

Population & Employment Analysis

Minnehaha County will be expected to address quality of life and public expenditure issues resulting from a growing population and economic base. Therefore, it is crucial that an up-to-date process be in place to ensure that proper and timely decisions are made in allocating the county's finite physical resources among competing land uses.

Growth presents an abundance of opportunities but it comes with a certainty of change. Rural water systems have been constructed, supplying safe and dependable water to farms and rural residences. In some instances, concentrations of faulty septic systems have been replaced by sanitary districts to eliminate groundwater contamination and health risks. Township supervisors are confronted with the complexities of urban growth, including demands for improved roads and better maintenance. The combined effect of building expansion and municipal facilities such as well fields, sanitary landfills, and wastewater treatment operations have expanded into the rural area while posing significant impacts on traditional agricultural lands.

Uncontrolled growth is usually accompanied by scattered and haphazard development, conflicting land uses, costly public services and improvements, and environmental damage. Significant strides have been taken to minimize the negative impacts associated with growth. This plan is intended to strengthen the county's planning efforts by providing information and direction to decision makers for managing anticipated growth and making change a positive experience for county residents.



Population Projections

Historically, a majority of the population has been concentrated within Sioux Falls. Other incorporated areas comprise a small, but growing portion of the number of residents. Currently, over 90 percent of the total county population resides in a municipality. The unincorporated population, depicted by the red line in the graph on the right, has been influenced by several factors including but not limited to the following: farm consolidation, annexations, and municipal incorporation.

Even with a dramatic increase in housing construction in the rural area, population has actually been decreasing over the past thirty years due to annexation of fringe developments around Sioux Falls along with the incorporation of Crooks and Brandon. As indicated by a slight dip in the line, after reaching a high of over 17,600 residents in 1980 the population declined to just under 13,000 by 1990. In 2000, the rural population was about 15,857 persons. Recently, there has not been such a dramatic change in rural population from 2000 to 2010 as was realized 35 years ago. The current population residing in the unincorporated area is about 14,585. Approximately 80 percent of the 2010 county population lived in Sioux Falls and this trend will likely grow over the planning period. This is an indication that the total rural county population will likely remain relatively stagnant, if not decrease as residential development trends begin to shift with municipal growth rates.

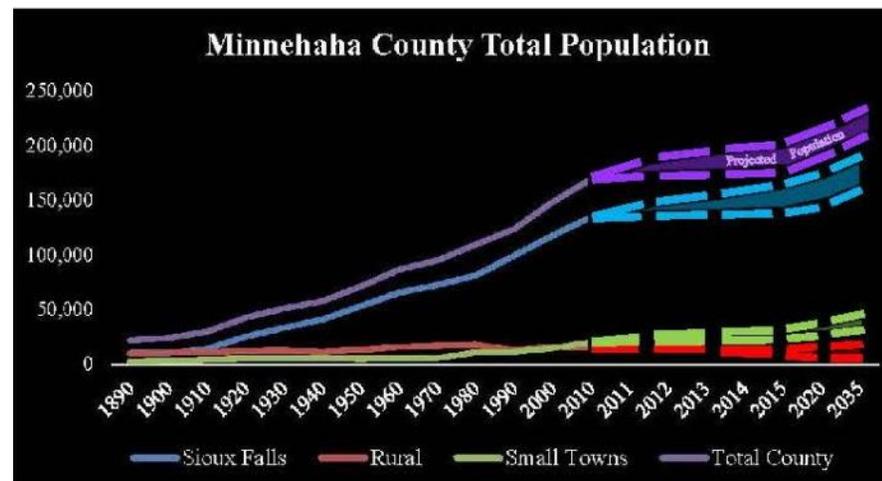


Figure 1.1 - Minnehaha County Population Projection

Source: Census.gov

The 2035 Minnehaha County Total Population chart, above, shows a low to high population projection range accounting for various factors associated with the growth of the local, state, and regional economies of scale over the past twenty years. The number of residents projected to live in Sioux Falls is estimated between 76 and 79 percent of the total county population by 2035. The number of residents estimated to be living in one of the small towns will be from 14 to 19 percent and about 1 to 10 percent of the total population residing in the unincorporated area by 2035, respectively.

By the year 2035, the population of Minnehaha County is projected to grow to over 207,000. It is expected that Sioux Falls will contribute substantially, about three-fourths, to the county's future population base; however, the small town population will also increase at a steady rate with Brandon and Hartford contributing the largest share. Dell Rapids and Crooks should also experience strong growth due to proximity to Interstate 29 along with other important growth indicators. Baltic, Garretson, Valley Springs, Humboldt, and Colton will comprise a smaller percentage of total growth among all of the small towns.

It is expected that the combined population of the small towns will surpass that of the rural area during the next couple of decades. It is also unlikely that the unincorporated areas of Ellis, Lyons, Renner, and Rowena will account for any significant growth due to the lack of urban services; however, Corson's industrial development potential may lead to the town's annexation by the City of Brandon.

According to the 2013 American Community Survey, the median age of Minnehaha County residents continues to be on the rise. The median age in

2010 was 34.5, which is expected to continue to rise as the "Baby Boomer" generation ages (Census, 2010). This age group made up 7.2%, or 12,182, of the 2010 total county population. During the planning period, the over 60 age group will increase at about the same rate as about one-fifth of the total population reaches retirement age. The availability of health care facilities in the region will continue to be a primary attraction point for individuals within this segment of the population.

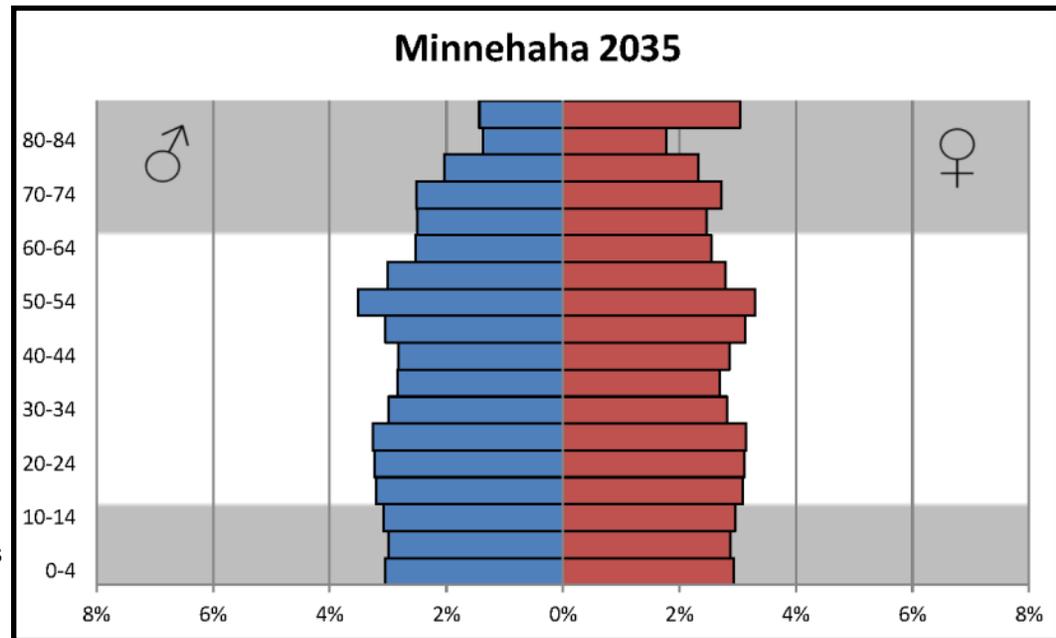


Figure 1.2 - Minnehaha County Age Distribution Projection Source: Census.gov & SDSU

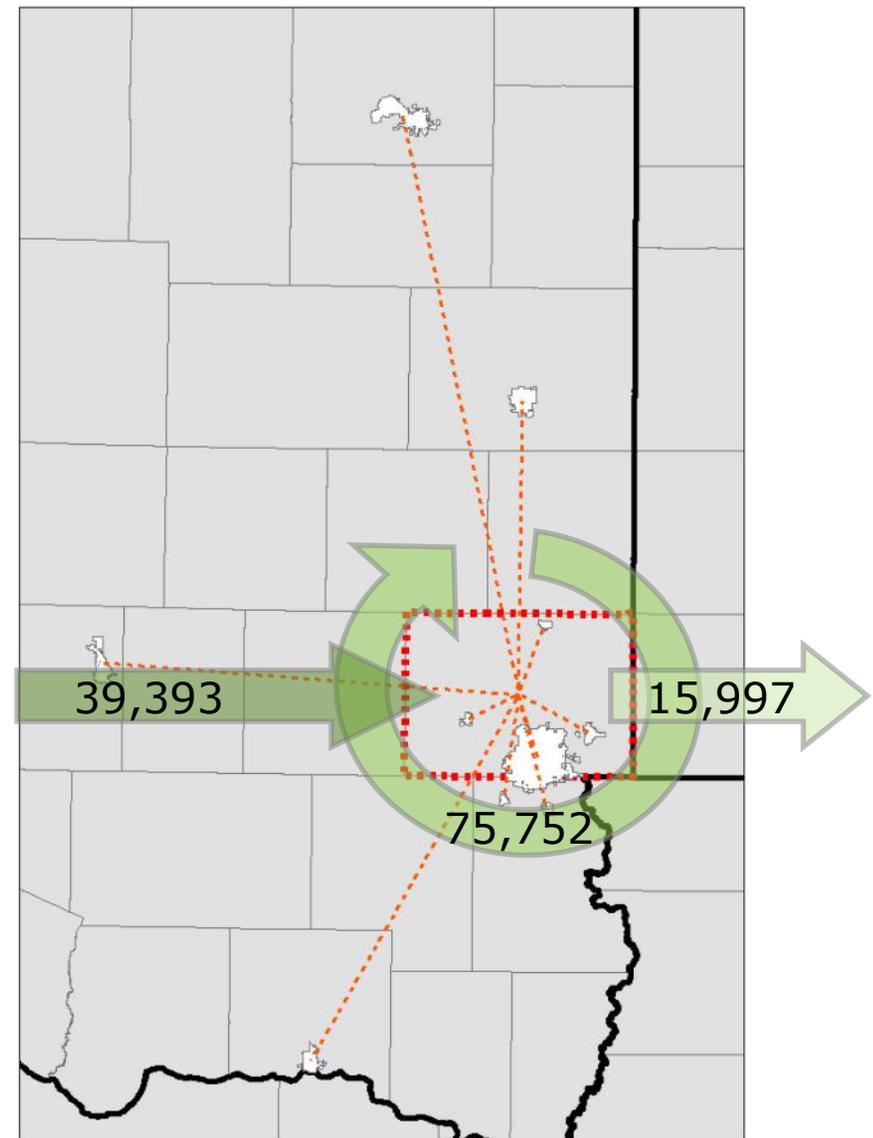
Projected Employment Opportunities

The expansion of employment opportunities are expected to grow during the planning period based on several factors including but not limited to the following: favorable tax climate, high quality of life, and sound work ethic. As the population both expands and ages, the demands upon the service sector will grow. The community's position as a regional health care center will also contribute to the expansion of service related employment. The growth of regional air and highway transportation systems will lead to an increase in economic development potential within the county.

The percentage of the population employed in the work force has nearly doubled since 1970 to about 72% in 2013. The increase in two income families, baby boomers in the work force, and more high school students with jobs all contributed to this trend. The percentage of the population in the work force will be expected to slow or may even begin to decline due to the majority of baby boomers set to retire over the next decade.

In 2011, there were about 65% of the 115,145 people employed in Minnehaha County of all jobs lived in the county and 34% are employed here but living outside the county. There were 82% of the 92,749 people living in the county who lived and worked in the county (Census.gov).

Figure 1.3 - Inflow/Outflow Commute to Work (by Place of Residence)
Data Source: Census.gov - Center for Economic Studies



Development Trends

While preserving a strong agricultural economy, Minnehaha County must continue to adapt to current and emerging trends in development in order for the top industry clusters to remain competitive along with retaining strong job growth of the local economy. The Change in Occupational Cluster Concentration chart, below at right, shows a comparison of economic specializations in each industry between Minnehaha County and the five-state region of South Dakota, North Dakota, Nebraska, Minnesota, and Iowa from 2002 to 2012. The location quotient (LQ) for a particular industry is a ratio comparing the percentage of employment for an industry in the local economy to the percentage of employment for the same industry in the regional economy.

The industry clusters with a location quotient greater than one have a greater concentration of local area employment in the county than the region (likely exporter); whereas, an LQ of less than one indicates a lower concentration of employment in the county (potential importer). If the LQ is equal to one, then the particular industry has the same share of employment in the county as does the region. The industries with an LQ between 0.75 and 1.25 are likely producing enough to meet local economic demand.

Note: The size of the bubbles indicate the total employment in each industry cluster within the county. Source: See Figure 1.5 on next page

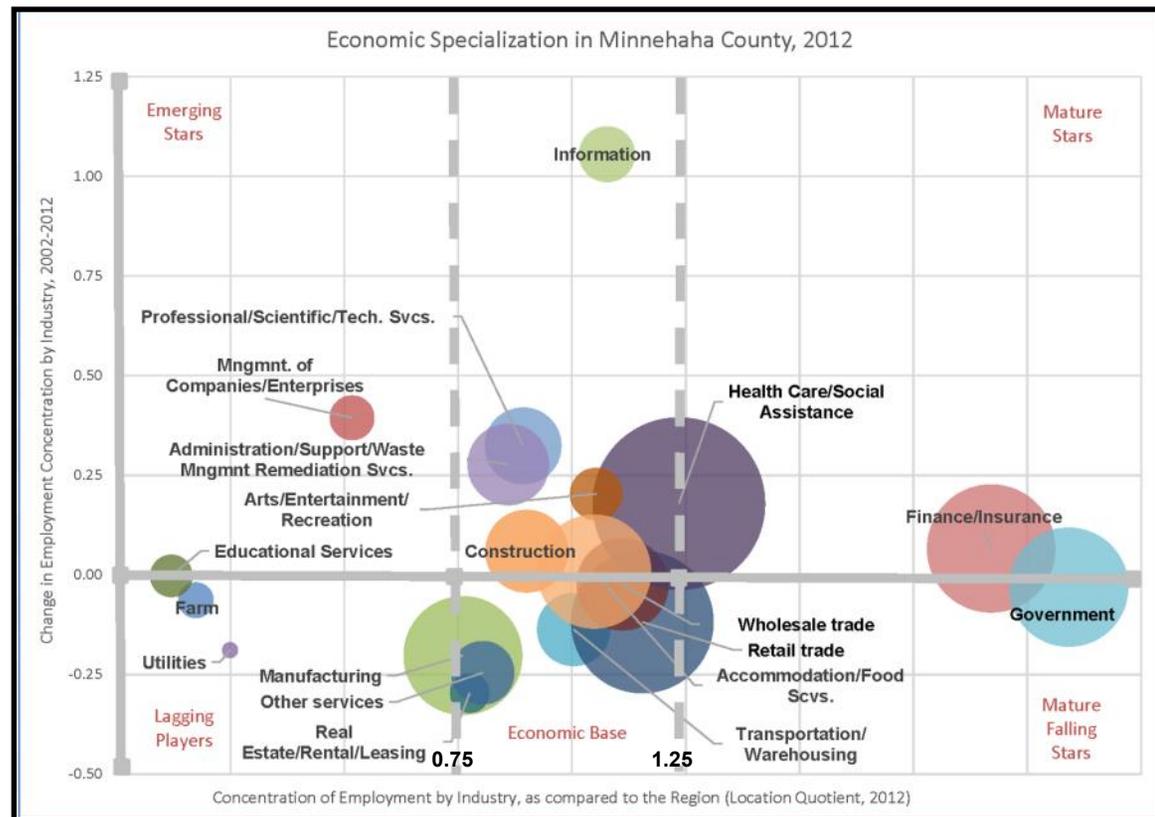


Figure 1.4 - Change in Occupational Cluster Concentration Chart (2002-2012)

The chart, below, indicates that the top industry clusters with the highest economic growth in relation to the regional economy are the following:

- Arts/Entertainment/Recreation
- Health Care/Social Assistance
- Professional/Scientific/Technological Services
- Administration/Support/Waste Management Remediation Services
- Information
- Management of Companies
- Finance/Insurance
- Construction

Industry	Minnehaha County		SD, ND, NE, IA, MN		2012 Industry Percentage	Location Quotient 2002	Location Quotient 2012	Location Quotient Growth
	2002	2012	2002	2012				
Farm	920	936	289,945	266,612	0%	0.24	0.17	-0.06
Mgmt. of Companies/Enterprises	195	1,491	118,836	142,828	1%	0.12	0.52	0.39
Manufacturing	9,413	10,605	730,823	690,387	2%	0.96	0.76	-0.20
Utilities	217	183	37,062	36,383	1%	0.44	0.25	-0.19
Transportation/Warehousing	2,902	4,018	190,194	198,203	2%	1.14	1.00	-0.14
Construction	3,304	5,147	293,676	282,974	2%	0.84	0.90	0.06
Retail trade	11,331	15,269	665,410	654,740	2%	1.27	1.15	-0.12
Wholesale trade	4,330	6,362	285,177	283,488	2%	1.14	1.11	-0.02
Educational Services	809	1,343	493,567	554,342	0%	0.12	0.12	0.00
Health Care/Social Assistance	10,148	22,466	718,414	900,776	2%	1.06	1.23	0.18
Real Estate/Rental/Leasing	1,019	1,169	71,090	74,656	2%	1.07	0.78	-0.30
Arts/Entertainment/Recreation	1,053	2,049	92,596	96,325	2%	0.85	1.05	0.20
Professional/Scientific/Tech. Svcs.	1,554	4,418	204,261	245,065	2%	0.57	0.89	0.32
Finance/Insurance	7,525	12,368	303,363	318,817	4%	1.85	1.92	0.07
Information	1,570	2,335	143,249	107,355	2%	0.02	1.08	1.06
Administration/Support/Waste Mgmt. Remediation Svcs.	1,992	4,984	255,407	286,952	2%	0.58	0.86	0.28
Government	7,060	10,687	248,719	253,030	4%	2.12	2.09	-0.03
Accommodation/Food Svcs.	5,791	9,776	416,082	461,566	2%	1.04	1.05	0.01
Other services	2,490	3,009	177,418	185,364	2%	1.05	0.80	-0.25
Total	73,623	118,615	5,503,682	5,872,726	2%			

It is important to note that the City of Sioux Falls is the primary employment and economic development generator within Minnehaha County. The city will continue to drive commercial and industrial development both within the incorporated area as well as in close proximity to major nodes along specific business corridors such as Interstate-29, I-90, South Dakota Highway 42, 38, 11, & 17. The state of South Dakota also provides additional support in the retention and expansion of existing businesses along with the recruitment of new business by offering a low-tax climate and entrepreneurial atmosphere.

Figure 1.5 - Total Employment by Industry Cluster

Source: South Dakota Department of Labor and Regulation; Labor Market Information Center; North Dakota Workforce Intelligence Network; Iowa Workforce Information Network; Nebraska Department of Labor; Minnesota Department of Labor ; and Economic Census