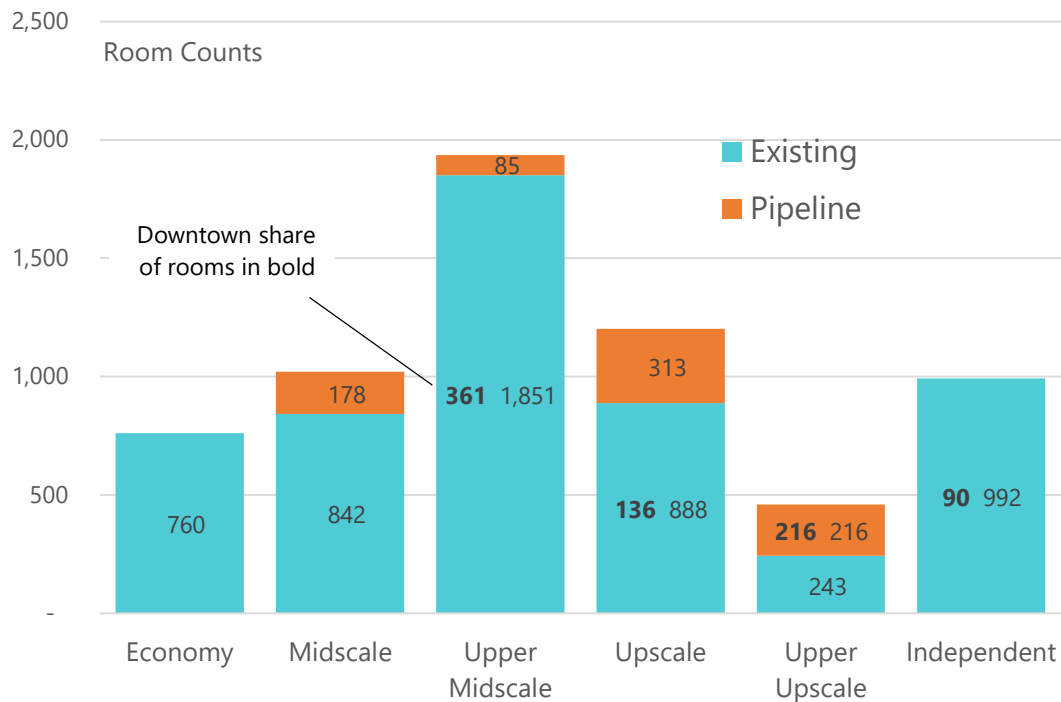
Figure 33: Sioux Falls Area Hospitality Inventory



Source: CoStar, and Leland Consulting Group

As shown in the figure below, Sioux Falls has 1,851 branded hotel rooms at the city's most popular price scale point, *Upper Midscale*, of which 361 are found downtown. While the citywide market includes rooms at lower scale levels, none are found in the downtown study area.

Figure 34: Sioux Falls Hospitality Room Inventory by Scale



Source: CoStar, and Leland Consulting Group

The 216-room Canopy Collection hotel planned for the Steel District downtown is a Hilton-branded property at the *Upper Upscale* level, which would give downtown close to one-half of that market in the city. The only hotel industry scale category higher is *Luxury* (e.g.) JW Marriott, Grand Hyatt, Ritz Carlton, W) which is typically found only in larger urban areas or resort communities.

The *Independent* scale category includes any non-chain brands and can include a variety of different price scales. The 90-room Hotel on Phillips redevelopment is downtown’s lone entry in that category (and would likely be an Upscale or Upper Upscale property if part of a branded franchise).

The primary demand drivers for hotel development include:

- Tourism and tourist destinations,
- Entertainment activities,
- Business activity (number of jobs and businesses), and
- Business conferences and conventions.

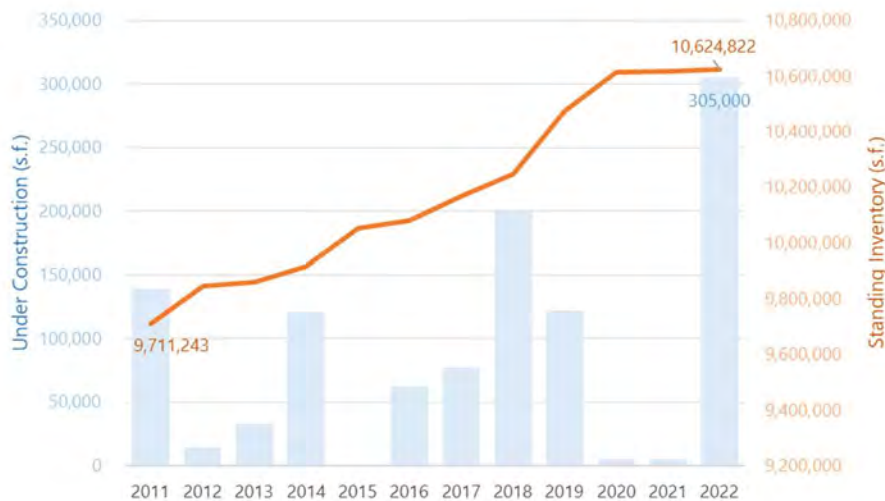
This report does not include a separate lodging market demand estimate (usually a specialized market analysis conducted specific to a particular proposed product). Given the quantity of recent and planned hotel rooms in the downtown study area and uncertainties related to the overall economy, it may be wise to observe the performance of the newly-completed downtown entries and the Hilton Canopy project currently underway before pursuing major new hotel projects.

Office Market

Office Supply Conditions

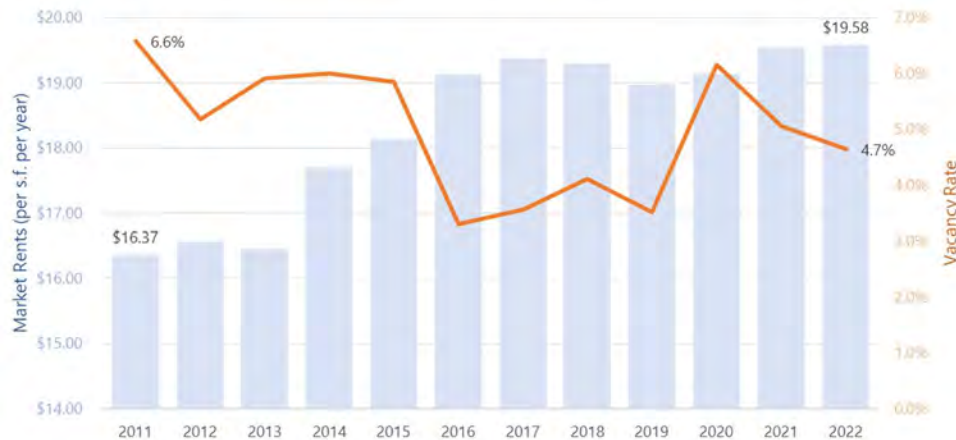
With the Steel District office tower and The Bancorp Building at Cherapa Place both underway, 2022 has been a record year for office construction in Sioux Falls, topping 300,000 square feet – all in the downtown core. Since 2011, Greater Sioux Falls office space has grown from 9.7 million to over 10.6 million square feet, of which 3.1 million is downtown.

Figure 35. Sioux Falls Office Inventory and Construction Activity, 2011-2022



Source: CoStar

Figure 36. Greater Sioux Falls Office Rent and Vacancy Trends, 2011-2022



Source: CoStar

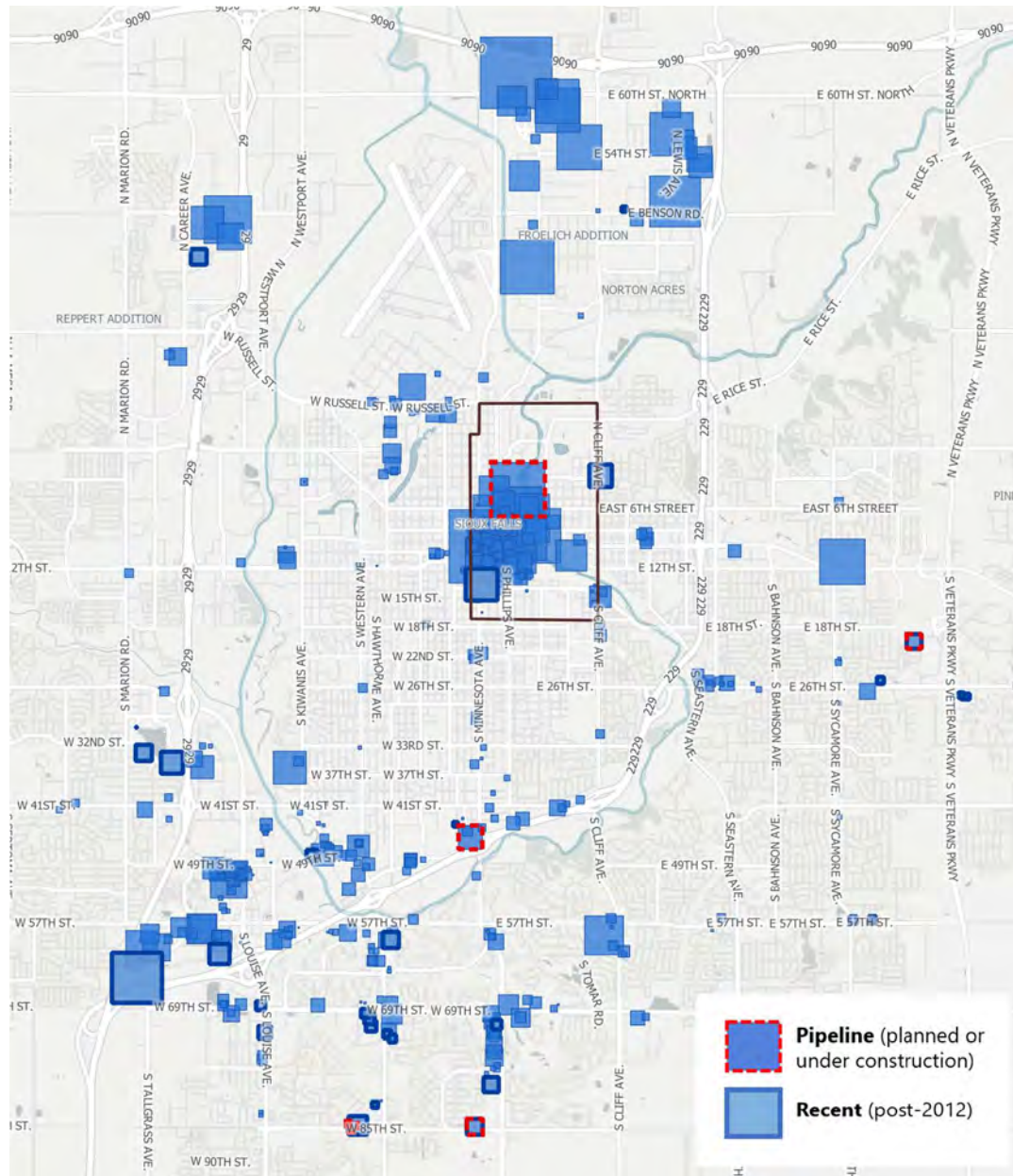
Vacancy Rates in the Sioux Falls office market have been somewhat volatile, but remain generally in the range considered healthy for that land use nationally. As of April 2022, the rate across the metro was back below five percent, with average market rents approaching \$20 per square foot per year.

Sioux Falls Downtown Plan: Market Analysis

Omitting some owner-occupied space, local commercial brokers Bender Commercial shows a significantly higher vacancy rate for the overall market, at 9.1 percent as of mid-year 2022, with just two percent vacancy for Class A downtown space.

The figure below shows the geographic distribution of the standing and proposed office inventory in the Sioux Falls market, with recent construction in bold, and planned/proposed activity in a dotted red outline.

Figure 37. Sioux Falls Area Office Development



Source: CoStar, Leland Consulting Group.

Office Demand

Office demand is a function of growth in industries that need office space. For this analysis, we take a blended growth rate based on both citywide historical growth and State-produced 10-year employment projections by industry for the Sioux Falls metropolitan area. The forward-looking official forecasts are generally more conservative than recent local growth rates. Growth is allowed to vary across industry groups resulting in a blended overall rate of 1.5 percent annually.

For each industry grouping, we make assumptions about the percentage of new employment growth likely to need office space. Most industry sectors have very little need for office space, which typically comes most from growth in the Finance and Professional Services sectors, along with some smaller portion of Healthcare and "Other Services." Healthcare jobs are typically spread across hospitals and care facilities (including rehabilitation, nursing care, and some mental health operations). About 35 percent of overall healthcare jobs require some form of medical office space.

We then apply an assumed square footage per office job and calibrate the above assumptions against existing office inventory already in the market. These calculations result in estimated demand of approximately 150,000 s.f. of new office space that would be added to the 980,000 s.f. of inventory currently in the market.

Table 8: Estimating Sioux Falls Employment Growth by Industry

| <i>Industry Group</i> | 2009 | 2019 | Historical growth rate | MSA forecast growth rate | Blended Growth Rate Projection |
|--------------------------|---------------|----------------|---------------------------|--------------------------------|--------------------------------------|
| Healthcare | 19,408 | 29,749 | 4.4% | 1.2% | 2.3% |
| Retail | 14,930 | 18,208 | 2.0% | 0.6% | 1.0% |
| Hospitality & Leisure | 11,666 | 14,140 | 1.9% | 1.1% | 1.4% |
| Finance & Prof. Svcs | 14,152 | 13,278 | -0.6% | 0.9% | 0.4% |
| Wholesale, Logistics | 9,664 | 11,230 | 1.5% | 1.0% | 1.1% |
| Manufacturing | 9,038 | 9,904 | 0.9% | 0.8% | 0.8% |
| Other Services & Support | 7,174 | 8,862 | 2.1% | 0.7% | 1.2% |
| Education | 6,039 | 6,542 | 0.8% | 0.7% | 0.7% |
| Construction & Utilities | 4,335 | 5,911 | 3.1% | 1.0% | 1.7% |
| Public Administration | 2,902 | 3,413 | 1.6% | 0.5% | 0.9% |
| Total | 99,308 | 121,237 | 2.0% | 0.9% | 1.5% |

We then adjust to 2022 jobs by industry group estimates, add projected job growth at the blended rates, and apply assumptions of the percentage of employees requiring office space in each industry (calibrated against the CoStar inventory market total).

Table 9: Sioux Falls Office Demand Growth and Estimated Downtown Capture

| <i>Industry Group</i> | 2022 est. Jobs | 10-yr Projected Job Growth | Pct. in Office Space | Office Space per Office Job | 2022 est. Office Space | 10-yr Office Space Growth | 2032 Office Space Projection* |
|--------------------------|----------------|----------------------------|----------------------|-----------------------------|------------------------|---------------------------|-------------------------------|
| Healthcare | 31,816 | 8,184 | 35% | 325 | 3,619,000 | 40,000 | 838,000 |
| Retail | 18,782 | 2,218 | 3% | 325 | 183,000 | 21,000 | 19,000 |
| Hospitality & Leisure | 14,721 | 2,279 | 3% | 325 | 144,000 | 17,000 | 20,000 |
| Finance & Prof. Svcs | 13,429 | 571 | 97% | 325 | 4,234,000 | 14,000 | 162,000 |
| Wholesale, Logistics | 11,621 | 1,379 | 7% | 325 | 264,000 | 13,000 | 28,000 |
| Manufacturing | 10,147 | 853 | 5% | 325 | 165,000 | 11,000 | 12,000 |
| Other Services & Support | 9,188 | 812 | 25% | 325 | 747,000 | 10,000 | 59,000 |
| Education | 6,689 | 311 | 5% | 325 | 109,000 | 7,000 | 5,000 |
| Construction & Utilities | 6,223 | 777 | 7% | 325 | 142,000 | 7,000 | 16,000 |
| Public Administration | 3,503 | 497 | 15% | 325 | 171,000 | 4,000 | 22,000 |
| Total | 126,595 | 17,405 | | | 9,778,000 | 144,000 | 1,181,000 |

2022 CoStar
Control Total **9,800,000**

Downtown Area Capture (s.f.)

| | | |
|-------------|-------|---------|
| <i>low</i> | 20.0% | 236,000 |
| <i>high</i> | 30.0% | 354,000 |

Source: CoStar, LEHD-On The Map, State of South Dakota LMI, and Leland Consulting Group

These calculations result in estimated demand of approximately 1.2 million square feet of new office space that would be added to the 9.8 million square feet of inventory currently in the market. Of this, we estimate that downtown could capture between 20 and 30 percent, for a ten-year total of 236,000 to 354,000 square feet (in addition to the approximately 300,000 square feet currently underway).

Office Market Conclusions

- Office development in downtown Sioux Falls has excellent momentum, with over 300,000 square feet of new space coming online at the Cherapa Place and Steel District projects currently underway.
- Recent major completions include the 76,000 s.f. First Premier Bank building at 500 S. Minnesota, finished in 2021, and the 58,000 s.f. (public sector) City Center offices at 231 N. Dakota.
- Class A office vacancy is extremely low at approximately 4.2 percent in suburban Sioux Falls and approaching 2.0 percent in the downtown area. Overall office vacancy across Sioux Falls is on the tight side of healthy, at nine percent (compared to just over 15 percent nationally). High demand and low vacancy are driving rising rents across all product types.

Based on an analysis of historical and projected employment growth rates across industry groupings in Sioux Falls, along with assumptions of office space usage by industry, **LCG projects average annual office demand for downtown of 24,000 to 35,000 s.f.** – representing a 20 to 30 percent share of citywide demand.

- Successful lease-up of the Cherapa Place and Steel District (with limited negative absorption elsewhere) will be an important bellwether for downtown office development prospects going forward.
- A challenge facing the office market nationally is the open question of how many post-COVID office workers will continue with to work-from-home arrangements. During current conditions of extremely low national unemployment, employees have generally had sufficient negotiating power to maintain at least a flex arrangement, but that could change under even a mild recession scenario.

Pace of Growth: Recent Actual vs. 2014 Targets

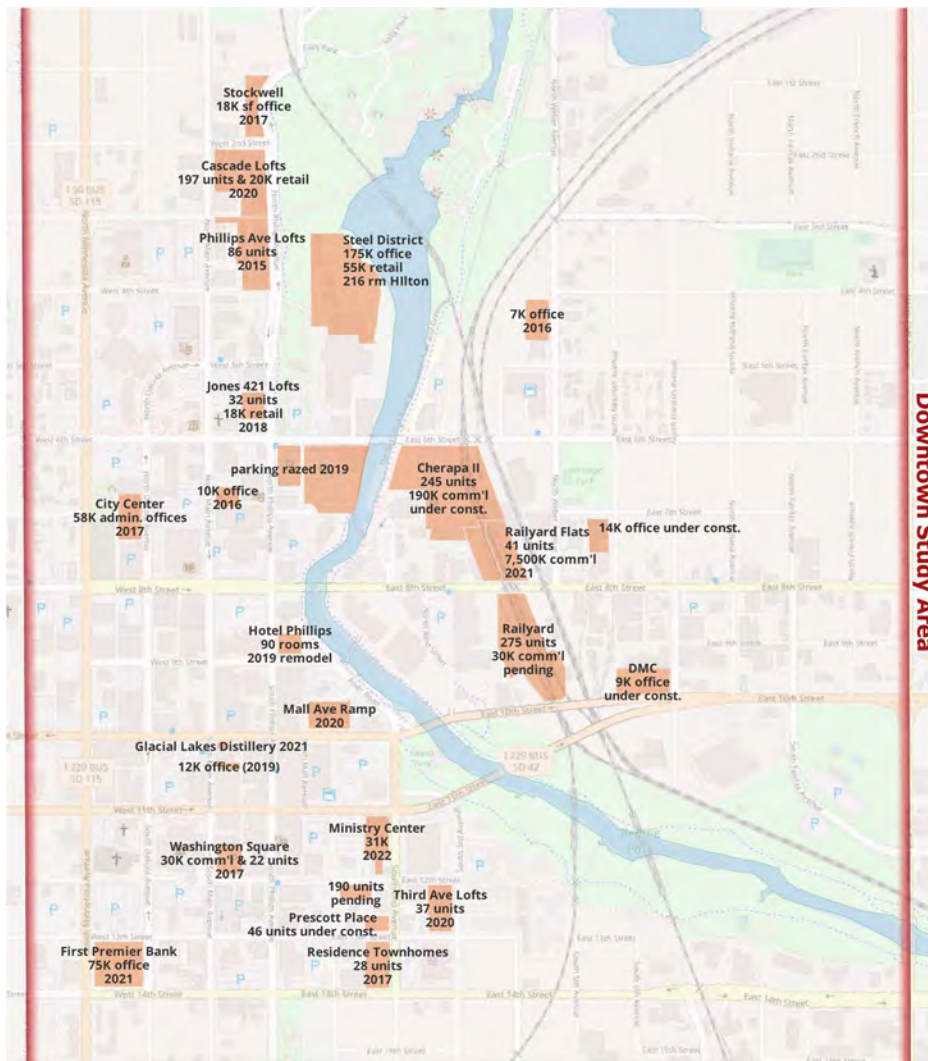
The following table and graphic below summarizes actual on-the-ground private sector development activity downtown since the 2014 analysis.

Including projects under construction as of this report, residential development has outpaced previous projections, averaging just over 170 units per year. Actual annual office development of 62,000 square feet per year falls within the (fairly aggressive) range projected in 2014. Retail development is near the high level projected

Table 10: Recent Downtown Development Activity Compared to 2014 Forecast

| | | 2025 Downtown Plan (Arland 2014 Study) | | Actual Development Activity since 2014 | |
|----------------------------|-------------|--|-------------------|--|--------|
| | | 20-year Projection | Annual Absorption | Total (incl. under construction) | Annual |
| Residential (units) | <i>low</i> | 1,900 | 95 | 1,091 | 136 |
| | <i>high</i> | 3,200 | 160 | | |
| Office (sf) | <i>low</i> | 1,000,000 | 50,000 | 493,000 | 61,625 |
| | <i>high</i> | 1,600,000 | 80,000 | | |
| Retail (sf) | <i>low</i> | 190,000 | 9,500 | 187,000 | 23,375 |
| | <i>high</i> | 470,000 | 23,500 | | |
| Lodging (rooms) | | not specified | | 306 | 38 |

Figure 38: Downtown Development Activity since 2014, Recent and Pipeline



Areas for Additional Research

Finally, the following map highlights four major properties with significant redevelopment potential and that could serve as catalysts for new investment. The past wave of downtown growth took place largely on major vacant or underutilized redevelopment sites like Cherapa Place and the Steel District. These sites provided a relatively blank slate for developers to work with and were large enough that a master plan could efficiently mix uses and build shared parking. The pool of such large sites is almost completely depleted, meaning that future development in downtown Sioux Falls will rely on a greater extent on smaller, incremental infill projects. A few of the most likely candidates for new investment are discussed below. Aside from these four catalyst sites, new development is expected to take place through smaller infill development. This could include redevelopment of older obsolete buildings or construction on surface parking lots. Because these sites will be smaller, it is impossible to pinpoint which specific properties might redevelop. That will depend on market conditions (e.g.,

existing users on the site, land values, attainable rents, cost of construction) and the current situation of each property owner (e.g., investment objectives, existing cash flow from the site, etc.). :

- **Wells Fargo Block property:** a 2.6-acre site with residential, office, or mixed-use potential. Not currently on the market, as the bank and offices are operational, but building is outdated and largely vacant. With its adjacent parking structure, this is one of the largest underutilized properties in the heart of downtown. Redevelopment could take the form of several alternatives:
 - **Rehabilitation:** A thorough renovation of the office building and parking structure to bring them up to modern Class A office standards to attract a major employer or multiple small office employers. Competitive Class A offices emphasize tenant amenities such as on-site cafes, bicycle parking, fitness facilities, roof decks and lounges, and shared conferencing centers. With the slate of new inventory from office buildings at Cherapa Place and the Steel District, older buildings will increasingly need to reinvent themselves as office tenants “trade up” to nicer and newer spaces.
 - **Adaptive reuse:** Another option is to convert the building to another use, most likely residential, but possibly a hotel. Older office buildings with shallower floorplates are good candidates for residential conversions, where more light can penetrate into units.
 - **Full redevelopment:** Depending on the financial feasibility of either of the above, there may not be a financially viable use for the existing building, in which case full demolition of the site may be appropriate. This would result in a large and extremely well located development site that could be master planned in a similar manner to Cherapa Place and the Steel District.
- **Mall Avenue Parking Ramp property:** a 1.1-acre site with potential for multiple land use types. Facility was built with structural capacity for multistory construction above, so need to find right user to redesign and complete. Given the market demand discussed earlier, the most likely use would be for residential development. But depending on developer expertise and market conditions, a hotel or office building (especially if a major user was able to prelease the space) could also be possible. A carefully crafted solicitation should be developed in order to receive proposals from developers. The solicitation should clearly articulate the City’s expectations for design, street-level activation, and parking requirements while maximizing the developer’s flexibility in building use.
- **Railyard property:** 4.2-acre site with preliminary planning studies complete, but no projects underway. Excellent potential for mixed-use residential/commercial redevelopment. This City-owned parcel is currently planned for redevelopment and the City has begun developer outreach. Likely uses would be similar to the railyard project to the north, including a mix of housing, small office, and commercial uses.
- **Social Services Building property:** currently operational as public sector building, but underutilized given location and potential value. 7.2-acre . Potential for a potential municipal complex or mixed-use development. This is the single largest potential redevelopment site in the study area. Its current use as state offices leaves much of the site underutilized, yet it is very close to downtown and could accommodate a significant master-planned project. Any project here would require improvements to the pedestrian connectivity to downtown so that whatever use takes place can connect with and support the restaurants, retail, and hotels elsewhere downtown.

