

# BLACK HILLS

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

2024 - 2028



# BHCLG

# CEDS

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Black Hills Council of Local Governments (BHCLG) is designated as an Economic Development District (EDD) through the Economic Development Administration (EDA), and therefore, is responsible for developing and implementing the Comprehensive Economic Development Strategy (CEDS) for our nine-county region in western South Dakota.

This CEDS document is the result of an ongoing economic development planning process to build wealth and capacity in western South Dakota. While a CEDS is required for regions to qualify for EDA assistance under its public works programs, economic adjustment programs, and most planning programs, the process is also vital to understanding and addressing the needs of our region.

The following sections provide a framework for the Black Hills CEDS.

**Summary Background** details the economic conditions of the region.

**SWOT Analysis** explores regional strengths, weaknesses, opportunities, and threats.

**Strategic Direction and Action Plan** outlines a regional strategy to ensure community vitality and resilience; grow and diversify our economy; and, foster a regional approach to economic development.

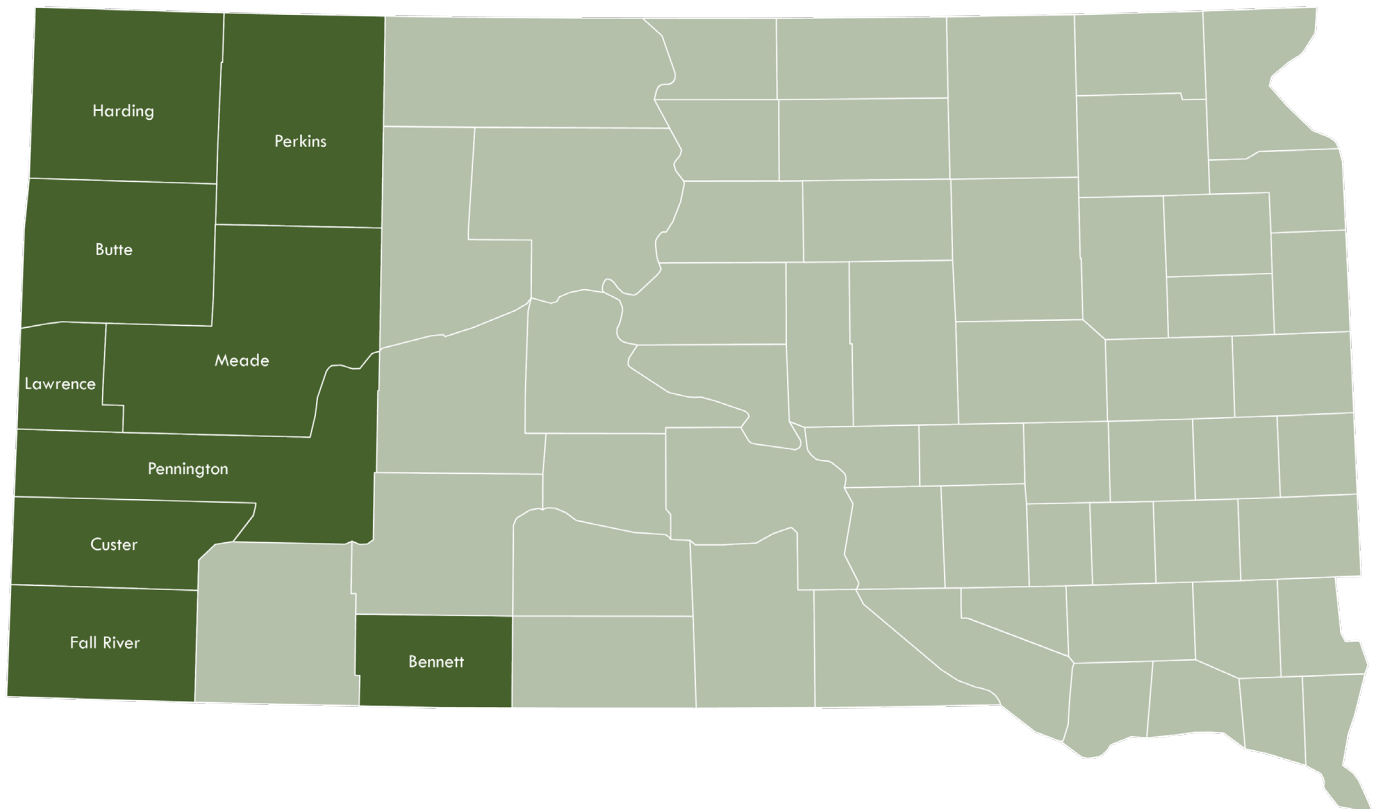
**Evaluation Framework** identifies performance measures used to evaluate the implementation of the CEDS and the impact on the regional economy.

# Summary

## Background

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Black Hills Council of Local Governments (BHCLG) is one of six Planning and Development Districts in South Dakota. Since 1972, we have provided technical community and economic development planning services to our member communities. Black Hills Council also serves as the Economic Development District under the Economic Development Administration for our nine-county region in western South Dakota. Our district includes local government entities in Bennett County, Butte County, Custer County, Fall River County, Harding County, Lawrence County, Meade County, Pennington County, and Perkins County. The governing body of Black Hills Council is composed of appointed members representing 21 distinct entities of local government.



## **CEDS Committee**

The guiding CEDS Committee for this planning process consisted of the BHCLG governing board as well as our regional economic development partner organizations, Black Hills Community Economic Development and the Rushmore Region Economic Development Alliance. Black Hills Community Economic Development consists of 10 board members representing both the public and private sectors. The Rushmore Region Alliance is made up of economic development professionals that represent the local communities in our region. The committee included representation from local governments, economic development organizations, financial institutions, and local private businesses. Committee members are listed in Appendix A.

## **Regional Partners**

Over the years, many efforts have been made to build partnerships among the economic development groups in western South Dakota. A list of our partner organizations is provided below.

### **Black Hills Community Economic Development**

In 2010, Black Hills Council of Local Governments and Black Hills Community Economic Development formed a strategic partnership. Both organizations served much of the same territory and saw efficiencies in sharing resources. With BHCED's SBA 504 loan program and Black Hills Council's economic development resources, this partnership has allowed both organizations to serve the economic development needs of our region more effectively.

### **West River Business Service Center**

West River Business Service Center is a collaboration between the West River Foundation for Economic and Community Development's Revolving Loan Fund, Black Hills Council of Local Governments, South Dakota Small Business Development Center, South Dakota Procurement Technical Assistant Center, South Dakota Manufacturing and Technology Solutions, and Black Hills Community Economic Development. The center is a "one-stop" shop for entrepreneurs and provides a combination of business counseling, assistance, and financing programs.

## **Rushmore Region Economic Development Alliance**

The Rushmore Region Economic Development Alliance was created to stimulate and increase business investment in the Rushmore Region of western South Dakota. The Alliance is a committee of Black Hills Community Economic Development and provides services to support the growth and success of existing businesses, as well as businesses relocating to the region.

In addition to the entities listed above, Black Hills Council has established relationships with many local, State and Federal agencies and other regional organizations. These include the Economic Development Administration, South Dakota Governor's Office of Economic Development, South Dakota Department of Environment and Natural Resources, USDA-Rural Development, South Dakota Department of Transportation, and the South Dakota Housing Development Authority.

## **Local Universities**

BHCLG met with several different collaborators from School of Mines and Technology. Collectively, SD Mines is hopeful that new partnerships will be realized over the next five years where students from the university will find work with local employers in technology and engineering. Development of the East of 5<sup>th</sup> Innovation District is a key priority for SD Mines; providing local opportunities to Mines graduates and students within very close proximity to campus. Additionally, talks with Department of Defense and their interest in collaborating with School of Mines' researchers to further advance and utilize the regions critical minerals are of utmost importance. Balancing this research with the desire to protect the region's natural environment and beauty will require intentional planning and earnest collaboration among many different groups and stakeholders. Black Hills State University, Western Dakota Tech, and Chadron State University also provide feedback which is included on page 20.

## **Local Economic Situation**

The Black Hills region is rich in natural and cultural assets, which help drive our economy by attracting over two million visitors a year. The region is characterized by contrasting landscapes with the forested Black Hills covering the southwest portion of the district, eroding Badlands along the eastern portion, and the tall grass prairie in the north.

The Black Hills is home to just under 200,000 people living in cities, small towns,

historic unincorporated communities, and on farms and ranches. The following pages provide a snapshot specific to regional trends related to demographic and workforce characteristics, infrastructure assets, industry clusters, education assets, and housing needs in order to help provide a clear understanding of the local economic situation.<sup>1</sup>



**The 2017 -2022 American Community Survey 5-year estimates show a 3.37% population increase.**

This population growth rate is slightly lower than that of the State of South Dakota (4.08%), but still outpaces that of the nation (3.14%). The region's population is expected to increase by another 1.9% between 2023 and 2028, adding 3,888 people.

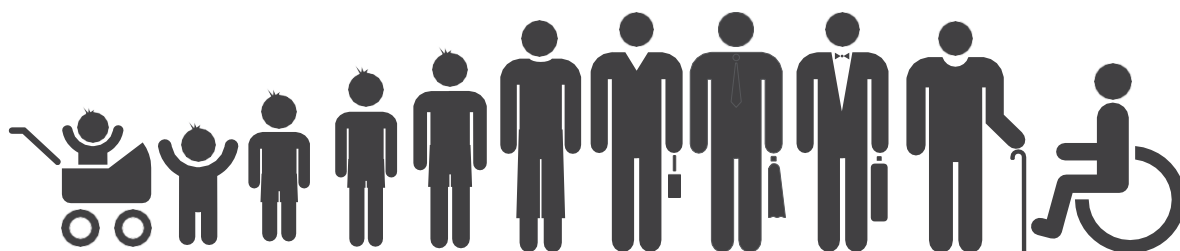
The following chart illustrates the high growth rate in Meade and Pennington Counties over the last seven years. These communities are facing housing and infrastructure pressures to keep up with these population increases. However, other counties within our region, like Fall River County and Perkins County, are facing challenges related to maintaining their populations.

<b>BHCLG DISTRICT POPULATION TRENDS</b>				
	<b>2017 POPULATION</b>	<b>2022 POPULATION</b>	<b>CHANGE</b>	<b>% CHANGE</b>
Bennett County	3,440	3,391	(49)	-1%
Butte County	10,194	10,369	175	2%
Custer County	8,519	8,515	(4)	-0%
Fall River County	6,783	7,079	296	4%
Harding County	1,281	1,176	(105)	-8%
Lawrence County	25,018	26,047	1,029	4%
Meade County	27,066	29,970	2,904	11%
Pennington County	108,216	110,386	2,170	2%
Perkins County	2,964	2,970	6	0%
<b>TOTAL</b>	<b>193,481</b>	<b>199,903</b>	<b>6,422</b>	<b>3%</b>

A review of the US Census American Community Survey 5-year estimates 2016-2020 county-to-county migration data shows interesting trends in outside-of-the-

<sup>1</sup> Unless otherwise noted, the source of the information provided in this section is EMSI, 2018.3 data.

region in-migration. This data illustrates that within South Dakota we see in-migrations to the region most frequently from: Minnehaha, Stanley, Oglala Lakota, and Codington Counties. The region also experienced a high number of in-migrations from surrounding states during this timeframe, most notably from Albany, Crook, Natrona, and Campbell Counties in Wyoming; Yellow Medicine County, MN; and, Sargent and Williams Counties in North Dakota. Further, the region also witnessed a sizable number of in-migrations from San Diego County, California; Stafford County, Virginia; and, El Paso County, Texas, which are most likely connected to Ellsworth Air Force Base.

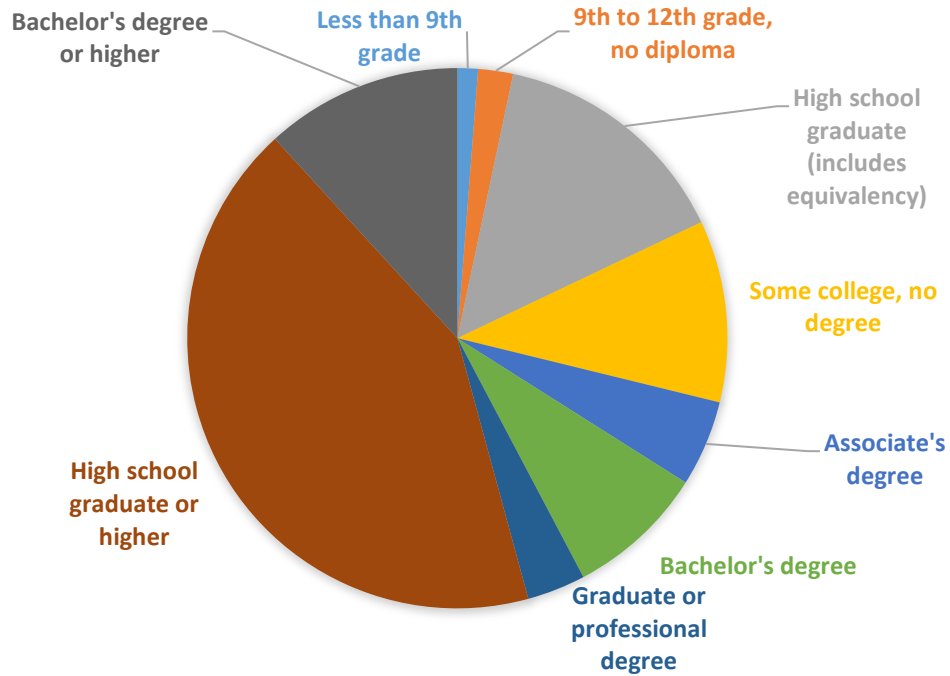


**From 2017 to 2022, the region experienced an 86% increase in the 60 to 64-year-old age cohort, and also notable increases in the 65-70-year-old age cohort with an increase of 30%.**

The median age for the region is 43 years old; older than the South Dakota median age of 37.5 years old. The following chart details the region's population by age cohort and highlights the changes within each cohort since 2017. The increase in the 60 to 74 age group is indicative of the aging Baby Boomer cohort, as well as the growth in popularity of the region as a retirement destination. The growth of the 35-44 age groups in this time period is a positive sign for our region; it shows a trend in drawing the talent we need to attract business development. However, the data does indicate declines in the 45-59 year-old cohort as well as children under 5 years and 5 to 9-year-olds.



**In 2022, 26% of the regions' residents 25 and older possessed a Bachelor's Degree or higher – 8.4% below the national average – and 11% held an Associate's Degree – 2.3% above the national average.** The chart below further illustrates the educational attainment characteristics of the region's population.



**Our region's higher education institutions produced 1,525 graduates in 2023.** The highest share of these graduates came from the Business Administration and Management field. The chart below provides a breakdown of the certificates and degrees completed at each institution in the region.

2023 REGIONAL COMPLETIONS BY INSTITUTION			
Institution	Certificates	Degrees	Total Completions
Black Hills State University	43	478	521
South Dakota School of Mines and Technology	30	530	560
National American University-Rapid City	30	277	307
Western Dakota Technical Institute	191	240	431
Salon Professional Academy	57	0	57
Paul Mitchell and Beauty School	63	0	63



**From 2018 to 2023, jobs increased by 5.9% in the region, from 102,467 to 108,324.** This change exceeded the national job growth rate of 3.9% during the same period. The unemployment rate for the region from December 2022 through December 2023 was just 2.0%, which mirrored numbers for the State of South Dakota during the same timeframe, which was also 2.0%, but lower than that of the nation, which was 3.64%.



In 2022, the region had a labor force of 105,001 people. The table below provides details regarding the region's labor force. Of note, is the fact that the number of people in the labor force falls short of the number of jobs in the region, which indicates the large number of residents that are working at more than one job.

2022 LABOR FORCE BREAKDOWN	
Total Population	199,903
Total Working Age Population	162,321
Not in Labor Force (15+)	57,320
Labor Force	105,001
Civilian employed	102,364
Armed Forces	2,637
Unemployed	3,540



**Average earnings in 2023 for the region were \$62,100 per job. This is \$20,500 below the national average of \$82,600 per job.** The chart on the following page details regional job growth by industry from 2018 to 2023. Notably the Professional, Scientific, and Technical Services industry added 1,123 jobs, an increase of 37% for that industry in this time frame. Significant job growth also occurred in the Mining, Quarrying, and Oil and Gas Extraction industry showing an increase of 290 new jobs a change of 58%. The two industries that added the most jobs include: Construction with 1,242 jobs and Health Care and Social Assistance with 1,077 new jobs. The average earnings per job between industries differs greatly, with an average annual earnings in Mining, Quarrying, Oil and Gas at \$124,883, and in the Accommodation industry average annual earnings of \$29,862.

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BLACK HILLS REGION INDUSTRY TABLE							
NAICS	Description	2018 Jobs	2023 Jobs	2018 - 2023 Change	2018 - 2023 % Change	Avg. Earnings Per Job	2023 GRP
62	Health Care and Social Assistance	13,497	14,574	1,077	8%	\$76,119	\$1,358,414,324
72	Accommodation and Food Services	12,883	13,446	562	4%	\$29,862	\$836,581,003
56	Administrative and Support and Waste Management and Remediation Services	2,701	3,270	569	21%	\$55,213	\$279,622,855
44	Retail Trade	11,924	12,794	870	7%	\$44,240	\$1,312,783,299
54	Professional, Scientific, and Technical Services	3,038	4,160	1,123	37%	\$91,672	\$599,767,728
23	Construction	6,252	7,494	1,242	20%	\$70,970	\$945,994,574
42	Wholesale Trade	2,926	3,322	397	14%	\$86,660	\$940,795,664
31	Manufacturing	3,664	3,756	92	3%	\$71,913	\$663,767,350
61	Educational Services	1,207	824	(383)	(32%)	\$40,562	\$4,627,381
81	Other Services (except Public Administration)	4,524	4,967	443	10%	\$44,464	\$353,458,410
21	Mining, Quarrying, and Oil and Gas Extraction	496	786	290	58%	\$124,883	\$322,409,124
55	Management of Companies and Enterprises	963	1,024	61	6%	\$136,387	\$167,680,337
48	Transportation and Warehousing	2,147	2,162	15	1%	\$68,121	\$368,316,974
53	Real Estate and Rental and Leasing	1,125	1,262	136	12%	\$53,247	\$651,546,759
22	Utilities	415	385	(30)	(7%)	\$131,613	\$279,873,469
90	Government	20,870	21,024	155	1%	\$72,251	\$2,497,952,269
51	Information	965	944	(21)	(2%)	\$76,902	\$237,806,070
11	Agriculture, Forestry, Fishing and Hunting	620	714	95	15%	\$39,471	\$369,810,710
71	Arts, Entertainment, and Recreation	1,844	1,962	119	6%	\$35,978	\$158,799,334
52	Finance and Insurance	3,633	3,378	(255)	(7%)	\$91,249	\$1,244,840,242
		<b>95,694</b>	<b>102,250</b>	<b>6,556</b>	<b>7%</b>		

## The highest ranked cluster in the Black Hills region is Federal Government Services.

Lightcast data was used to identify industry clusters in our nine-county district. Industry clusters share a competitive advantage due to their proximity to competitors, to workforce, to suppliers and a shared knowledge about their industry. The top clusters identified by Lightcast for our region are listed below. These industries have high earnings, high overall job growth, and make a high contribution to the GRP.




1. Federal Government Services
2. Health Services and Social Assistance
3. Retail Trade
4. Wholesale Trade
5. Construction
6. Accommodation and Food Service
7. Finance & Insurance
8. Real Estate and Rental/Leasing
9. Manufacturing
10. Professional, Scientific, and Technology Services
11. Mining, Quarrying, and Oil and Gas
12. Agriculture, Forestry, Fishing and Hunting
13. Transportation and Warehousing
14. Administrative Support and Waste Management
15. Utilities
16. Production Technology and Heavy Machinery



## Affordable housing is an issue for each community in our region.

Since 2019, fifteen communities in the Black Hills district have completed housing needs assessments.<sup>2</sup> The results of the needs assessments are summarized in Appendix B. Rapid City and Spearfish are not represented in the table because the study conducted for those communities did not include the information being presented in the table. Of course, in some communities the demand for housing is greater than in others. For example, Sturgis completed a housing study in 2019 that cited the need for construction of over 105 units in the following five-year period while Box Elder completed a housing study in 2021 and identified a need of 500 to 600 new housing units. Other communities within our region have responded to their housing needs with the development of local programs to build new housing, like in Lemmon and Belle Fourche, where the local economic development groups have taken the lead in housing development.

<sup>22</sup> 11 of the housing studies were completed by Community Partners Research, Inc. and the Rapid City housing study was completed by MSA Professional Services, Inc.

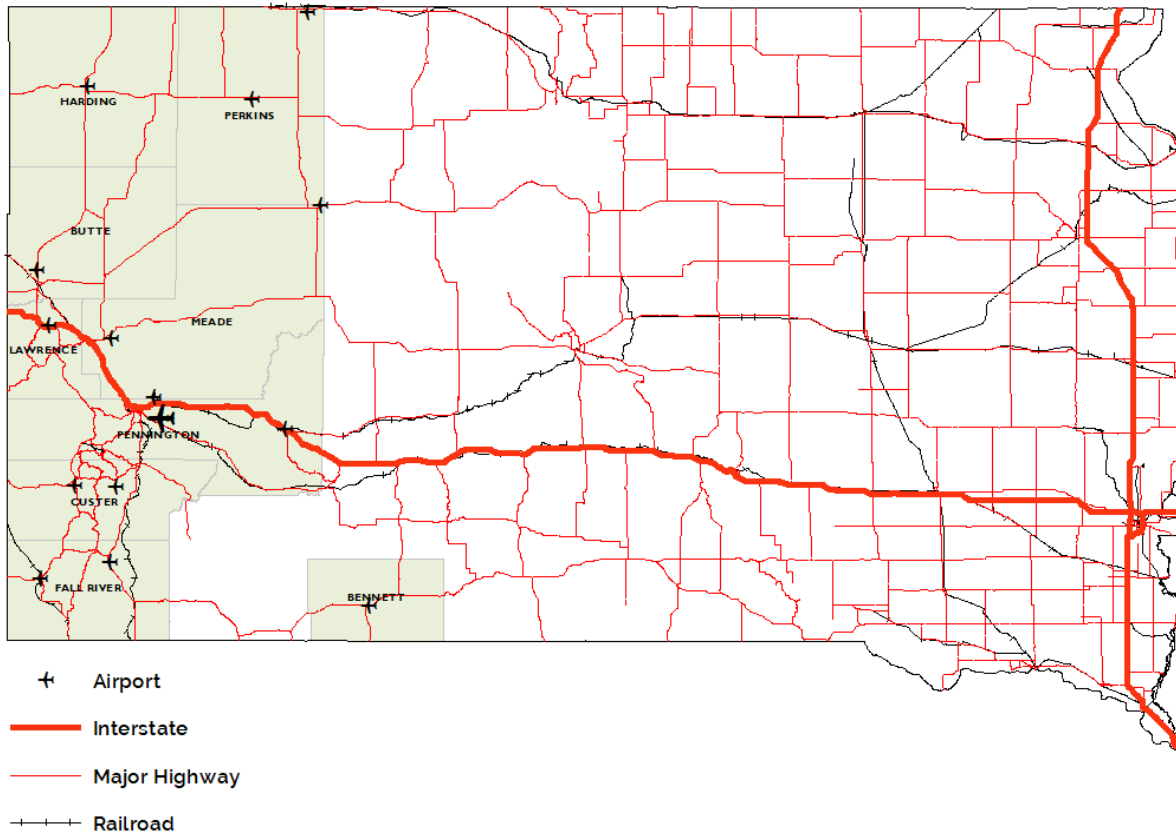


**The Black Hills region has three main transportation systems—highway, air, and rail—that are critical to the long-term growth of the region.**

The highway system is the primary system used to transport both people and goods. Interstate 90 is the main east-west corridor. For many years the region has been working on enhancing a north-south highway system. Partnerships with the Ports-to-Plains Alliance, Heartland Expressway, and Theodore Roosevelt Expressway have helped bring this issue forward, not only in South Dakota, but from North Dakota to Texas.

The region is served by Rapid City Regional Airport as its primary commercial airport. Currently, Delta, United, American, Allegiant Airlines, and Sun Country Airlines serve the market and fly seven year-round routes (Salt Lake City, Denver, Las Vegas, Mesa/Phoenix, Minneapolis, Chicago, and Dallas-Ft. Worth) . Increasing air service by adding more routes and increasing capacity is ongoing issue for the region. There are also a number of general aviation airports throughout the region as shown on the following map.

The rail service into the area is limited. The Rapid City, Pierre and Eastern line that comes in from the east and runs across the South Dakota-Wyoming border west of Belle Fourche serves as the principal railroad. It serves the bentonite clay industries located in western Butte County and other industries including agriculture. This line also connects in the south to Chadron, Nebraska. The Burlington Northern/Santa Fe (BNSF) Railroad has a line that runs through the southwestern portion of the region; however, this line is principally a coal line serving the coal mines in Wyoming. The BNSF also has a line that runs along a portion of the northern border of Perkins County.



**Economic Distress Data** is calculated by comparing the 24-month unemployment rate, per capita personal income, and per capita money income for a county and comparing it to the same statistics for the United States as a whole. This information can be very helpful for measuring the economic health of a region, although other factors such as cost of living are important to consider when observing the data. For 24-month unemployment threshold calculation, -1 point would mean that the unemployment is 1% lower than the average for the nation. For the BEA PCPI (Bureau of Economic Analysis Per Capita Personal Income) the threshold is calculated by dividing the selected location's BEA PCPI by the United States'. ACS 5-Year PCPI (American Community Survey Per Capita Money Income) is calculated in the same way as BEA PCPI.

	24 Month Unemployment	Threshold Calculation	BEA PCPI	Threshold Calculation	ACS 5-Year PCMI	Threshold Calculation
<b>BHCLG Total</b>	2.01	-1.63	\$64,084	97.9	\$38,006	92.1
<b>U.S.</b>	3.64	0	\$65,470	100	\$41,261	100
<b>Bennett County, SD</b>	3.28	-0.36	\$48,569	74.2	\$22,068	53.5
<b>Butte County, SD</b>	1.91	-1.73	\$47,783	73	\$34,218	82.9
<b>Custer County, SD</b>	2.63	-1.01	\$62,654	95.7	\$43,745	106
<b>Fall River County, SD</b>	2.56	-1.08	\$54,586	83.4	\$33,745	81.8
<b>Harding County, SD</b>	1.89	-1.75	\$51,414	78.5	\$44,603	108.1
<b>Lawrence County, SD</b>	1.9	-1.74	\$67,931	103.8	\$41,086	99.6
<b>Meade County, SD</b>	2.05	-1.59	\$53,401	81.6	\$33,857	82
<b>Pennington County, SD</b>	1.95	-1.69	\$69,134	105.6	\$38,951	94.4
<b>Perkins County, SD</b>	2	-1.64	\$54,196	82.8	\$40,235	97.5

**Regional resiliency through local foods value chains** has become a point of focus after the Region Five- North Central USDA Regional Food Business Center was established in 2023. During the Covid19 pandemic it became apparent that local food value chains had gaps in areas of marketing, aggregation, cold storage, supply chains, and transportation. Reliance on outside suppliers and markets overlooked local needs and the potential for utilizing locally grown foods to supply those local needs. Through this cognizance, the development of the RFBC's was realized and is currently being implemented in the BHCLG region via the partnership with the South Dakota Planning Districts, including BHCLG. The intent is to reduce the identified gaps in the local food value chain and thereby establish a resilient system for growing, producing, supplying, marketing, and selling local foods for local needs. Assisting communities with pinpointing gaps in food value chains via the Wealth Works planning framework is a high priority for BHCLG. Through this process BHCLG will help local communities define eight forms of wealth, map value chains, inventory assets, define gaps, define opportunities for building partnerships, and ultimately devise a plan for wealth creation.

# SWOT Analysis

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The following section provides an overview of the Black Hills region SWOT (Strengths, Weaknesses, Opportunities, & Threats) analysis. This analysis is based on input from the CEDS Committee and draws additional insights from our community planning work throughout the region and one-on-one discussions with local elected representatives and community leaders.

The purpose of this SWOT analysis is to form a basis of understanding regarding our region's assets and challenges in order to build a plan of action, which capitalizes on assets and helps manage and address threats. The graphic on the page 17 summarizes the SWOT for our region of western South Dakota, and the following section delves deeper into a number of the areas identified.

## Regional Assets

Our region has numerous assets that drive our local economy and contribute to our regional character. Due to the rural nature of the majority of the district, we've found efficiencies in **regional partnerships** to tackle shared economic development challenges. For example, the Rushmore Region Economic Development Alliance (RRA) represents a strong regional partnership among the local economic development organizations and utility partners in the region. The RRA pools its resources to market the region and build capacity for local and regional economic development. The RRA organized and sponsored an Economic Development 101 workshop last spring that was attended by almost 200 people. This workshop opened up a regional dialogue about the role of local economic developers as well as the importance of taking a regional approach to economic development.

Our **natural environment, history** and National and State Parks drive our tourist economy. The region has a number of National Parks: Black Hills National Forest, Mt. Rushmore National Memorial, Badlands National Park, Buffalo Gap National Grassland, Wind Cave National Park, Jewel Cave National Monument, and portions of the Dakota Prairie Grasslands. There are also numerous State Parks within our district: Custer State Park, Shadehill Recreation Area, Rockypoint Recreation Area, Bear Butte State Park, Roughlock Falls, Mickelson Trail, Sheps Canyon Recreation Area, and Angostura Recreation Area. Many local communities within our region have been working to capitalize on these assets to build their outdoor recreation

economies to attract tourists and related businesses that cater to outdoor enthusiasts.

As noted in the previous section, **our region is well connected** through the highway system to the north and south as well as from the east and west with I-90. Rapid City Regional Airport has undergone numerous upgrades recently and now has 9 direct connections to transportation hubs throughout the country. Communities within our region have also taken advantage of our rail lines and are working to attract industries that utilize rail transportation. Belle Fourche has recently expanded their efforts to grow and attract these industries by developing a rail park.

**Government** industries contributed over \$2.4 billion to the Gross Regional Product and were responsible for over 20,000 jobs in our region in 2023. Ellsworth Air Force Base, located near Box Elder, has over 3,300 active duty military personnel, over 708 civilian contractors, 1,977 military spouses and 1743 military children. These military personnel and their families play a huge role in supporting our local economy and contributing to our workforce. The total economic impact of EAFB is estimated at approximately \$799.3 million annually according to Colonel Oakley's presentation at the West Dakota Water Development annual meeting in 2024 <sup>3</sup> The Veteran's Administration also has Health Care System campuses at Fort Meade and Hot Springs, which provide jobs, services, and contracts for our local economies. Additionally the Forest Service, BLM, City, County, State agencies (department of labor, social services, revenue, etc.) Schools and universities, Camp Rapid/SDNG, IHS/Oyate Hospital, USDA, NRCS, DANR, and USGS all provide jobs in the region.

The **Health Care and Social Assistance** industry is also a major driver in our region. In 2023, this industry accounted for 14,574 jobs and over \$1.35 billion to our GRP. Monument Health System is one of the largest employers in our region, and has recently expanded a number of its facilities.

In the previous CEDS, agriculture and forestry had endured losses but number for 2023 show **Agriculture and Forestry** industry have experience increases at 15% between 2017 and 2023. This industry continues to play a predominant role in our economy and our regional character and way of life. Many of our communities were built on Agriculture and Forestry, which contributed over \$369 million to our GRP in 2023.

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<sup>3</sup> EAFB Economic Impact Statement FY 2016,  
<https://www.ellsworth.af.mil/Portals/146/2017%20EIS%20for%20website.pdf?ver=2017-11-14-170924-753>



The **Sanford Underground Research Facility** (SURF) is a key asset for our region and all of South Dakota; it is also one of the leading science facilities in the world. The overall impact of SURF on South Dakota's economy totals over \$185 million in spending to date. The facility also employs 200 full-time employees. The facility's Long-Baseline Neutrino Facility and Deep Underground Neutrino Experiment (LBNF/DUNE) will have major impacts on our economy. A study commissioned to determine the economic impact of this project alone found that the economic output for South Dakota could reach \$2 billion and create 1,178 jobs by 2029.

Our region has a number of **higher educational institutions** that provide a pipeline for our local employers: South Dakota School of Mines and Technology; Black Hills State University; Western Dakota Tech; and, National American University. Each of these institutions are active in working with our local communities to ensure that their programs and curriculum align with the needs of the region. In addition, many of these institutions have also placed a strong focus on entrepreneurship and working with their students to start and grow businesses in our region.

Finally, the fact that our regional **population continues to grow** is a good indicator for the Black Hills. While some of our counties have experienced declines, these communities are actively working to attract young residents that may have moved away, and employing other methods to retain and grow their populations.

## **Regional Challenges**

As indicated in our summary of economic development conditions, **low wages** are an ongoing struggle for our region. With an average wage per job that is \$20,500 below the national average, employers struggle to attract talent. High-wage job attraction and growth has been a focus of many of our local economic development organizations.

As discussed in the previous section, **lack of affordable housing** is an issue in each one of our communities. Fifteen of our communities have completed housing needs assessments and are actively working to address shortages with new and redeveloped housing.

Quality **child care** is also a need in our cities and towns. Many of our local economic development organizations have been working to address the shortage of child care facilities and understand how critical this piece of community infrastructure is in both

supporting children's development and facilitating their parents' employment.

In order to develop and attract more businesses, we need to ensure that we have the **talent and workforce** in place to support those industries. As previously noted, we have a large gap between the current number of individuals in the labor force and the number of jobs. We have many residents working at more than one job, which helps to bridge this gap. However, in order to attract additional business growth and relocations to our region, we must grow our talent pool.

Because a large sector of our economy is dependent upon the natural environment, we are largely dependent upon nature for the success or failure of these industries. In any given year **natural hazards**, like drought, blizzards, hail, pests, diseases, and wildfires all have the potential to inflict losses on our local producers.

While EDA seeks to promote job and industry growth and development, other Federal agencies are actively taking **steps that hinder or setback EDA's initiatives**. One example is the recent changes in the Forest Service's management of timber harvest in the Black Hills. The Forest Service has chosen to reduce the amount of timber harvested, a decision that is not supported by either the Land and Resource Management Plan or the General Technical Report, thus causing timber industry jobs to be threatened and eliminated.

**This new way of managing the National Forest** also lends itself to further destruction in the event of wildfire. In the past, the Forest Service has taken an active role in treatments and reducing wildfire risk, however in recent years the Forest Service has stopped actively treating for wildfire risk. This, in combination with the restriction of timber harvest by private industry will likely contribute to more severe damage and cause greater risk for the developed areas around the National Forest. While climate change continues to be an increasing concern, it is odd that the federal agencies would actively take steps that lend themselves to further damage and destruction.

Unfortunately the federal agencies do not do a better job of coordinating efforts: you have EDA actively trying to create jobs, while USDA-Forest Service is taking steps that will eliminate an entire industry and all the jobs that depend on those industries. You have HUD actively trying to create a path for affordable housing, and yet eliminating the timber industry in our region will have a large impact on the ability to locally source materials for building homes and apartments, thus further increasing the cost of home construction. It is very short-sighted of the Forest Service to eliminate the timber industry. Once the infrastructure for the timber industry has been eliminated, previous examples have shown that it is too expensive to bring it

back once it is gone, thus resulting in no path forward for the industry as a whole.

**Sustainable development has not been a priority in the BHCLG region in previous decades.** The general attitude from local governments has been to “let developers develop.” This has resulted in many areas being developed in a subpar manner which ultimately results in the need for redevelopment. The region suffers from unsuitable soils for development, lack of available land for development, lack of available water resources to support growth and certain industries, and lack of understanding of the local ecosystems needed to support certain industries. These things combined, have resulted in many developments that are currently threatened by natural and manmade hazards. For example, public infrastructure such as water storage facilities and roads being constructed on areas that are threatened by sinking soils; housing developments built over the top of a gypsum mine that was not properly reclaimed; housing developments that do not have adequate water for fire suppression; developments in the and near the floodplain; developments below the baseflood elevation without proper sanitary sewer collection systems; housing developments without proper drainfields; housing developments in the wildland urban interface without adequate roads for emergency and fire response vehicles; subdivision developments without proper access and egress; lack of zoning ordinances and/or improper administration of such. Many of these critical concerns are being addressed in the local hazard mitigation plans; however, coordination of planning and development activities between city, county, state, and federal agencies leaves a lot to be desired. BHCLG is hopeful to provide additional training to local leaders on the Wealth Works Framework to assist in developing plans for growth and development that are both sustainable and acceptable by local leaders, residents, and developers.

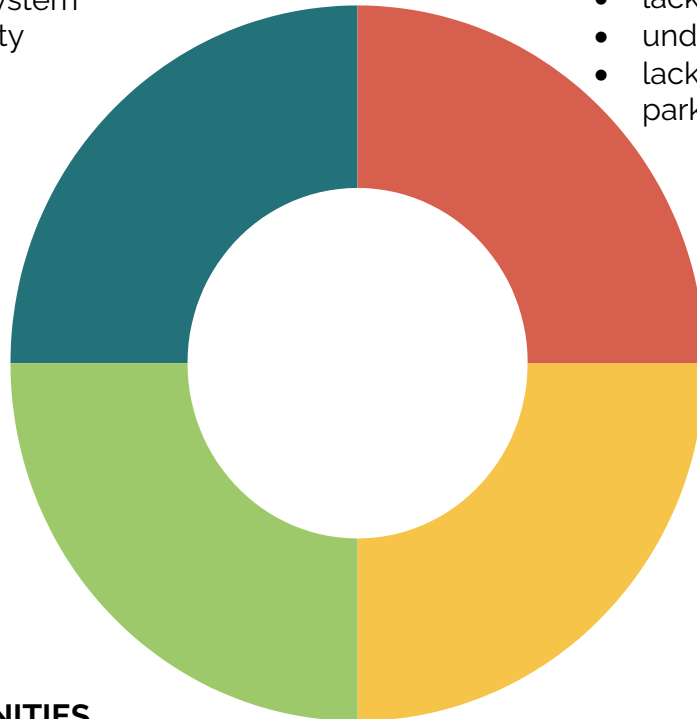


## STRENGTHS

- strong regional partnerships
- natural environment
- growing population
- business friendly tax environment
- utilities
- regional airport
- transportation system
- water & air quality

## WEAKNESSES

- lack of economic diversification
- low wages
- lack of housing
- lack of infrastructure needed to attract certain industries (rail, power, water, etc.)
- lack of childcare availability
- lack of public transportation
- underemployed/second jobs
- lack of industrial/business parks



## OPPORTUNITIES

- Regional Food Business Center and Wealth Works training
- Tourism
- Agriculture
- Black Hills National Forest Resource Management Plan Revision
- Sanford Underground Lab
- health care
- recreation/outdoor activities
- history

## THREATS

- natural disasters
- Federal policies that hinder, negate, undermine and decrease local economies
- Poor land development planning
- Lack of ability/knowledge base to administrate planning and zoning activities.
- local support for economic development
- monopolies

# Action Plan

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The BHCLG CEDS Action Plan outlines a plan of work that capitalizes on our local strengths and opportunities and addresses current weaknesses and potential threats to our economy. The following economic development goals will inform the work of our organization over the next five years: **Work to ensure community vitality and resilience; Support efforts to grow and diversify our economy;** and, **Foster a regional approach to economic development.**

The action plan tables on the following pages identify strategies and partners that will help to implement our goals, as well as performance measures to gauge our success. While BHCLG will be the primary facilitator for many of the strategies, partnerships with elected officials, city and county staff, State and Federal partners, and local economic development organizations will be essential to realize these goals.

Specific to the strategy to develop and attract talent in the region, the Rushmore Region Alliance along with input from local universities developed the following list of actions that are anticipated to have mutual benefit:

- 1) Invite the university/college President to be at the table when you have a site visit with a company.
- 2) Share evidence with the universities about needs in workforce. They need the data to make a case to their boards for new programs. A letter and available data would help them with that case.
- 3) Connect industry partners with students by inviting industry partners to talk in class. Make sure the businesses attend the job fairs and plan ahead to contact students – don't wait till they graduate.
- 4) The higher ed group was tasked with providing data to economic development partners with highlights and infographics of their strengths.

## Work to ensure community vitality and resilience

strategy	partner(s) <sup>i</sup>	performance measures
Assist communities in defining and implementing placemaking activities, such as the development of parks, trails, public gathering places, historic preservation projects, and downtown revitalization	GF&P DOT	1. Number of successful grant applications
Develop expertise in programs and policies to address local/regional housing needs	SDHDA	1. Development of new community planner position with a focus on housing programs and policy 2. Number of funding applications approved 3. Number of housing needs assessments completed
Provide assistance in the development and funding of infrastructure projects (water, waste, sewer, roads, streets, bike/pedestrian, broadband)	DOT DENR GOED- CDBG USDA-RD EDA	1. Number of infrastructure projects funded
Provide assistance in the development and funding of community facilities	USDA-RD GOED- CDBG EDA	1. Number of community facilities projects funded
Provide assistance to local governments in developing locally-relevant community plans and regulations	FEMA GOED- CDBG	1. Number of community plans (comprehensive and capital improvement plans) and regulations developed
Provide assistance in developing and implementing pre-disaster mitigation plans	OEM FEMA	1. Number of Pre-Disaster Mitigation Plans developed and approved 2. Number of mitigation project applications funded
Incorporate resiliency strategies into local comprehensive plans	OEM FEMA RFBC	1. Community plans with resiliency components 2. Wealth Works Training Opportunities

## Support efforts to grow and diversify our economy

<b>strategy</b>	<b>partner(s)</b>	<b>performance measures</b>
Provide data resources related to economic and community development conditions to support the attraction of new businesses and industries	BHCLG BHCED <b>Elevate</b> <b>RRA</b>	<ol style="list-style-type: none"> <li>1. Number of community data requests fulfilled</li> <li>2. Growth in property and sales tax revenue</li> </ol>
Provide mapping resources to help articulate assets and existing conditions in our communities	BHCLG	<ol style="list-style-type: none"> <li>1. Number of related maps created and distributed</li> <li>2. Development of online resource for regional mapping</li> </ol>
Assist in connecting entrepreneurs with financing tools and business development assistance	SBDC BHCED WR RLF Local EDO RLFs	<ol style="list-style-type: none"> <li>1. Increased number of clients accessing programs</li> <li>2. Increase in loan numbers</li> <li>3. Increase in job numbers</li> </ol>
Assist communities in accessing funding for business incubators and business and industrial parks	EDA GOED	<ol style="list-style-type: none"> <li>1. Number of successful funding applications</li> </ol>
Explore opportunities for value-added approaches to our region's agricultural and forestry industries	USDA-RD GOED EDA	<ol style="list-style-type: none"> <li>1. Development of value-added ag projects and case-studies</li> <li>2. Development of a value-added ag strategy for our region</li> </ol>
Help to publicize the work and impact of the Sanford Underground Research Facility	EDA GOED Local EDOs	<ol style="list-style-type: none"> <li>1. Information disseminated regarding projects at the SURF and economic impacts</li> <li>2. Assistance with local funding applications/projects that will either directly or indirectly support SURF operations</li> </ol>
Support our local communities and organizations in their efforts to maintain and advance operations at EAFB	EDA Local EDOs GOED	<ol style="list-style-type: none"> <li>1. Information disseminated regarding projects at EAFB and economic impacts</li> <li>2. Assistance with local funding applications/projects that will either directly or indirectly support EAFB operations</li> </ol>

## Foster a regional approach to economic development

strategy	partner(s)	performance measures
Partner to develop a talent strategy for the region	BHCLG BHCED RRA Consultant	1. Completed talent strategy plan 2.
Partner to develop a targeted cluster analysis for the region with an emphasis on high-wage industries	BHCLG BHCED RRA Consultant	1. Completed cluster analysis
Support workforce development and education programs aimed at developing a talent pipeline and supply for our region	WRF BHSSC BHSU SDSMT WDT School Districts	1. New partnerships with local educational institutions
Support a regional marketing strategy to increase business investment in western South Dakota	WRF BHCED RRA Marketing consultant	1. Development of updated RRA website 2. Growth in business start-ups and relocations
Assist in the development of economic development capacity building workshops for local EDOs, elected officials, and community/business leaders	WRF BHCED RRA RFBC	1. Number of workshops held 2. Number of participants 3. <b>Wealth Works Training Opportunities</b>



# Evaluation Framework

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An evaluation of the goals and strategies identified above will be part of an annual CEDS evaluation process. The evaluation will answer the questions “*How are we doing?*” and “*What can we do better?*” The specific performance measures identified in the previous section will be a major part of the evaluation process so that progress, or lack thereof, on each goal can be measured.

BHCLG staff will be responsible for this annual evaluation of the CEDS. The CEDS evaluation will be presented to the CEDS Committee and any further recommendations will be incorporated into the annual CEDS update submitted to the Economic Development Administration (EDA).

As identified in the previous section, the evaluation will measure the performance and effectiveness of the CEDS and will include the following criteria:

1. Number of projects, activities, and initiatives identified are implemented that led to public and private investment and jobs;
2. Number of State and/or Federally funded investments submitted and/or approved for the period
3. Estimated number of new jobs created/retained in the region as a result of project(s);
4. Growth in sales and property tax;
5. Estimated amount of private sector investment generated by project(s); and,
6. Estimated amount of public sector investment generated by project(s).

# Appendix A:

## CEDS Committee

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### **Black Hills Council of Local Governments Board of Directors**

- Blu Donovan, Bennett County Commissioner
- Karol Harmon, Butte County Commissioner
- Steve Esser, Custer County Emergency Manager
- Les Cope, Fall River County Commissioner
- Hunter Kalisiak, Harding County Commissioner
- Richard Sleep, Lawrence County Commissioner
- Doreen Creede, Meade County
- Ron Rossknecht, Pennington County Commissioner
- Lloyd Lacroix, Pennington County Commissioner
- Mike Schweitzer, Perkins County Commissioner
- Randy Schmidt, Mayor Belle Fourche
- Larry Larson, Box Elder Mayor
- Laurie Woodward, Custer City Finance Officer
- Sharon Martinisko, Deadwood City
- Bob Nelson, Mayor of Hot Springs
- Ron Everett, Mayor of Lead
- John Wainman, Lead City Administrator
- Gary Rayhill, Mayor of Martin
- Lindsey Seachris, Rapid City Council
- Jesse Ham, Rapid City Council
- John Roberts, Rapid City Council
- Michelle DeNuei, Spearfish City Finance Officer
- John Senden, Mayor of Spearfish
- Kevin Forrester, Sturgis City Council
- Adam Hosch, Sturgis Finance Officer
- Lisa Scheiffer, Summerset City Administrator

### **Black Hills Community Economic Development Board of Directors**

- Kevin Dietz, Security First Bank
- Kory Menken, Spearfish Economic Development
- Peter Kottwitz, Sentinel Federal Credit Union
- Candi Thomson, Thomson Law
- Kayce Gerlach, Casey Peterson & Associates
- Brad Fischer, First Interstate Bank
- James Mortensen, Black Hills Community Bank
- Dawn Hilgenkamp, West River Electric
- Matt Walters, Pioneer Bank & Trust
- Dean Kinney, The HomeSlice Group

## **Rushmore Region Alliance Members**

- Lori Frederick, Elevate Rapid City
- Amanda Englin, Sturgis Economic Development
- Hollie Stalder, Belle Fourche Economic Development
- Emma Garvin, Deadwood-Lead Economic Development
- Eric Wolf, Black Hills Energy
- Dani Herring, Wall Economic Development
- Andrea Powers, Southern Hills Economic Development
- Kory Menken, Spearfish Economic Development
- (open), Ellsworth Development Authority
- Angela Crisman, Heart of the Hills (Hill City) Economic Development
- Peg Ryan, Custer Economic Development
- Hannah Sage, SD GOED
- Lisa Schieffer, City of Summerset

# Appendix B: Regional Housing Recommendations<sup>ii</sup>

		RENTAL RECOMMENDATIONS (over 5 years)											HOME OWNERSHIP RECOMMENDATIONS (per year)				
City	Year Completed	Market Rate Rental				Subsidized Rental	Affordable Conversions	Senior Independent		Senior Assisted			Mixed Use	Higher & median price homes	Affordable Homes	Homes on infill lots	Twin homes/town homes
		1 BR	2 BR	3 BR	4 BR			1 BR	2 BR	Skilled Nursing	Assisted	Memory Care					
Belle Fourche	2021	8-9 units @ \$800-\$950	22-24 units @ \$900-\$1,250	6-7 units @ \$1,000-\$1,400	--	12-14 units	8-10 units below \$625	8-10 units	14-16 units	--	--	--	8-10 units	4-5 homes	6-7 homes	1-2 homes	4-6 units
Box Elder	2022	500-600 units				46-50 tax credit units, 20-24 subsidized rental units.	--	6-8 units	20-22 units	26-30 units			--	70-84 homes	30-36 homes	--	20-25 units
Custer	2023	6-7 units @ \$850-\$975	25-27 units @ \$1,000-\$1,400	5-6 units @ \$1,200-\$1,600	--	32-38 units	6-8 units below \$875	4-5 units	12-13 units	--	8-10 units	6-8 units	Recommended, but number of units not identified	8-10 homes	2-3 homes	--	2-3 units
Deadwood-Lead	2022	8-10 units @ \$900 - \$1,100	32-34 units @ \$1,100-\$1,600	8-10 units @ \$1,300-\$1,800	--	52-56 affordable rental units 14-16 subsidized rental units	14-16 units below \$750	5-7 units	17-19 units	--	10-12 beds	Monitor	Recommended, but number of units not identified	Lead			
														2-3 homes	5 homes	--	1 unit
														Deadwood			
		10-12 homes	12-14 homes	--	8-10 units												
Hill City	2022	5-6 units @ \$800-\$1,100	20-22 units @ \$850-\$1,400	5-6 units @ \$1,000-\$1,500	--	14-16, 2&3 BR units	6-8 units below \$700	4-5 units	14-17 units	--	12-14 beds	5-7 beds	Recommended, but number of units not identified	3-4 homes	5-6 homes	--	2-4 units
Hermosa, Buffalo Gap, Fairburn and Pringle	2023	2 units @ \$750-\$950 in Hermosa	8-10 units @ \$900-\$1,200 in Hermosa	2 units @ \$1,100-\$1,300 in Hermosa	--	--	10-15 units below \$875	--	--	--	--	--	--	Hermosa 2-3	Hermosa 1-2 Fairburn 1-2 (in 5 years) Buffalo 1-2 (in 5 years) Pringle 1-2 (in 5 years)	--	--
Lemmon	2020	--	6-7 units @ \$900-\$1,050	2-3 units @ \$1,000-\$1,250	--	Monitor	6-8 units below \$700	6-7 units	8-9 units	--	--	--	Recommended, but number of units not identified	2-3 homes	3-4 homes	--	4 units
Sturgis	2019	15-16 units @ \$750-\$900	22-23 units @ \$800-\$1,050	10-11 units @ \$1,100-\$1,200	3-4 units @ \$1,000-\$1,450	Monitor subsidized rentals, 28-32 tax credit rental units	12-14 units below \$625	30-5 units		--	16-20 beds	16-20 beds	Recommended, but number of units not identified	21-23 homes	10-12 homes	1-2 homes	8 units
Wall	2022	3-4 units @ \$700-\$900	8-9 units @ \$850-\$1,050	3 Units @ \$1,000-\$1,450	--	Monitor	6-8 units below \$750	3-4 units	7-8 units	--	--	--	Recommended, but number of units not identified	1-2 homes	2-3 homes	--	1 unit

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<sup>1</sup> Game, Fish, and Parks (GF&P); Department of Transportation (DOT); SD Housing Development Authority (SDHDA); Dept. of Environment & Natural Resources (DENR); Governor's Office of Economic Development (GOED); Community Development Block Grant (CDBG); US Dept. of Agriculture – Rural Development (USDA-RD); Federal Emergency Management Agency (FEMA); Office of Emergency Management (OEM); Black Hills Council of Local Governments (BHCLG); Black Hills Community Economic Development (BHCED); West River Revolving Loan Fund (WR RLF); Small Business Development Center (SBDC); Economic Development Administration (EDA); Local Economic Development Organizations (EDO); Rushmore Region Alliance (RRA); West River Foundation (WRF); Black Hills Special Services Coop (BHSSC); Black Hills State University (BHSU); Western Dakota Tech (WDT); South Dakota School of Mines & Technology (SDSMT); National American University (NAU).