

EL 98-008

EL 98-008

EL 98-008

DOCKET NO. _____

In the Matter of _____

IN THE MATTER OF THE FILING BY
NORTHERN STATES POWER
COMPANY FOR APPROVAL OF AN
ECONOMIC DEVELOPMENT PLAN

Public Utilities Commission of the State of South Dakota

BWD

MEMORANDA

*all 98 filed and docketed;
all 98 files regarding 1997 Econ. Dev. Report and 1998 Econ. Dev. Plan;
all 98 docket closed.*

**NORTHERN STATES POWER
COMPANY**

**"Meeting the Challenges of Today
and Planning for Tomorrow"**

**SOUTH DAKOTA
PUBLIC UTILITIES
COMMISSION**

**A Report to the Commission on 1997
Economic Development Activities**

RECEIVED

APR 25 1995

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

COVER LETTER
FINANCIAL & SUMMARY

SIOUX FALLS
DEVELOPMENT FOUNDATION
PROGRAMS

LINCOLN & MINNEHAHA COUNTY
ECONOMIC DEVELOPMENT
ASSOCIATIONS

NORTHERN STATES POWER
ECONOMIC ASSISTANCE
PROGRAM

SOUTH DAKOTA GOLD
PROGRAM SUPPORT

NORTHERN STATES POWER CO
ECONOMIC DEVELOPMENT
INCENTIVE PROGRAM

ECONOMIC DEVELOPMENT
ACTIVITY IN COMMUNITIES
NSP SERVES

1992 PROPOSED ACTIVITIES

South Dakota

The economic news is good, the unemployment rate is low, and a new development organization cranks up.

FAST FACTS

- ▶ **Population (1997 est.):** 725,000
- ▶ **Major Cities ('90 Census):** Sioux Falls (100,814); Rapid City (54,523); Aberdeen (24,927); Watertown (17,592); Brookings (16,270)
- ▶ **Workforce (1996):** Total civilian labor force is approximately 375,000; unemployment rate is only about 3.1%. Employment by sector amounts to 19.4% involved in trade; 18.5% working in services; 17.4% government are employed by government; 11.4% manufacturing; 11.3 agriculture; 4.4% FIRE; and 7.5% other.
- ▶ **Superlatives:** Highest point east of the Rockies is located in South Dakota (Hornet Peak); the state also has the longest nonnavigable river (James); world record total production of a single gold mine; leader in bentonite production.
- ▶ **The Skinny:** South Dakotans are generally targeting such industry sectors as plastics, back office operations (the state's usury laws are particularly innovative and pro-business), as well as computers, value-added manufacturing, and small companies in general.

SOUTH DAKOTA

Sioux Falls
Development Foundation
(Ad on page N11)

The Coyote State has had plenty of good economic news in recent years, and has been able to forge its own economic niche. Taxable sales grew by 137% between 1979 and the mid-'90s, and according to one recent survey almost half (45%) of the state's businesses are thinking of expanding.

Also, the Mid-American Survey of Business Conditions cited South Dakota as leading its region in production, and a couple of national magazines have said that the state's overall economic condition is near the top of all states.

A lot of what happens in South Dakota, happens in Sioux Falls, the state's largest city. There, a five-year economic development program has raised some \$4.2 million (the goal was \$3 million). The six stated goals for the program:

- adding at least 1,000 new jobs
- retaining and expanding existing businesses
- attracting new businesses, especially in the fields of medical, ag processing, information systems, and financial services
- developing computer-based technology
- maintaining a business-friendly environment
- enhancing and preserving quality of life.

"We have learned a great deal about the priorities and expectations of this community from our investors and volunteers," according to Gary Olson, fund-raising chairman for Forward Sioux Falls. "We will be preparing a proactive implementation plan that addresses those concerns we all have."

One early sign that it's working: Hutchinson Technology Inc. has picked Sioux Falls for a new 275,000-square-foot assembly facility (suspension assemblies for hard disk drives). The 100-acre site is in the Sioux Empire Development Park; total investment could be upwards of \$40 million, and Hutchinson could add as many as 1,000 jobs to its local workforce.

"We expect shipments to grow with the proliferation of computers and network file servers, as well as non-computer applications for data storage," says Wayne M. Fortun, Hutchinson's CEO.

Elsewhere in South Dakota, five communities in Lincoln County, in the southeastern corner of the state, have allied their economic development efforts. The five (Canton, Harrisburg, Vermon, Torr and Worthing) have formed the Lincoln County Economic Development Association (LCEEA).

"We've seen that community cooperation can be a powerful force," says LCEEA executive director Jeff Eckhoff, who also serves as executive director of the Minnehaha County E.D.A. The goal for the five communities is to encourage commercial and industrial growth (to go along with recent residential growth), and to diversify the tax base.

Investors in LCEEA include local banks, and the seven utility companies that serve the county.

—Philip Greenberg

Sioux Falls Development Foundation

NSP continues its support of economic development activities in Sioux Falls with a five year pledge to Forward Sioux Falls III Campaign - Into The Next Century. This support enables both the Development Foundation and the Sioux Falls Area Chamber of Commerce to pursue continued growth and prosperity.

We also support a training fund and tenant improvement fund disbursed through the Sioux Falls Development Foundation.

Interest Buy Down Program

NSP is working with local banks to provide a one-time grant to effectively reduce the borrowing cost to a prospective new business or a business expansion project. The business must be a customer or a prospective customer of NSP and meet other criteria to be considered.

To find out if your business would qualify for financial assistance from NSP, contact us at 1-800-895-4999 then dial ext. 355 or write us at NSP Economic Development, P.O. Box 988, Sioux Falls, SD 57101-0988 or contact us via e-mail at _____@inspco.com

MCEDA and LCEDA

Minnehaha County Economic Development Association and Lincoln County Economic Development Association are organizations that NSP strongly supports both monetarily and with volunteer efforts. MCEDA and LCEDA provide economic development information and services to companies who wish to locate or expand in their areas. They work in cooperation with the Sioux Falls Development Foundation to help create opportunity for businesses throughout the greater Sioux Falls area. This cooperative effort assures businesses looking at the advantages of Minnehaha County or Lincoln County an impressive amount of information and assistance in locating or expanding there.

G.O.L.D. Program

NSP supports the South Dakota Guide to Opportunities for Local Development program by investing \$500 00 in eleven rural communities NSP serves in eastern South Dakota. The money is a tool for stimulating rural economic development and is an investment by NSP in the future of these communities.



Northern States Power Company
South Dakota
500 West Russell
PO Box 988
Sioux Falls, SD 57101-0988
Telephone (605) 339-8200

March 9th, 1998

William Bullard, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Dear Mr. Bullard:

In accordance with Docket EL91-004, enclosed please find NSP's report on 1997 economic development activities.

Economic Development efforts like those approved again in 1997 by the South Dakota Public Utilities Commission are contributing to growth in jobs and capital investment in NSP's service territory. With Commission approval NSP plans to continue similar investments in 1998.

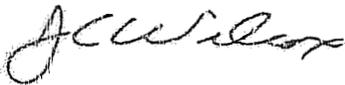
The following report is organized in eight sections:

- Tab 1 Summary of the 1997 economic development investments.
- Tab 2 Contains a copy of the 1997 Sioux Falls Economic Development report by the Sioux Falls Development Foundation. Also included are copies of newspaper articles highlighting the recent growth in Sioux Falls and surrounding area.
- Tab 3 LCEDA (Lincoln County Economic Development Association) and MCE:DA (Minnehaha County Economic Development Association).
- Tabs 4 -7 Detail of economic development investments NSP made within our South Dakota service territory in 1997.
- Tab 8 A proposed economic development investment budget for 1998.

NSP respectfully requests approval of our 1997 report and our 1998 economic development budget.

If anyone has questions, please call me at 339-8350

Sincerely,

A handwritten signature in cursive script, appearing to read "J Wilcox".

Jim Wilcox

c. Mike Hanson

NSP-SOUTH DAKOTA 1997 ECONOMIC DEVELOPMENT ACTUAL EXPENDITURES

Forward Sioux Falls III Campaign - (\$25,000 x 5 years - 1997 thru 2001)	\$ 25,000
Minnehaha County Economic Development Association (MCEDA)	\$ 10,000
Lincoln County Economic Development Association (LCEDA)	\$ 15,000
Program Total	\$ 50,000

NSP-SD Economic Assistance Program:

SD Rural Enterprise, Inc. - (\$5,000.00 x 3 years)	\$ 5,000
Mainstreet Sioux Falls Economic Development Incentive Fund	\$ 1,500
Value-added Agriculture	\$ 1,000
Program Total	\$ 7,500

NSP G.O.L.D. Program Support:

Baltic	\$ 500
Bridgewater	\$ 500
Canton	\$ 500
Centerville	\$ 500
Dell Rapids	\$ 500
Emery	\$ 500
Garretson	\$ 500
Harrisburg	\$ 500
Lennox	\$ 500
Marion	\$ 500
Salem	\$ 500
 GOED Conference G.O.L.D. Program Award Co-Sponsor	 \$1,500
Program Total	\$ 7,000

Sioux Falls Development Foundation

Training Fund SF Development Foundation Computer Equipment	\$ 25,000
Tenant Improvement ... University of Sioux Falls - Technology Partnership.....	\$ 10,000

TOTAL \$ 99,500

NSP-SOUTH DAKOTA 1997 ECONOMIC DEVELOPMENT PROPOSED BUDGET

Forward Sioux Falls III Campaign.....	\$ 25,000
Minnehaha County Economic Development Association (MCEDA)	\$ 10,000
Lincoln County Economic Development Association (LCEDA)	\$ 15,000
NSP-SD "Economic Assistance" Program	\$ 23,520
<u>Continuing Commitment Assistance</u>	
(Mainstreet Sioux Falls Economic Development Incentive Fund	\$ 1,500)
(SD Rural Enterprise, Inc.	\$ 5,000)
NSP-SD G.O.L.D. Program Support	\$ 6,500
 Sioux Falls Development Foundation	
Training Fund	\$ 15,000
Tenant Improvement	\$ 10,000
<u>Continuing Commitment Assistance</u>	
(University of Sioux Falls, Technology Partnership	\$10,000)
TOTAL	\$105,020

1997

SIoux FALLS

DEVELOPMENT FOUNDATION

PROGRAMS



P.O. Box 907, Sioux Falls, SD 57101

Phone (605) 339-0103 * Toll Free 1-800-658-3373
FAX 605-339-0055

October 17, 1997

Mike Hanson
Northern States Power
PO Box 988
Sioux Falls, SD 57101

Dear Mike:

The Sioux Falls Development Foundation is very pleased that Northern States Power has elected to continue its support of economic development activities in Sioux Falls. Your five year pledge of \$125,000.00 to the *Forward Sioux Falls - Into the Next Century* program is greatly appreciated. It will enable both the Development Foundation and the Sioux Falls Area Chamber of Commerce to pursue continued growth and prosperity. Please consider this letter as our request for the first year's investment of \$25,000.

Once again, thank you for your generous support.

Sincerely,

A handwritten signature in dark ink that reads 'Dan Scott'. The signature is written in a cursive, flowing style.

Dan Scott
President

PARTNERS IN PROGRESS

Sioux Falls Development Foundation

1997

SIOUX FALLS

DEVELOPMENT FOUNDATION

DIRECTIONS

DIRECTIONS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

Volume 1, Number 1

Community investment sends Forward Sioux Falls over goal

Forward Sioux Falls—Into the Next Century has surpassed its funding goal by over \$1 million, according to Gary Olson, chairman of the fundraising campaign. Olson and division chairs for the funding campaign spoke at a Forward Sioux Falls progress report gathering January 20 at the Holiday Inn City Centre.

"I am happy to report that 401 businesses, individuals and public entities have pledged \$4,012,000 over the next five years," Olson said. "Once again, this community has shown its generosity and commitment to hard work."

This is not a final total; pledges are still being made as more and more businesses seek to invest in a program which will continue to make Sioux Falls a leader, Olson said.

"Many people deserve thanks for helping us exceed our goal," said Tom Everist, Chairman of the Sioux Falls Development Foundation and one of the division chairs for the fundraising campaign. "Thanks to our investors, and a special thanks to the many volunteers who signed on to get the word out and make this accomplishment possible."

The goals of Forward Sioux Falls—Into the Next Century include creating 10,000 new jobs through business development, training at least 1,000 new workers, improving technological resources available to businesses and enhancing the quality of life through such means as providing more affordable housing.

"This expression of confidence on the part of our investors illustrates that our goals are clearly understood," Everist said, "and that this community wants to continue to move forward into the next century with a strong economy and an enhanced future for all our citizens."

The Forward Sioux Falls program is a joint venture between the Sioux Falls Area Chamber of Commerce and the Sioux Falls Development Foundation.



This community wants to continue to move forward into the next century with a strong economy and an enhanced future for all our citizens.

Convention Center, hotel aid economic development

With people already flocking to the Sioux Falls Convention Center, and plans underway to construct a new six-story, 186 room hotel nearby, the city has taken a major step toward a strong economic future, according to Mayor Gary Hanson.



"The new Convention Center is solid evidence of the commitment by the citizens to the future prosperity of their community," Hanson said. "Our new center provides a unique national gathering place for conferences, tourism, conventions, entertainment and educational events. All of the citizens of

South Dakota will benefit from these opportunities as well as the tax dollars generated to the state from the national economic activity at the center."

The planned \$14 million hotel will be a major element in drawing that economic activity to Sioux Falls, said Dan Scott, Development Foundation president and a member of the Mayor's Hotel Development Selection Committee.

"The hotel will be a valuable addition to the community all by itself," Scott said. "As a package with the Convention Center, it will be a major draw for groups and give us the chance to show the advantages of Sioux Falls as a place to live and work to visitors from all over the country."

The hotel is expected to be finished by July 1, 1998, according to developer John Q. Hammonds. It will be constructed northeast of the Arena, with a city-built walkway connecting the hotel to the Area and the Convention Center

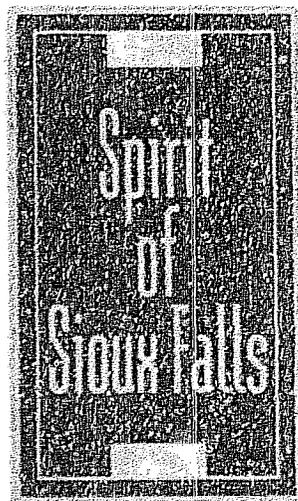


Land sales strong during fourth quarter '96

The Sioux Empire Development Parks continue to be a prime location for new and expanding businesses, as the brisk sale of land in the four development parks operated by the Sioux Falls Development Foundation can attest. **During the fourth quarter of 1996, \$411,803.50 worth of land was sold in the parks.**

"As our community and its businesses grow, the foresight of the Development Foundation and its founders in locating the parks where they are is clearly proven," said Tom Everist, chairman of the Development Foundation. "These parks are convenient to our interstate crossroads and the airport, with excellent infrastructure in place. We expect continued strong growth in our parks."

Businesses purchasing land in the Sioux Empire Development Parks during the fourth quarter included Sioux Valley Hospital, Peska Properties, Norwest Bank, V & M Distributing, Jewett Drug and Gateway 2000. The Sioux Empire Development Parks are currently home to over 70 businesses employing more than 9,000 workers.



Spirit of Sioux Falls scholarships available

Applications are now being accepted for the Spirit of Sioux Falls scholarships for the 1997-98 academic year. The scholarships were established in memory of Roger Hainje, Angus Anson and David Birkeland, Sioux Falls Development Foundation leaders.

Eligible to receive the scholarships are students from the Sioux Falls area including Minnehaha and Lincoln Counties who are or will be students in an accredited post-secondary educational institution in South Dakota, or South Dakota residents who are or will be attending an accredited post-secondary educational institution in the Sioux Falls metropolitan area. If you have questions about eligibility, contact the Sioux Falls Area Foundation for clarification.

Applications for the scholarships are available from the financial aid offices of all area post-secondary educational institutions, or by contacting the Sioux Falls Area Foundation at 336-7055.



Sioux Falls Development Foundation

Chairman's Report



This is an exciting time to be the chairman of the Sioux Falls Development Foundation, especially since the beginning of my term as chairman coincides with the great news of Forward Sioux Falls—Into the Next Century exceeding its funding goals. We have some hard work to do during the five years of our newest Forward Sioux Falls effort, but this community has shown its willingness to pull together for shared goals.

As partners in the joint venture that is Forward Sioux Falls, the Development Foundation is aware of a high trust that has been placed in us. We have worked with community leaders to determine the needs of this area, both in economy and quality of life issues. We have communicated those issues to our investors and they have given us the go-ahead to proceed with the task of meeting the needs of Sioux Falls into the 21st century.

We are very aware of our stewardship of those funds so confidently invested on the future of this area. The Development Foundation and the Chamber, working together, will approach our objectives with the same confidence in the future our investors have shown. We will continually be aware of the trust those investors have placed in us, and we will honor that trust throughout the implementation of Forward Sioux Falls—Into the Next Century.

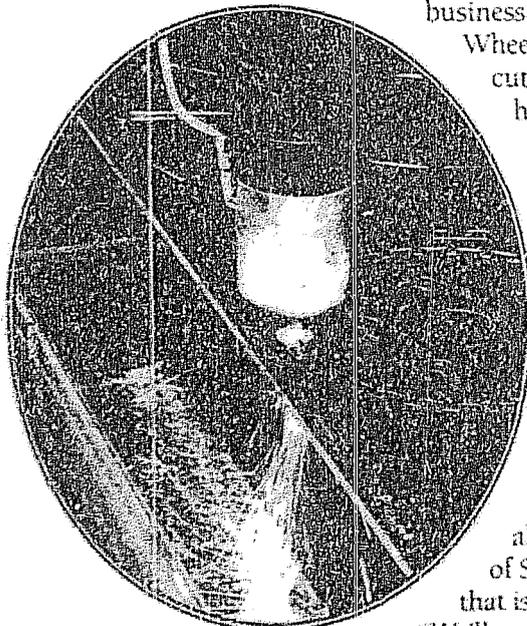
The Development Foundation has been an organization dedicated to making Sioux Falls a better place to live and work for over forty years. Our mission of helping businesses grow in and around Sioux Falls has given us unique perspectives on the past and the future. As we prepare to leave the 20th century behind, we will draw on those perspectives to continue our mission.

Tom Everist
Chairman

Precision cutting firm opens with innovative idea

John Steinhaus wanted to open his own business. Wheeler Tank Manufacturing, where Steinhaus is a foreman, needed precision metal cutting services. So Steinhaus got together with the Wheeler family and created a solution: Haus Precision Metal Cutting, a business owned and operated by Steinhaus inside Wheeler Tank, with Steinhaus remaining an employee of the Wheelers.

"It's kind of different," Steinhaus admitted, commenting on his employment situation, "but it works for both of us. I get the chance to have a growing business of my own, and the Wheelers have a precision cutting operation right here." Wheeler Tank



Manufacturing, located at 4001 North Fourth Avenue in the Sioux Empire Development Park, provides only about 5% of the precision cutting work Steinhaus does.

The rest comes from about a 40 mile radius of Sioux Falls, a radius that is growing all the time.

"We'll eventually do cutting for companies as far away as 100 to 150 miles from Sioux Falls," Steinhaus said. "We're already starting to grow, and we're considering adding a second cutting shift to keep up with the demand."

Steinhaus has already invested \$225,000 in a state-of-the-art HyDefinition Plasma system which can cut stainless and carbon steel, aluminum and copper with extremely high tolerances. The cutting system is computer-controlled, linking a modest desktop PC with the computer that directs the HyDefinition cutting torch in its path across the massive cutting table. Haus Precision Metal Cutting can work with sheets of metal as large as eight by twenty feet.



Michelle Mevissen and John Steinhaus stand in front of the cutting table at Haus Precision Metal Cutting.

Steinhaus' sister, Michelle Mevissen, spent one week training on the unique software and hardware of the cutting system. Her ten years of computer experience has served her well, enabling her to run the machine while her brother John does his job at Wheeler Tank.

"It's worked out pretty well so far," Steinhaus said. "As we continue to grow, we'll have some new challenges, but for now, it's been a great way to get our business started. We really thank the Wheelers for giving this a try and encouraging us to get into this business. We're filling a need in this area and we expect to keep growing."



DIRECTIONS

is published six times yearly by the



Sioux Falls Development Foundation

P.O. Box 907
Sioux Falls, South Dakota 57101
Phone (605) 339-0103
Fax (605) 339-0055

Board of Directors

- | | |
|----------------------------|-------------------|
| Tom Everist, Chairman | Dan Murphy |
| Mike Hanson, Vice Chairman | Lyle Schroeder |
| Rob Oliver, Treasurer | Dave Sweet |
| Steve Kirby, Secretary | Dick Viehweg |
| Leo Reynolds, Past Chair | Ralph Wagoner |
| Linda Barker | |
| Tom Batcheller | Ex-Officio |
| Tony Bour | Russ Greenfield |
| Karen Dunham | James Zweep |
| Tom Jones | Mayor Gary Hanson |

Sioux Falls Development Foundation has building site and business location available in one of the world's top ten development parks. For more information, contact Dan Scott, President, at 605-339-0103.



Tom Swartz Mike Hanson Brian Kirby Rob Oliver Leo Reynolds Russ Greenfield

NEW EXECUTIVE COMMITTEE ELECTED

The Sioux Falls Development Foundation board of directors has named a new slate of officers for 1997. Serving the economic development organization as Chairman is Tom Swartz, President of L.G. Everett, Inc. Vice Chairman for the year is Mike Hanson, General Manager and Chief Executive for Northern States Power. Brian Kirby, President of Western Capital Partners I, was named as Treasurer and Rob Oliver, President of Norwest Bank, is the group's new Executive. Immediate Past Chairman Leo Reynolds will continue to serve on the

Executive Committee, as will Legal Council Russ Greenfield. The Sioux Falls Development Foundation has, for over forty years, worked to create new jobs, expand the economic base and maintain the quality of life in Sioux Falls. Nearly 400 businesses and individuals are members of the Development Foundation throughout the Sioux Falls metropolitan area.

BOARD PROFILES

Dunham, Jones, join Development Foundation board

Newly elected members of the Sioux Falls Development Foundation board of directors are Karen Dunham, President-Broker, Residential Division of Coldwell Banker Dunham, Realtors, and Thomas W. Jones, President and CEO, Citibank (South Dakota), N.A. and Director of Citibank Customer Service Operations.

Karen Dunham is a native of rural Minnesota, and a graduate of Newton Commercial College in Sioux Falls. She and husband Don started The Dunham Company in 1977, and Karen has been active in real estate since that time, becoming a real estate broker in 1983. She has served on the board and been president of the Sioux Falls Board of Realtors, Sales and Marketing Executives International and Family Practice Center, and has served as a board member of McKennan Hospital Board of Trustees, McKennan Foundation, Junior Achievement, Sioux Empire United Way and the Sioux Falls

Marketing Executives in 1990 and was one of the first four graduates of Coldwell Banker University. She has been a member of the U.S. Naval Reserve and has served since 1970 as co-host for the crew members of the USS South Dakota reunion.

Thomas W. Jones has been with Citibank for 13 years, working in the bankcards business the entire time. Prior to his assignment in South Dakota, Jones was the Business Manager in charge of Citibank's Canadian bankcard business, responsible for profit and loss results and management of all functional areas. During his six years in this position, the Canadian business experienced ten fold growth and now has more than 500,000 customers and receivables of \$400 million, placing it among Citibank's largest and fastest growing bankcard businesses outside the US. Jones has also worked in Citibank's marketing division and collections division in the US bankcard operation. Besides his post on the Development Foundation board, Jones is on the boards of Citibank (South Dakota), N.A. and CitiHousing, Inc.



Housing and Redevelopment Commission. Dunham was Broker of the Year in 1990, received the distinguished Sales Award from the Sales and



Sioux Falls
Development
Foundation

President's Report

By Dan Scott



The big news of this issue of *Directions* is the smashing of the goal for funding **Forward Sioux Falls—Into the Next Century** by over a million dollars. That's great news, but it would not have happened without the hard work and sacrifice of more volunteers than we have the space to name in this newsletter. Our investors have shown they believe in the Forward Sioux Falls program and in the future of this area by making their financial pledges. But the conviction and dedication of those volunteers helped

those investors make that decision.

We like to remind people that Sioux Falls is a great place to live. But there are, frankly, a lot of great places to live in the United States. Sioux Falls is a wonderful place to do business. But there are a lot of other great places to do business in this country. What makes Sioux Falls unique? What makes this the **best** place to live and do business?

To me, the answer is the spirit of giving and sharing that is part of the everyday reality of this community. Look around. Check out the activity at the Washington Pavilion. Take in an event at the exciting new Convention Center. Note the enthusiastic support of the United Way campaign. Look at the airport, the arena, the development parks and the additions to churches and our schools.

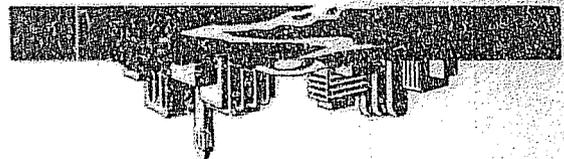
People in the Sioux Falls area—the business community and individuals in all kinds of jobs and neighborhoods—are willing to give their time, talents and financial support to make this community a better place. What they accomplish is making this community the **best place**.



JIM WILCOX
NORTHERN STATES POWER
PO BOX 908
SIOUX FALLS SD 57101-0908

ADDRESS CORRECTION REQUESTED

Sioux Falls Development Foundation
PO Box 907
Sioux Falls, SD 57101



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A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

Volume 21 Number 2

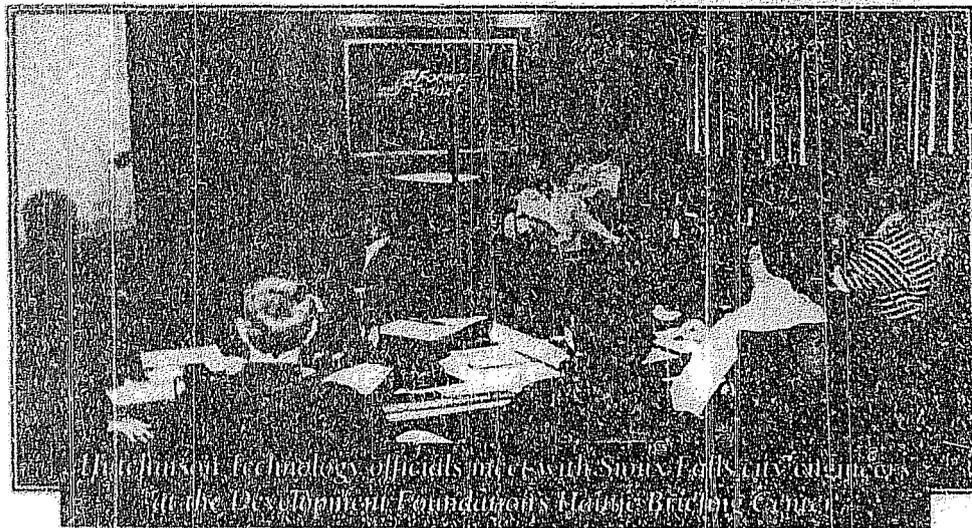
HUTCHINSON TECHNOLOGY to add new Sioux Falls assembly manufacturing facility

Hutchinson Technology Incorporated (Nasdaq/NMS: HTCH) has announced that it has selected Sioux Falls to be the site for a new assembly manufacturing facility. Construction of a 275,000 square foot building is expected to begin later this year on a 100 acre site in the Sioux Empire Development Park Four addition, located in the northwest quadrant of the intersection of Benson Road and I-229. Construction costs are estimated at \$33 to \$40 million, with current plans to start operations in the new manufacturing facility approximately 12 months after construction begins.

The company said that the addition of the new facility could increase its Sioux Falls area employment to 2,500 or more within two to three years of start-up. Hutchinson Technology now employs more than 1,500 people with aggregate annual compensation of approximately \$50 million at its existing Sioux Falls facility, which opened in 1988.

Wayne M. Fortun, Hutchinson Technology's chief executive officer, said the new assembly manufacturing facility is needed to provide capacity required to meet growing demand for the company's suspension assemblies for hard disk drives. Suspension assemblies are precision components that hold the recording heads in a disk drive at microscopic distances above the disks on which data is stored. Over the past five fiscal years, the company's unit shipments of suspension assemblies increased on average approximately 28% annually and totaled nearly \$340 million in fiscal 1996.

"We expect shipments will continue to grow with the proliferation of computers and network file servers, as well as non-computer applications for disk storage, such as voice mail and video data," said Fortun.



Fortun said Sioux Falls was selected as the site for the company's newest facility because of the strong performance of its existing Sioux Falls operation, the supply of quality labor in Sioux Falls, the city's proximity to the Hutchinson, Minnesota, headquarters and a favorable business climate.

"Our existing Sioux Falls facility was our first expansion outside Minnesota and it has been an outstanding success for us," Fortun said. "We're looking forward to building on the strong foundation we already have in the community as we continue our expansion. We appreciate the support we have received from the city and the state."

Forward Sioux Falls completes fundraising

Olson, chairman of the fundraising campaign Forward Sioux Falls—Into the Next Century, has surpassed its \$3-million funding goal by an astounding \$1.2 million dollars. As of March 21, over 450 investors had pledged \$4,200,000 to the five year economic development program.

"This measure of success indicates one thing," Olson said, "this community realizes the importance of continuing to move forward—and is willing to invest in that effort, showing confidence and belief in our future together."

Olson said the fundraising victory was due entirely to the hard work of dozens of volunteers throughout the community, who gave freely of their time to make the fundraising effort an overwhelming success.



Olson inspires Forward Sioux Falls victory

As the implementation phase of Forward Sioux Falls—Into the Next Century prepares to get underway, development officials and business community leaders are crediting Gary Olson for inspiring leadership in the program's fundraising effort.

"From the start, Gary Olson was dedicated to this effort," said Tom Everist, Development Foundation board chairman. "He was the spark plug that fired everyone up and kept the momentum going. Gary keeps giving credit to the division chairs and all the volunteers, but Gary was the one who inspired those people to take this thing over the top."

Olson, regional president, president and CEO of Norwest Bank South Dakota, N.A., has always been a community leader, beginning in Huron, where he started his banking career with Norwest right out of SDSU. Olson served as president of the Huron Jaycees, Huron Development Corporation and the Huron Chamber of Commerce. His service to Sioux Falls has been no less dedicated, as he serves on the boards of Sioux Council Boy Scouts, United Way, Sioux Valley Hospital, University of Sioux Falls, South Dakota Rural Enterprise and Northwestern Public Service.

Congratulations to Gary Olson for leading the dramatically successful fundraising effort for Forward Sioux Falls—Into the Next Century!



Hutchinson Technology

Continued from page 1...

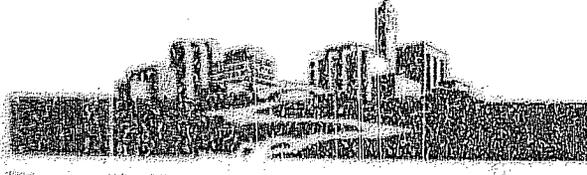
"An expansion of an existing company like Hutchinson Technology is the biggest compliment a state can receive," said South Dakota Governor Bill Janklow. "In 1988, we promised Hutchinson Technology an abundant supply of labor, an educated workforce and a chance to earn more profit. We produced—and now we are reaping the benefits of 1,000 more jobs and a tremendous infusion of capital into the South Dakota economy."

Dan Scott, president of the Sioux Falls Development Foundation, said collaboration among city, state and Hutchinson Technology officials helped expedite the selection of Sioux Falls for the new assembly manufacturing facility. Especially vital to the process were Governors Office of Economic Development commissioner Ron Wheeler and Development Specialist Kent Mackey, as well as Mayor Gary Hanson and his staff, especially Steve Metli, Dean Nielson and Lyle Johnson.

"A development of this magnitude requires a strong and productive working partnership involving city and state government and company management," Scott said. "The Sioux Falls Development Foundation is pleased to have played a role in bringing all the parties together for this major new facility."

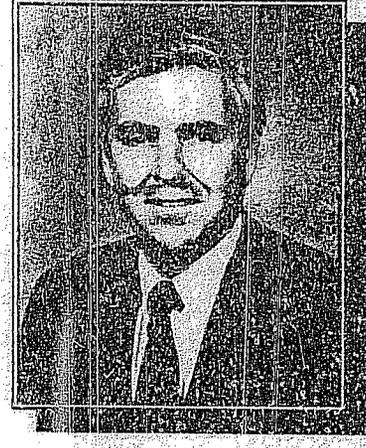
Hutchinson Technology is the world's leading supplier of suspension assemblies for hard disk drives. In the fiscal year ending September 29, 1996, the company reported net income of \$13.8 million on net sales of \$353.2 million. The company currently employs more than 5,900 people in facilities in Hutchinson and Plymouth, Minnesota; Eau Claire, Wisconsin and Sioux Falls





Sioux Falls Development Foundation

Chairman's Report



All of us at the Development Foundation proudly welcome the Lincoln County Economic Development Association to the partnership working to maintain prosperity and opportunity in the greater Sioux Falls area. This new organization, which shares an executive director with the Minnehaha County Economic Development Association and an office with the Development Foundation, will help to promote our area and offer an incredible range of locations to new and relocating businesses. It's a partnership for progress that will yield great results for everyone involved.

Once again we offer congratulations to Gary Olson and his fundraising teams for Forward Sioux Falls—Into the Next Century. With the fundraising component of the program pretty much wrapped up, we can look forward to the creation of new and exciting programs to meet the goals of Forward Sioux Falls as we march toward that new century.

One of the programs we'll be working hardest on is Workforce Development. We have a commitment to our investors to do all we can to build the labor pool here in Sioux Falls and develop innovative strategies for increasing that workforce. Already our staff has been researching other programs around the country. We will evaluate those programs and try to learn all we can from them. But in the final analysis, the workforce development programs we create here in Sioux Falls will be uniquely suited to our requirements and the needs of our investors. I hope to be able to announce to you very shortly the formation of a Workforce Development Task Force to begin this important effort.

You can be a part of all of the exciting things happening at the Sioux Falls Development Foundation. Join us, or renew your membership today!

Tom Everist
Chairman



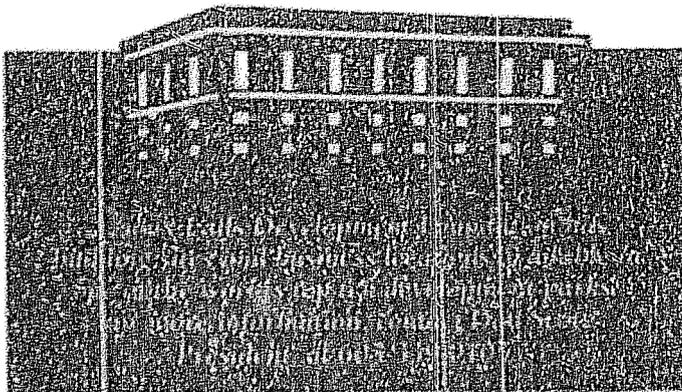
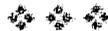
Development Foundation hosts flood preparedness workshop

Businesses in and around the Sioux Empire Development Parks packed the Jefferson Room of the Ramkota Inn on Monday, March 24, to hear more about the city's preparations for flooding along the Big Sioux River.

Over 200 people attended the meeting, sponsored by the Sioux Falls Development Foundation, to hear Lyle Johnson, City of Sioux Falls Public Works director, describe precautions the city has taken to contain flood waters and attempt to minimize any damage from flooding in Sioux Falls. With the this winter's heavy snowfall, saturated ground and uncertain runoff from the northern part of the state, business owners in the Development Parks and near the airport are more concerned than ever about the possibility of flooding.

"We have a high level of confidence in the city's plan for flood management," said Dan Scott, Development Foundation president. "Mayor Hanson has done a good job in assembling a team to act quickly in case of flooding. We just wanted people with businesses in the park and near the river to hear for themselves some of the information the mayor and his team have put together. The more information we are able to get out, the better we can deal with an emergency, should one arise."

Scott also announced to the business people assembled for the flood meeting that North 4th Avenue will be completely repaired before the end of summer. The street has been hit hard by this winter's extreme weather.



BOARD PROFILES

Kirby and Oliver new to executive committee

Steve Kirby, president of Kirby Capital Corp. and Bluestem Capital Partners I, is the new Development Foundation secretary, and Rob Oliver, president of all ten Norwest Banks in Sioux Falls and the Norwest Bank in Dell Rapids, has been chosen as the new Development Foundation treasurer.

Kirby is a graduate of Arizona State University, with a law degree from USD. Before its sale in 1992, Kirby was senior claim counsel and secretary of Western Surety Company. In 1993, he was confirmed by the South Dakota



Legislature as Lieutenant Governor under Governor Walter Dale Miller, a position he held until January of 1995. He has been active in civic affairs, serving on the boards of the Chamber of Commerce, McKennan Hospital, United Way, Great Plains Zoo capital campaign, FCA state board of trustees and Junior Achievement. He is currently chairman of the University of Sioux Falls capital campaign drive, and serves on the McKennan Hospital Foundation board, the Mesirov Private Equity board of Advisers and the Regional Airport Authority board.

Oliver obtained his MBA, as well as his undergraduate degree, from USD, with further study at the Stonier graduate school of banking at the University of Delaware. He joined Norwest Bank in 1976 and has been president of the Sioux Falls market since



1988. He serves on the Augustana College board of regents, McKennan Hospital board of trustees, Family Practice Center board, USD Foundation board and the Sioux Falls Arts Pavilion board, as well as Sioux Empire United Way.

Sioux Falls
Development
Foundation

President's Report

By Dan Scott



One of the most critical elements of Forward Sioux Falls—Into the Next Century is the Workforce Development component of the program. We plan to create the most innovative workforce development effort in the nation through Forward Sioux Falls. However, no matter how innovative and successful our workforce development plan is, there are a few things employers can and should do for themselves before any workforce development program can alleviate their labor shortages. Here are just a few ideas:

■ **Two-way communication.** Establish a way for employees to communicate with you and a way to route information to them. A suggestion box and an employee newsletter can achieve this goal. An open door policy is effective.

■ **Employee recognition.** Develop ways to determine special productivity, good ideas or perfect attendance and reward employees for such performance.

■ **Team-building programs.** Listening meetings, quality groups and other small group policies can help to create a sense of teamwork among employees.

■ **Fiscal incentives for referral of new employees.** When a current employee recommends a friend or relative who is hired and trained, the referring employee should be thanked—and financial incentives work.

■ **Rewards for money-saving ideas.** Trust the people who are doing the work to come up with innovative ways of saving money. These individuals are valuable members of the company and should be rewarded, encouraging an "ownership" attitude among employees.

■ **Apprenticeship programs.** Establish in-house training and skills-building programs by pairing experienced employees with newer hires who want to learn those skills.

■ **High school internship programs.** Training high school students to work part-time can create a pool of trained, experienced full-time workers later.

■ **Actively seeking non-traditional workers.**

Older workers and women returning to the workforce are the most common non-traditional workers. Both can have a strong work ethic and scheduling flexibility. Make it known you are looking for non-traditional workers and they may come to you.

■ **Joint recruiting with other companies.** Joining forces with another company can increase your marketing power and create a pool of potential employees who are offered greater employment options.

■ **Hiring from prison work-release programs.** Work-release prisoners are actively seeking to change their lives. Many develop into long-term quality employees.

■ **Offering scholarships to students who agree to take a job later.** College and post-secondary-bound students are looking for financial aid which will reduce their post-graduation indebtedness. Many will be glad to have a job waiting for them during summers and after graduation.

It comes down to this: If your employees are treated with the attitude that they are lucky to have a job—you probably have a problem. If your employees are treated in such a way as to illustrate to them that you think you are lucky to have them, you will likely find it somewhat easier to attract and retain quality employees.



DIRECTIONS

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Sioux Falls Development Foundation

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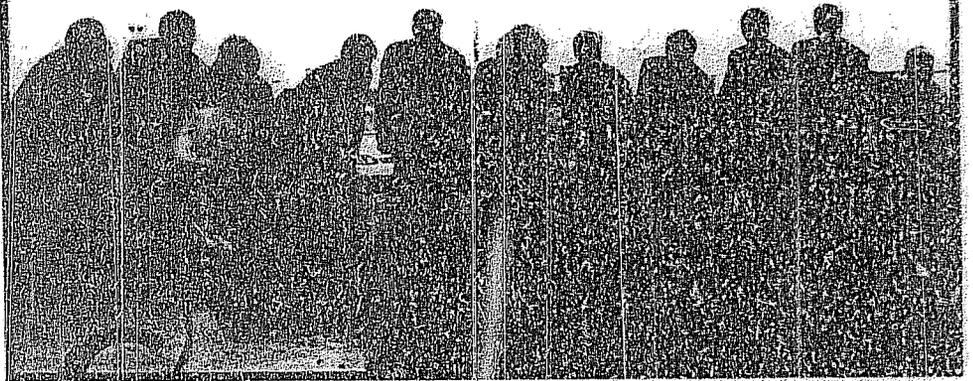
DIRECTIONS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

May-June, 1987

Volume 21, Number 3

Convention Center hotel breaks ground

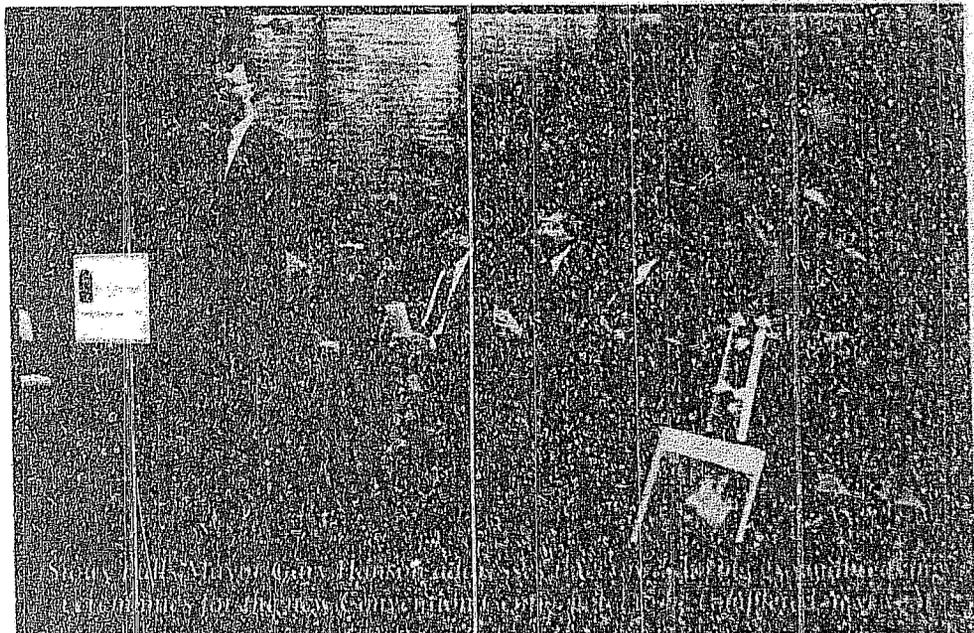


Ground was officially broken on April 21 for the new hotel near the Sioux Falls Convention Center. The six-story hotel is being developed by John Q. Hammons Hotels, Inc. of Springfield, MO, in cooperation with the City of Sioux Falls. Mayor Gary Hanson spoke at the groundbreaking, along with other city officials and dignitaries.

The 186 room hotel, situated adjacent to the Arena-Convention Center complex, will feature a 4,000 square foot atrium area, an additional 5,000 square feet of convention meeting space inside the hotel, a fine dining restaurant and lounge and a presidential suite on the hotel's top floor. Total square footage for the project is 165,072.

"We have already seen the benefits of having a top-quality convention center in Sioux Falls," said Tom Everist, Development Foundation chairman. "This hotel, developed in partnership with one of the nation's leaders in the industry, will add still more to the drawing power of Sioux Falls for national and regional conventions."

The hotel is expected to be completed about June 1, 1998.



Development Foundation sells land for Nordica Warehouses

The Sioux Falls Development Foundation has sold the 25 acre Miranda Addition, near the intersection of I-229 and Benson Road, to Don Hander, who will construct a 100,000 square foot warehouse on half the land for Nordica Warehouses. A second 150,000 square foot warehouse is scheduled to be built on the land in 2000. Construction of the first warehouse is expected to be completed in September, 1997.

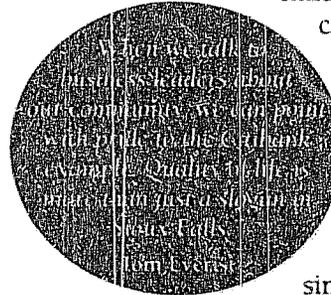
Nordica Warehouses stores and transports boxes for Stone Container Corp., plus documents and business supplies, dry, cooled and frozen food items, and manufactured goods such as polarfleece throw blankets for Dakotah. The company, which currently employs about 20 people, has been operating out of seven warehouses scattered throughout Sioux Falls. The completion of their new warehouse and later expansion will help the business consolidate and improve efficiency. Another 60 jobs are expected to be added as a result of the company's expansion.

"The chief reason the Development Foundation acquires land is to help facilitate the expansion of local businesses," said Dan Scott. "When a local firm expands to this extent, it's good for the entire community. We're glad to have been a part of the process."

Citibank childcare center a major addition to Development Park

One of the most talked-about and admired recent construction projects in the Sioux Empire Development Parks is the new Citibank (South Dakota) N.A. childcare center on the Citibank campus.

The \$7 million on-site center, the largest corporate-sponsored childcare center in the nation, is a state-of-the-art facility, with the capacity to safely care for 420 children during the working day. The childcare center is a way to provide quality of life benefits to employees and to attract new employees, according to Citibank South Dakota president Thomas Jones. In addition to childcare services, which Citibank has maintained since 1987, the bank has an employee fitness center and this summer will bus employee's school-age children to the Renberg Elementary School for day camp.



Loila Hunking, coordinator of childcare services for the state of South Dakota, praised the center as a good example of a corporation taking responsibility for family needs. Across the country, more and more businesses are dealing with the issue of childcare for their employees, but Citibank has set a standard for high-quality childcare with the Sioux Falls facility.

"This is another way in which Sioux Falls leads the way," said Tom Everist, chairman of the Development Foundation. "When we talk to business leaders about our community, we can point with pride to the Citibank example. Quality of life is more than just a slogan in Sioux Falls."



Sioux Falls is number one again!

More and more reasons are piling up for people to live and work in Sioux Falls. The most recent number one ranking for our community was published in the April 28 issue of *AutoWeek* magazine.

According to a recent Runzheimer study, the least expensive metro location in the U.S. to drive a car is Sioux Falls. The Rochester, Wisconsin-based management consulting firm surveyed 85 U.S. metropolitan areas and found huge differences in car ownership costs. The survey was based on owning, licensing and insuring a well-equipped 1997 Ford Taurus in the cities surveyed.

The most expensive location nationally was Los Angeles, with annual costs of \$8,762. Sioux Falls was the least expensive spot surveyed, with an annual cost of \$5,710—a saving of over \$3,000 per year. Regional metro areas also on the list of the ten least expensive cities were Eau Claire, WI; Grand Forks, ND, and Boise, ID.



Photo courtesy of Sioux Falls Ford.





Sioux Falls Development Foundation

Chairman's Report



We are proud to report that the Workforce Development Task Force of Forward Sioux Falls—Into The Next Century is moving forward. A council has been named, including business and educational leaders, and a day-long focus session has been scheduled for mid June. This is one of the most exciting projects of Forward Sioux Falls, and we look for innovative and effective workforce development concepts to arise from the council's work.

As you can tell by driving through the northeast quadrant of Sioux Falls, the Development Parks are still popular locations for business of every kind. Construction activity is as strong in the development parks as it is throughout the community. Recent expansions by Gateway 2000, the construction of Jewett Drug, the completion of the Citibank childcare center, Pepsi's beautiful new facility and other activity make it easy to understand why the Sioux Empire Development Parks are among the Top Ten Parks in the world!

Another eagerly awaited and important construction project got underway recently near the Sioux Falls Convention Center. The John Q. Hammons hotel will not only be a great addition to our community's hospitality industry, it will be a strong anchor to the Convention Center complex. We offer our congratulations to Mayor Gary Hanson, the hotel selection committee, chaired by Don Dunham II, and to the city commissioners for concluding the necessary arrangements to get the hotel built. We look forward to seeing continued development in this important sector of our economy, as the Washington Pavilion and other attractions come online.

Tom Everist
Chairman

USD student interns with Foundation

Kerry E. Larsgaard, a native of Canton, is the summer intern at the Sioux Falls Development Foundation. A business management major at the University of South Dakota, Larsgaard just completed her junior year and expects to graduate in May, 1998.

Larsgaard has performed accounting and secretarial tasks with Canton Bookkeeping and Tax Service and with the South Lincoln Rural Water system. She is a Dean's List student at USD, a member of Delta Sigma Pi and the USD Brass Choir and has been accepted into the USD School of Business. At Canton High School, Kerry was a member of the National Honor Society, an award-winning musician, Girls State representative and homecoming queen.

During her internship at the Development Foundation, Larsgaard will work with a wide range of economic development and business location issues.

"This is an opportunity to study one of the most dramatic elements in the economic growth of a community," she said. "I'm very excited about being a part of this vital organization for the summer."



This is an opportunity to study one of the most dramatic elements in the economic growth of a community.

Kerry Larsgaard

Barber and Batcheller bring local, state ties to board

Sioux Falls Development Foundation board members Tom Batcheller and Linda Barber bring unique contacts to the economic development process. As a former Minnehaha County commissioner and current South Dakota legislator, as well as a businesswoman, Barber has a keen understanding of the governmental relations in our business community. Batcheller's background in the agri-business sphere and his experience as an independent businessman puts the Development Foundation in touch with the key issues of our state.



Linda Barber was the first woman elected to the Minnehaha County Commission. She was the 1997 recipient of the Women Leading with Excellence Award given by the Sales & Marketing Executives of Sioux Falls. In 1996, she was elected to a third term in the SD House of Representatives, where she serves on the

House Taxation, Local Government and Retirement Law committees. In addition to being vice president of Business Aviation, a regional fixed base operation serving Joe Foss Field and the Sioux Falls Regional Airport with 24 hour general aviation services, she is president of Sioux Falls Aviation, a regional air freight company. Barber is owner of Alderson Bookkeeping Services and

BOARD PROFILES

a member of the National Civil Aviation Review Commission. She has served on the Sioux Falls City Planning Commission, the McKernan Hospital Advisory board, the Siouxland Heritage Museum and Volunteer and Information Center boards and was president of the League of Women Voters, among other civic activities.

Thomas J. Batcheller, currently president of Batchellers, Inc., was for over two decades the president and CEO of Zip Feed Mills, Inc. Chairman of the National Federation for Independent Business,



Guardian Advisory Council of SD and the SD Council on Economic Education, Batcheller serves on the boards of directors of Norwest Bank, South Dakota N.A., Sioux Valley Hospital, Children's Home Society and SDSU Foundation. A past chairman of the Development Foundation Board, he also chaired the YMCA board and the American Feed Industry Association, was president of the Rotary Club of Sioux Falls and served on the boards of the SD Chamber of Commerce, the Sioux Falls Area Chamber, the SD Alcohol Fuels Association, Junior Achievement, Sioux Falls Traffic Bureau and the Sioux Falls Jaycees, in addition to other community service posts.



Congratulations to the Business Citizen of the Year

It is a pleasure to announce the recipient of the 1997 Business Citizen of the Year award in Sioux Falls during his career with the Chamber, and we congratulate him on earning this honor.

Sioux Falls is a better place today because of Evan Nolte's years of service.



Hutchinson Technology newsletter praises city and state

Major expansion plans for Hutchinson Technology, Inc. were released in the company's employee newsletter recently. HTI is building a 275,000 square foot manufacturing and office facility on 100 acres in the newest Sioux Empire Development Park at the intersection of I-229 and Benson Road. The new facility, the newsletter points out, will be three times larger than the current Hutchinson operation in Sioux Falls and twice the size of the company's newest production plant in Eau Claire, WI. The company has acquired 100 acres to give them the option of adding other buildings on the site in the future.

According to the April issue of the Hutchinson Technology FOCUS, "The Sioux Falls Development Foundation and the state of South Dakota were both highly encouraging when we first started discussions with them a year ago. This round of discussion was like old times, because we dealt with the same organizations in

1987 when we first established our presence in Sioux Falls. We found the officials to be reasonable, competent and professional then, and the same can be said of them now."

The Hutchinson expansion promises to be one of the major economic development achievements of 1997, according to Dan Scott, Development Foundation president.

"The fact is that anytime we add a 275,000 square foot building and 1,000 jobs, it's very large plus for Sioux Falls," Scott said. "When the company involved is a world leader in a high-tech product and an established and respected member of our business community, that's a cause for celebration!"

Renew your membership to the Development Foundation!

If you still haven't returned your membership renewal form, won't you do so today? Membership in the Sioux Falls Development Foundation is a proud tradition for the business leaders of Sioux Falls—and a way to be part of the continuing growth and prosperity of our community.

If you have returned your renewal form, thanks and congratulations on a wise business decision. If you are not now a member of the Development Foundation, won't you join us today? Just telephone Diane at 339-0103 for your membership packet!

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Sioux Falls Development Foundation

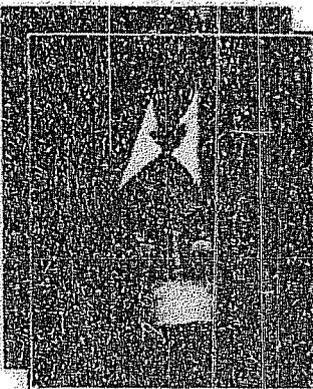
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important step toward filling the fast-growing northeast corner of Sioux Falls. The action is not only in the Development Parks, but all over the community—indeed, all over Minnehaha and Lincoln counties. The construction and expansion activity is not confined to the manufacturing and distribution segments of our economy, either. Retail growth is running strong in Sioux Falls, and commercial construction is solid underpinning of the strength of our economic prosperity. In addition, new home construction is ahead of last year's totals for first part of the year. In January through April, 1996, total construction value as measured by building permits was a very strong \$40.7 million. During that same period this year, 1997, total construction value of building permits was \$50.1 million—almost a ten million dollar increase. Those numbers were significantly bolstered by new non-residential construction, at \$12.9 million over last year's \$2.7 million. People keep asking, "How much longer will this trend of economic growth and prosperity continue in Sioux Falls?" The answer is that obviously the trend will continue through 1997. In fact, we are seeing numbers that indicate that this may be another record-setting year.

On our way to another record-setting year
Now that spring has finally arrived, ushering in the construction season, we're observing a burst of activity all over Sioux Falls. The announcement by Hutchinson Technology of their plans to build a 275,000 square foot manufacturing facility in our Park IV adding 1,000 jobs, is just the beginning. Gateway keeps expanding its Sioux Falls operation, most recently taking over half of the former Nordic Track building in Park II. The site of the Miranda Addition, soon to be home to Nordic Warehouses, is another



Sioux Falls
Development
Foundation
President's
Report
By Dan Scott

DIRECTORIES

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION
July-August, 1997

Volume 21, Number 4



Hutchinson Technology breaks ground for new facility

Hutchinson Technology's Wayne Fortun addresses the crowd gathered for the groundbreaking.

The Sioux Falls Development Foundation hosted a groundbreaking ceremony for Hutchinson Technology Incorporated on July 30, with state and local dignitaries attending. The original groundbreaking was slated for June 20, but unseasonably heavy rains made the site inaccessible.

Hutchinson Technology's new assembly manufacturing facility in Sioux Falls is being built on a 100 acre site in the Sioux Empire Development Park Four addition, located in the northwest quadrant of the intersection of Benson Road and I-229. Construction costs are estimated at \$35 to \$40 million, and the facility should open in September or October of 1998.

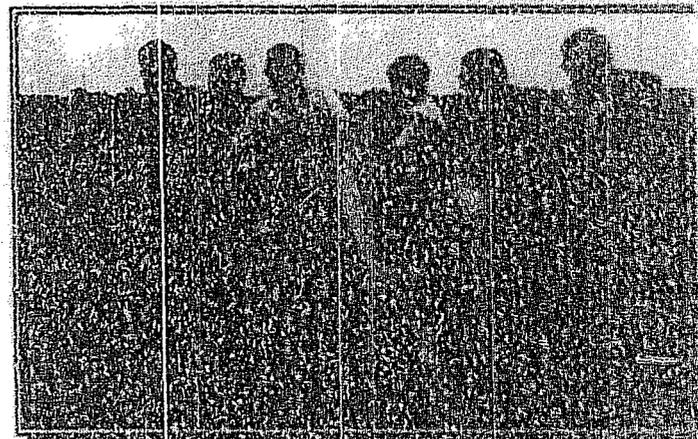
Company officials have indicated that the new facility could add a minimum of 1,000 jobs to its Sioux Falls workforce. Hutchinson Technology now employs more than 1,500 people with aggregate annual compensation of approximately \$50 million in Sioux Falls.

"An expansion of an existing company like Hutchinson Technology is the biggest compliment a state can receive," said South Dakota Governor Bill Janklow. "In 1988, we promised Hutchinson Technology an abundant supply of labor, an educated workforce and a chance to earn more profit. We produced—and now we are reaping the benefits of more jobs and a tremendous infusion of capital into the South Dakota economy."

Wayne Fortun, president and CEO of Hutchinson Technology, addressed a large crowd at the groundbreaking, thanking city and state officials who helped in the plans for expansion in Sioux Falls. Fortun also pointed out the company's commitment to retaining its manufacturing base in the upper Midwest, rather than move facilities offshore, to the Far East.

"We intend to stay in the Midwest," Fortun said, "to take advantage of the superior educational institutions and the great workforce with a strong work ethic."

Fortun said the company has been experiencing a 28% growth annually for the past five years, and expects that trend to continue. Sioux Falls, he said, will be a major part of the growth of the company in upcoming years.



Master of Ceremonies Steve Kirby, Sioux Falls Mayor Gary Hanson, ITC President and CEO Wayne Fortun, Nellie Myers, Secretary of SD Environment and Natural Resources Department, Chamber Chairman Dick Brown, and Craig Johnson, Secretary of SD Department of Labor break ground for the new Hutchinson Technology manufacturing facility.



Sioux Falls earns media attention

Our community and its strong business climate have garnered attention in recent national and regional publications. These mentions give Sioux Falls good "top of mind awareness" among business leaders across the country.

The June 16 *Forbes* magazine features a section on telemarketing call centers, showing Sioux Falls to be the most economic spot in the United States from which to operate a telemarketing center. *Site Selection* magazine came to the same conclusion in their June/July issue, citing major factors that keep Sioux Falls on a level playing field with New York, LA, and Atlanta, such as high-tech phone and electronic infrastructure availability, while concluding that facility costs are much lower here. *Area Development* also discusses the call center comparison in their June issue, but pulls out South Dakota's favorable tax climate, singling out SPS Payment Systems as an example of a call center facility that has chosen wisely with a Sioux Falls location.

On the other side of the coin, the annual *Direct Marketing Association 1997 Statistical Fact Book*, the most prestigious guide to that industry, compared the costs of operating a catalog fulfillment center in major Northern tier metro markets, using Montreal, Toronto, Duluth, St. Cloud and Minneapolis as comparison markets to Sioux Falls. The study found that a Sioux Falls location will cost a catalog company almost **\$1.4 million less** annually than the closest competing location, and over **\$2.5 million less** than a Minneapolis site.

Outlook magazine, a publication specifically for companies looking to expand or relocate, featured an article on South Dakota's growth, with a special emphasis on Citibank's move to Sioux Falls, and the rapid expansion of Gateway 2000—much of that growth in Sioux Falls. On the subject of expansion, both *Business & Industry* and *Area Development* ran stories on the Hutchinson Technology plan to build a new manufacturing facility in Sioux Falls, citing the positive factors which led the worldwide computer component firm to make the decision for a Sioux Falls location.

And the July 25 issue of the *Kiplinger Washington Letter* notes that despite signs that growth will taper off in the Upper Midwest as a whole, South Dakota "will do well," bolstered by \$200 million of construction in Sioux Falls. The same issue places Sioux Falls "among the strongest metro areas," including San Jose, Phoenix, Orlando and Raleigh-Durham.



Business and education leaders met in June to begin the Work Force development component of the *Forward Sioux Falls—Into The Next Century* effort. The meeting, facilitated by Bill Byrne, president and CEO of the Byrne Companies, created a dialog between business people and educators. The group developed a Mission Statement to guide the Workforce Development Council.

"To create an innovative workforce development strategy that serves as a catalyst to providing continued economic growth for the Sioux Falls area and individual opportunity for its people."

"This meeting was a demonstration of the enthusiasm for work force development from both education and business," said Gary Olson, Forward Sioux Falls chairman. "The solution to the workforce development challenges for the Sioux Falls marketplace lies in this cooperation between those who will train the workers of tomorrow and the companies who will hire those workers."

The Council will continue to meet and will develop strategies for the workforce development effort, a major element of the *Forward Sioux Falls—Into The Next Century* program.

"Our investors have clearly indicated that workforce development is a critical issue in the future economic growth of our region," Olson said. "We are committed to the creation of innovative strategies to meet this need."

The partnership of education and business leaders was identified by the Forward Sioux Falls Development Council as the most effective way of meeting the program goals. *Forward Sioux Falls—Into The Next Century* seeks to promote and assist in the training of a minimum of 1,000 workers for the labor force of today and tomorrow during the five years of the program.

Forward Sioux Falls update

Workforce
development task
force meets



Sioux Falls Development Council



Sioux Falls Development Foundation

Chairman's Report



While all of us involved in the Sioux Falls Development Foundation are proud of what we do to aid the economic growth of our community, we are very much aware that we do not work alone. Your Development Foundation has a long history of partnership with local officials including the planning department and the mayor's office and with state economic development officials and the governor. In fact, the biggest boosters of economic development in Sioux Falls outside of our organization are Mayor Hanson and Governor Janklow. They have worked with us and understand the value of economic development efforts to our community and our state. We appreciate their commitment and their partnership with us.

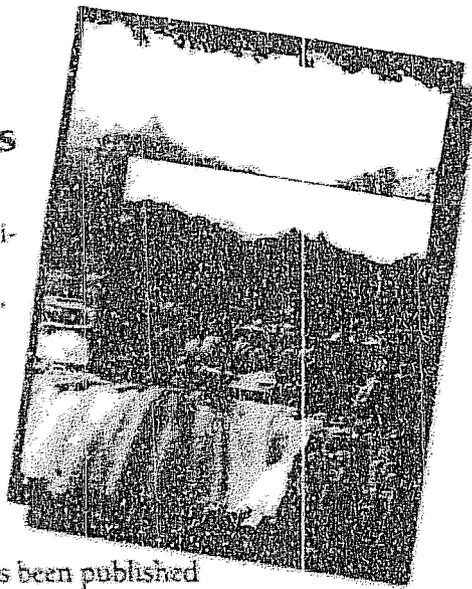
You will notice in this issue of *Directions* another story about Sioux Falls ranking near the top in a variety of business comparisons. There is a tendency to say "Ho-hum, another number one rating—what else is new?" True, we and other media sources do report these high rankings on a regular basis. But it is important to understand what these mean. The economic growth and prosperity in Sioux Falls has created a spin-off of nationwide awareness of the potential and the profit for companies locating in Sioux Falls. This bodes well not just for today, but for the future as well. So let's not get complacent about "just another #1." The more times we rate highly, the longer our economic growth will continue!

The successful meeting of business and educational leaders recently in a *Forward Sioux Falls—Into The Next Century* focus session was the first step toward a dynamic workforce development plan. We applaud the efforts of all these involved and look forward to new developments.

Tom Everist
Chairman

Sioux Falls Community Profile available to members

The 1997 Sioux Falls Community Profile, a compendium of vital data about Sioux Falls and our business climate, is available to members of the Sioux Falls Development Foundation free of charge. Members desiring a copy should stop by the Development Foundation office at 5th and Phillips to pick up their free copy.



The Community Profile has been published by the Development Foundation for the past decade. Each edition contains updated information on climate, population, education, government and business growth data. The fundamental purpose of the publication is to provide a thumbnail sketch of Sioux Falls for businesses in other parts of the United States seeking to relocate or expand their business operations.

High tech firm to re-locate in city

Adaptation, Inc., an Iowa-based company which designs, manufactures and sells electronic based communication aids for people with disabilities, is relocating its operations to Sioux Falls, Governor Bill Janklow announced recently.

Adaptation was founded in 1992 by South Dakota native Dr. Karl Eckrich, who serves as the company president today. His brother Jonathon is the vice-president of engineering for Adaptation.

"The company was impressed with Sioux Falls," said Dan Scott, president of the Development Foundation. "They felt this was a perfect location for a high tech firm. Their products are very sophisticated electronic devices which allow people with severe disabilities to perform the everyday activities so many of us take for granted."

Eckrich said that Sioux Falls has the business support the company requires, along with the computer and electronic manufacturing services they need, in addition to an international airport and affordable business property. Adaptation expects to be operational in Sioux Falls by late August.

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Karen Kuhland, Editor

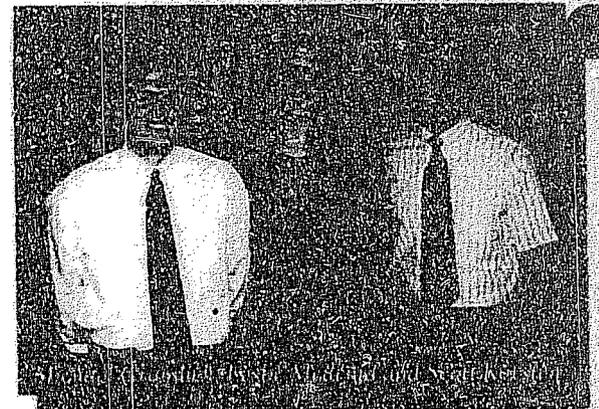
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Spirit of Sioux Falls scholarships honor the memory of Hainje, Anson and Birkeland

Three Sioux Falls students have received the 1997 Spirit of Sioux Falls Scholarship to continue their post-secondary education. The scholarships were created by the Sioux Falls Development Foundation and Forward Sioux Falls in 1993 to honor the memory of Roger Hainje, Angus Anson and David Birkeland, Sioux Falls business and economic development leaders who died in the plane crash which also took the life of Governor George Mickelson.

This year's winners are **Leslie Medema**, a University of South Dakota sophomore who will attend the University of Massachusetts this fall through the university exchange program; **Michael Gramlick**, a senior at SDSU in Brookings who already has plans for graduate school, and **Scott Korsten**, who has been taking business and economics courses locally for the past 14 years and will attend USD as a full-time sophomore beginning this fall. Gramlick and Medema are Sioux Falls natives, and Korsten has been employed in Sioux Falls for nearly 17 years.



"These students are a credit to their community and their educational institutions," said Dan Scott, Sioux Falls Development Foundation president. "The competition for the scholarships this year was very strong, and all the candidates deserve congratulations. The three students who were chosen have the dedication and determination to contribute substantially to this community in the future. We're proud to be a part of helping them to achieve their goals."

The Spirit of Sioux Falls Scholarship is administered by the Sioux Falls Area Foundation, which assisted in the judging process. Scholarships are open to Sioux Falls area post-secondary students who have completed their first year of post-secondary education. Applications are available through the Sioux Falls Area Foundation.

Sioux Vocational adds training center

Groundbreaking for the new Sioux Vocational Services Training Center was held July 22 at the organization's campus on South Western Avenue. The 2,000 square foot center will provide space to conduct staff training functions. Equipped with a service kitchen, bathrooms and a variety of audio-visual equipment, the Training Center will give SVS an on-site location to train up to 200 people. When not in use by SVS, the facility will be available for use by local agencies or businesses. For over 35 years, Sioux Vocational Services has provided services and support to people with developmental disabilities. The organization serves over 300 people, employs over 350 staff and owns or manages 14 residential sites housing over 130 people.

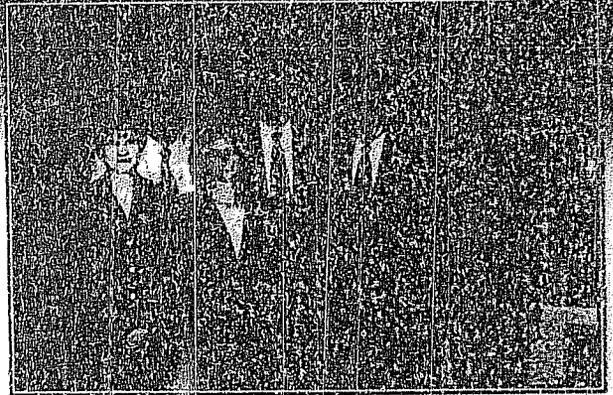


Humboldt hosts groundbreaking

A groundbreaking ceremony for the Humboldt Community Plaza, home to the Farmer's State Bank of Marion, Humboldt branch, and Donlan's Foodland & Variety Store, was hosted by the Minnehaha County Economic Development Association (MCEDA), July 1. The 11,850 square foot facility is being built by the Humboldt Community Economic Association, with support from MCEDA, the rural economic development partner of the Sioux Falls Development Foundation. The Community Plaza will also feature an additional 1,250 square feet of available office space for lease. Construction is expected to be completed in October, with Donlan's Foodland to open November 1.



Wisconsin group visits Sioux Falls for ideas



Dan Scott welcomes the Eau Claire delegation in the Sioux Falls Briefing Center.

Members of the Eau Claire, Wisconsin Chamber of Commerce and economic development group spent a day recently meeting with the staff of the Sioux Falls Development Foundation. The group, aware of the economic growth in Sioux Falls over the past decade, came to our community for a first-hand look at conditions here.

The Wisconsin delegation toured the development parks and consulted with Dan Scott, president of the Development Foundation, as well as with Jeff Eckhoff, director of rural development.

"We were very impressed with all that's going on in Sioux Falls," said Emily Matchey, Eau Claire economic development specialist. "The Development Foundation is just great, and the staff was so helpful. We were impressed with the whole community."

Land sales strong in Development Parks

The Sioux Empire Development Parks identified last year among the Top Ten Development Parks in the world, are continuing to attract new businesses. Recent land sales in the parks are strong, as new and expanding companies seek to locate there.

Recent sales include one acre in Park I to Empire Plastics and two acres in Park IV to Bronco Investment. In addition, the Sioux Falls Development Foundation has purchased 160 acres just north of Park IV from the Benson and the Lacey families in order to create a 100-acre plot for Hutchinson Technology's new manufacturing facility, with room for additional expansion at a later date.

The Development Parks are continuing their growth, and fueling the economy of the Sioux Falls area!





*Sioux Falls
Development
Foundation*

President's Report

By Dan Scott

High tech expansion is a major coup

Now that the groundbreaking ceremonies for the new Hutchinson Technology manufacturing facility are over, and construction is underway, it may be possible to take an objective look at their expansion in our community. By any stretch of the imagination, this is not a "typical" business expansion.

For one thing, just look at the numbers. HTI will be adding more than 1,000 new jobs—possibly a great deal more than 1,000 new jobs. The plant size projected will make it the largest manufacturing site in

South Dakota. And the cost of this project, somewhere around \$40 million, makes it one of the major capital investments for this year.

More importantly, note what this expansion says about Sioux Falls. This is not Silicon Valley, nor the MIT high-tech orbit in Massachusetts. This is Sioux Falls, long considered a minor meat-packing and low-tech midwestern industrial center. What does it say about our future when a **global leader in critical computer components** chooses to build its newest and most advanced manufacturing facility here?

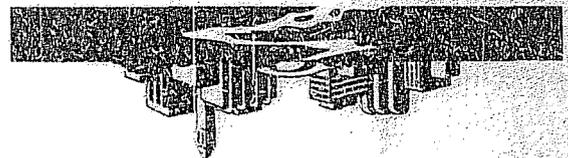
There is not a community in North America—in the world—that would not celebrate the location of this new manufacturing plant in their midst. Hutchinson Technology has proven itself to be a strong, community-oriented, progressive corporate citizen. We know that they are here to stay.

By any yardstick you care to use, this is one of the most important economic development accomplishments to ever occur in the Sioux Falls area. It is as important as the construction of the EROS Data Center, as economically stimulating as the location of Citibank (South Dakota) N.A. All of us should be proud, and excited, about Hutchinson Technology's decision. It's a major coup for our community!

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Sioux Falls Development Foundation



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DIRECTIONS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

September-October, 1997

Volume 21, Number 5

South Dakota's response to changes in the welfare system has created additional programs that could benefit employers. The emphasis of the new welfare system is on **work**, and the state has created a network that encourages families formerly on assistance to find jobs—and encourages employers to bring those people into the workforce. The new system works under the general designation of Temporary Assistance for Needy Families (TANF), and has several facets of interest to business people.



New programs
can aid employers

Most employers are familiar with the state's **On-the-Job Training (OJT)** program, which encourages employers to train new workers in occupation-specific skills. During the contracted training time, employers receive reimbursement, usually 50% of the wages paid, which helps to offset the cost and lower productivity associated with training new workers. It is expected that the employee, after training, will be retained as a full-time worker. Part-time positions are usually not eligible for OJT subsidy.

A new program, recently introduced, is **Try-Out Employment**. Employers agree to try a TANF client in a full-time job for a specific period of time according to a contract. The employer **does not pay the TANF employee wages during this contract period**. Instead, the TANF program will pay the worker a stipend, and cover the Workers Compensation costs during the Try-Out period. TANF personnel will monitor the employee's attendance, attitude and productivity very closely. It is hoped that by the end of the Try-Out period, the TANF client will be retained as a trained, valuable employee. Job Service will generally initiate Try-Out Employment contracts based on available positions with an employer.

"Our program is really ahead of the national curve on welfare reform," said Natalie Rae, TANF work supervisor. "We see many of our clients getting jobs within a week of applying for the program. Our purpose is to help people get into the workforce—and to help employers find motivated, willing employees."

Rae said the TANF program helps provide applicants with the skills they need to find jobs, through job search seminars and a resource center located at Job Service of South Dakota. Job developers and TANF Employment Specialists work with each client to help the transition from welfare to work.

Employers who have questions about the TANF job programs are encouraged to call Kathy Smith, TANF Job Developer, at the Job Service office, 367-5300.



YOU'RE INVITED

to the Sioux Falls Development Foundation

The Sioux Falls Development Foundation's annual meeting is scheduled for November 13, 1997, 3:00 p.m. in the Grand Ballroom of the Renaissance Hotel. The meeting will feature a presentation by the Governor of South Dakota, a keynote address by the Mayor of Sioux Falls, and a business luncheon. Tickets are \$15. An advance ticket purchase is available. Please mark your calendar now for November 13.

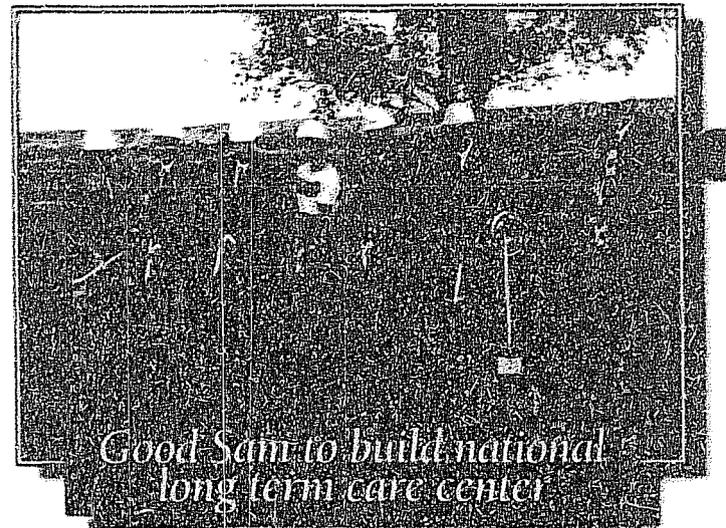
Development Park land sales could break **\$1 MILLION** by year's end

Throughout 1997, the Development Foundation has been reporting to its membership consistently strong sales of land in the Sioux Empire Development Parks. That trend has continued recently, with sales of development park land totaling over \$300,000. Sites have recently been purchased by:

- Courier Express
- J.W. Perry Floral Wholesale
- Paul Moriarty
- Norwest Bank

"These purchases of land in our parks are very significant," said Dan Scott, Development Foundation president, "because of the continued strong demand for developed sites in a proven industrial park setting. We believe we will see over \$1 million in development park land sales this year—excluding the sale of land to Hutchinson Technology for their new manufacturing facility!"

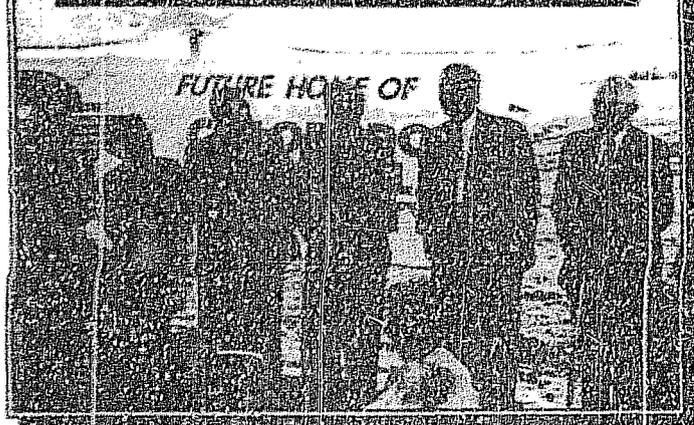
Scott said the Development Parks are currently home to nearly 80 businesses employing over 9,200 people.



*Good Sam to build national
long term care center*

The Evangelical Lutheran Good Samaritan Society, headquartered in Sioux Falls, has broken ground for a 51,192 square foot building to house their National Center for Long Term Care. This \$11,000,000 project will include a welcome center, skyway to connect the new building with the existing headquarters facility, kitchen and dining facilities, classrooms, institute offices, a telecommunications center, a retreat center and a meditation room. The new center will be used for training and to provide resources nationwide to other individuals and organizations working in the geriatric health field. A portion of the existing headquarters building will be remodeled simultaneously, and the project should be completed by late fall, 1998.

Colorado Tech breaks ground for Sioux Falls campus



Colorado Technical University, which purchased Huron University in December, 1996, is expanding its Sioux Falls operation with a new \$2.5 million campus building, under construction on six acres near the I-229 and Louise Avenue interchange. The one-story, 21,000 square foot facility will feature a two story, skylit lobby and will house classrooms, computer labs, a resource center, bookstore, student and faculty lounges, administrative offices and meeting areas. Colorado Tech employs 50 full and part-time faculty and staff and currently has 500 students. The goal for the new campus is to expand the staff complement to 100 people serving 700 students.

Farm Service Center to locate in new development park

Sioux Empire Development Park IV, near the intersection of I-229 and Benson Road, will be the home of the new U.S. Department of Agriculture Farm Service Center. The one-stop ag programs center will be at Potsdam Avenue and Benson Road, just off I-229, for maximum convenience of a rural constituency.

Brookings developer Paul Moriarty purchased land from the Development Foundation for the center, which will move into a newly constructed 8,000 square foot building after the first of the year.

Agencies to be housed in the new facility will be the Minnehaha County Farm Service Agency, formerly known as the Agricultural Stabilization and Conservation Service; the Natural Resource Conservation Service, formerly the Soil Conservation Service; Rural Development, formerly the community and housing loan portion of the Farmers Home Administration; a Rural Development District office and the Minnehaha Conservation District office. The project has been in the works since the reorganization of the U.S. Department of Agriculture two years ago.

BOARD PROFILE

Dick Viehweg, Vice President, Business Development The First National Bank in Sioux Falls

Sioux Falls native Dick Viehweg is currently serving his second term on the board of directors of the Development Foundation. A graduate of Washington High School and USD, Viehweg was affiliated with the Speedy division of United Farm Tools after college. He then began a career with Du-Al Manufacturing division of Core Industries which spanned over thirty years, serving as division president for the last twenty years of that time. He joined First National Bank in Sioux Falls in 1994.



In addition to his service with the Development Foundation, Viehweg was a member of the boards of the Farm Equipment Manufacturers Association, Sioux Valley Hospital and the Sioux Valley Hospital Foundation. He was a member of the SD Industry and Commerce Association from 1973-1994, and chairman of the Sioux Valley Hospital board in 1984-86. He currently serves on the board of Sioux Valley Health Systems Foundation and the First National Bank in Sioux Falls Advisory board.

"Dick Viehweg brings a unique perspective to the Development Foundation board," said Dan Scott, SFDF president. "In addition to his experience in manufacturing and finance, he cares deeply about the future of Sioux Falls. We are fortunate to have him on our board once again."

Sioux Falls Development Foundation

Chairman's Report

By Tom Everist



You will notice in this issue an invitation to attend our annual meeting on November 20 at the Holiday Inn City Centre. The late afternoon format of this gathering—from 4:30 to 6:30 p.m.—has proven very popular. It gives Development Foundation members and business leaders a chance to get together and exchange views on a wide range of subjects, and gives us an opportunity to fill you in on another great year for economic development in Sioux Falls! I hope to see you there.

Economic development is fueled by confidence, and this year's record-setting construction activity is tangible evidence of our tremendous confidence in

Sioux Falls' future. Land sales in our development parks have been consistently strong during 1997. We believe that more and more businesses understand the value to be found there, as well as the convenience of great rail and interstate highway connections. The Sioux Empire Development Parks are great places to do business, and more growth is anticipated.

During this record-setting year, your Development Foundation has hosted large numbers of business prospects, negotiated land purchases, made contact with executives around the nation and mailed out stacks of information. It has been an exceptionally busy year, and our staff has handled it all beautifully. Congratulations to president Dan Scott, manager of administrative and membership services Diane Andresen, research director Karen Ruhland, rural development director Jeff Eckhoff and administrative assistant Mary Archer for a job well done!



Tom Everist, Chairman

MEET THE PROSPERITY TEAM

have played a vital role in our community's successful economic development effort. The Development Foundation thanks them for their support and for playing a vital role in the future of Sioux Falls.

You, too, can be a part of this dynamic organization. For membership information, call Diane at 339-0103.

A & B Business Equipment, Inc.
 A.C. Edwards & Sons, Inc.
 AAA Collections, Inc.
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 AmeriStar Real Estate, Inc.
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 Collagen Water Conditioning
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 Dakota Beverage Co. Inc.
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 Dakota Rugger & Bed Supply, Inc.
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 Dougherty Dawkins, Inc.
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 Empire Building Service
 The Empire-General Growth Mgmt. Inc.
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 EVCO II
 F & M Bank
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 Fabcon, Incorporated
 Family Practice Physicians
 Farmer's Market
 Federal Express Corporation
 Fliegen Construction Co.
 Fireplace Professionals, Inc.
 First Bank of South Dakota, N.A.
 First Century Federal Credit Union
 First Dakota Title
 The First National Bank in Sioux Falls
 First PREMIER Bank, N.A.
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 Forever New International Inc.
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 Friesen Construction Co., Inc.
 Frisbee's Inc.
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 Home Builders Association
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 Howlin Vision Clinic
 Hughes Image Systems Inc.
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 Hutchinson Technology Incorporated
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A Washington, D.C.-based advocacy group has named Sioux Falls number ten in a list of 219 cities ranked as positive places to raise children. Zero Population Growth, advocates for lower birth rates worldwide, examined infant mortality rates, unemployment, health, economics, crime, environment and education in determining those the rankings.

"People have long believed that Sioux Falls is one of the best places in the world to raise children," said Tom Everist, Development Foundation chairman. "This survey simply confirms our opinion—and gives us a statistical basis for the information we give to business prospects that this is a great place for families."

According to the population group's executive director, the survey takes a "hard look at what's going right and wrong in our cities today and pinpoints the problems we need to tackle and the successes we need to recognize to deliver a better tomorrow for our kids."

Fargo, ND and Madison, WI, were the only other area cities which ranked in the top ten for good places to raise children. Gary, IN was the worst spot ranked, along with Detroit, Newark, NJ, St. Louis, Hartford, CT and San Bernardino, CA.

Surf on over to our website!

Internet fans are now able to get information about Sioux Falls on the World Wide Web. The Sioux Falls website, created in partnership with the Sioux Falls Area Chamber of Commerce and located at www.siouxfalls.org, provides economic development comparisons of Sioux Falls with other industrial locations, cost of living data, available buildings in the Sioux Falls area and many other important pieces of information for those seeking to learn more about our community, or to relocate here. Surf on over to the Sioux Falls website yourself—you may learn some things you didn't know!



Edgewood Living Communities

Edgewood Living Communities, Inc. of Minnetonka, MN, is constructing a 13,000 square foot, \$904,000 Edgewood Vista living facility in southwestern Sioux Falls. The secured facility is specifically designed for people suffering from Alzheimer's disease or other forms of dementia. A common activity center is the hub for four separate living areas, each resembling a beautiful home, with kitchen, family room, dining room and private bedrooms with baths. The facility, which will be staffed around the clock, has numerous design features which assist the residents with their daily living activities. Edgewood Living Communities owns and operates assisted living facilities in North Dakota, Montana and Minnesota, in addition to the new Sioux Falls construction.



Business directory now available

The 1997 directory of businesses, formerly the Manufacturers and Processors Directory, is now available at the Sioux Falls Development Foundation. This valuable publication, which lists Sioux Falls area business suppliers and other businesses, is free to those companies who participated in the survey and contributed to the information in the directory. Copies are available to others for \$20 each. Please stop by the Development Foundation office at Suite 102, Commerce Center, 8th & Phillips in downtown Sioux Falls for your copy.



DIRECTIONS

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by the

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Foundation**



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Sioux Falls
Development
Foundation

President's Report

By Dan Scott



Does Sioux Falls have available land?

While the Sioux Falls Development Foundation's main mission is to help create jobs and nurture the growth of economic development in our area, one of the first and most important questions we are asked by new or expanding businesses is "Does Sioux Falls have available land?"

That is the reason the Development Foundation entered the industrial park business over a quarter century ago. That is the reason the Sioux Empire Development Parks have expanded steadily during

these 25 years. That is the reason the Development Foundation took steps this year to acquire land to make available to Hutchinson Technology for their new production facility. In our role as planners for a stronger economic future for Sioux Falls, we must continue to be a provider of **affordable, developed land** for building sites.

That means we can't just look at 1997 and pat ourselves on the back for meeting the needs of Hutchinson Technology and the other great companies who bought land in the Development Parks this year. We have a responsibility to **think long term**, to plan for the future. The Development Foundation must scrutinize potential land purchases and anticipate a future when even more land will be required.

Fortunately, city government is our partner in this effort, with Mayor Hanson and his staff supporting and encouraging us in our planning programs. The city's Building Services department is a vital player, and a valuable source of information and planning intelligence. The future economic growth of Sioux Falls may well depend upon the availability of affordable, developed land for building and expansion. The Sioux Falls Development Foundation **must be ready** when that need arises.

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November-December, 1997

Volume 11, Number 16

Kuehn receives Spirit of Sioux Falls Award

Curtis W. Kuehn, former president of The First National Bank in Sioux Falls, is the 1997 recipient of the *Spirit of Sioux Falls Award*. The award was presented to Kuehn by Tom Everist, Sioux Falls Development Foundation chairman, at the organization's annual meeting November 20.

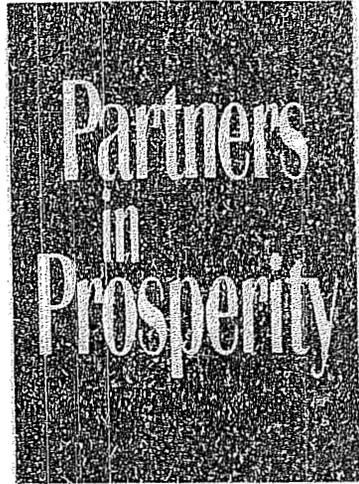
Created in memory of Roger Hainje, David Barkeland and Angus Anson, leaders of the Sioux Falls Development Foundation who tragically lost their lives in the plane crash which also took the life of Governor George Mickelson, the award is given annually during the Sioux Falls Development Foundation annual meeting. The *Spirit of Sioux Falls Award* honors exemplary service in the economic development of Sioux Falls.

A Sioux Falls native, Kuehn is a graduate of Washington High School and the University of South Dakota. He won a Purple Heart as a member of the U.S. Infantry in Korea in 1951 and has been committed to community service throughout the past five decades.

"Curt Kuehn is one of the founding fathers of the Development Foundation," said Everist. "Curt has served on the board of directors several times, and twice accepted the chairmanship of this organization when we needed his leadership."

In addition to his service with the Development Foundation, Kuehn has been a Class A director of the Federal Reserve Bank in Minneapolis, chairman of the board of the SD Automobile Association, vice president and director of the Zoological Society of Sioux Falls, a charter president of Rotary West, chairman of the Public Parking Facilities Board and a trustee of the El Riad Shrine Temple, among many other community activities.

"Curt Kuehn is a perfect example of the local business person who is totally committed to making things better in his hometown," said Dan Scott, SFDF president. "His leadership and his active participation have made a real difference in our organization—and in the growth of Sioux Falls."



Three retire from Development Foundation Board



Tony Bour



Leo Reynolds



Lyle Schroeder

Three active leaders of the Sioux Falls Development Foundation will retire from the board of directors at the end of 1997. Tony Bour, business development director for the Hegg Companies; Leo Reynolds, president of Electronic Systems, Inc., and Lyle Schroeder, retired president of Sioux Valley Hospital will go off the board after years of service to the organization and the community.

"Each of these business leaders helped to shape the Development Foundation," said Dan Scott, president. "Each accepted the chairmanship at different, critical times in the history of the organization, and each contributed to the growth and prosperity of our community. They have served as excellent examples of leadership."

Check out our website!

Internet fans are now able to get information about Sioux Falls on the World Wide Web. The Sioux Falls website, created in partnership with the Sioux Falls Area Chamber of Commerce and Convention & Visitors Bureau and located at www.sioxfalls.org, provides economic development comparisons of Sioux Falls with other industrial locations, cost of living data, available buildings in the Sioux Falls area and many other important pieces of information for those seeking to learn more about our community.

STAFF PROFILE

Hindbjorgen joins Sioux Falls Development Foundation staff

Sioux Falls Development Foundation president Dan Scott has announced the appointment of Dan Hindbjorgen as the organization's Director of Marketing.

Hindbjorgen is a native of Sioux Falls and a veteran member of the Sioux Falls Area Chamber of Commerce. During his seven years at the Chamber, Hindbjorgen served as part of the community's successful Convention and Visitors Bureau team before becoming the Chamber of Commerce Membership Sales Manager.

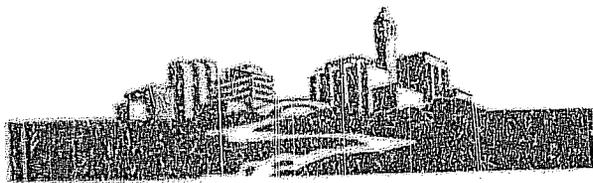
A graduate of Lincoln High School and Concordia College, Hindbjorgen is chairman of the Helpline Advisory Council of the Sioux Falls Volunteer and Information Center and a committee member for the Turning Point Valentine Fundraiser.

"Dan Hindbjorgen brings to this position a strong dedication to Sioux Falls and a working knowledge of



where this community has been and where it is going," Scott said. "His marketing expertise and organizational skills will serve the Development Foundation well."

Hindbjorgen's duties will include working with business prospects considering Sioux Falls as a location for new and expanding business, as well as marketing efforts and operational activities, Scott said.



Sioux Falls Development Foundation

Chairman's Report



As I make my last report to you as Chairman of the Sioux Falls Development Foundation, I wish to express my gratitude to all of you. Members and the board of directors, staff and civic leaders all combined their efforts to make this another record-setting year for Sioux Falls—and an exciting year for me.

Mike Hanson of NSP will be the new chairman of our organization. Mike has already proven his commitment to Sioux Falls and to the Development Foundation, and I wish him a great 1998. During the new year, we will continue to see growth in our development parks, and the excitement which will come from the implementation of the *Forward Sioux Falls—Into The Next Century* marketing plan. I congratulate our new board members: **Kelby Krabbenhoft**, CEO of Sioux Valley Hospitals and Health Systems, **Dale Ruzicka**, Hutchinson Technology's Sioux Falls manager and **Darwin Sletten**, President of JDS Industries. Congratulations also to our re-elected board members, **Steve Kirby**, **Rob Oliver** and **Linda Barker**. This is a dedicated group of community leaders, and I am proud to serve with all of them.

Another group I am proud of is the Development Foundation staff. In addition to the leadership of **Dan Scott**, president, our organization benefits from the hard work of **Diane Andresen**, our manager of administrative and membership services; **Karen Rubland**, director of research and communication services; **Jennifer Foy**, ShadowED coordinator; **Mary Archer**, our administrative assistant and receptionist; **Jeff Eckhoff**, rural development director for Lincoln and Minnehaha Counties, and our new marketing director, **Dan Hindbjorgen**. These people make your Development Foundation strong and successful.

Again, thank you all for your support and encouragement during this past year. I look forward to working with you in the future, as we continue to make our community an even better place to live and work!

Tom Everist
Chairman

STAFF PROFILE



Foy is ShadowED coordinator

Jennifer Foy, a 1995 and 1996 summer intern with the Sioux Falls Development Foundation, has returned to the staff to coordinate the ShadowED program, an element of the Forward Sioux Falls Workforce Development effort.

ShadowED is a program which links students from all Sioux Falls high schools with companies in the area in order to show students the realities of the jobs available and help companies recruit future employees. Students complete the Discover Program, a computerized career planning system, and are matched with companies who have chosen to be part of ShadowED by designating an Employee Educator to guide each student. There is no cost to student or company and both benefit from the contact.

"ShadowED really does make the classroom to career connection," said Tom Everist, Development Foundation chairman. "By having a trained, dedicated coordinator like Jennifer devoted full-time to this program, we are making steps for long and short term success in building our workforce—and keeping our young people here in South Dakota!"

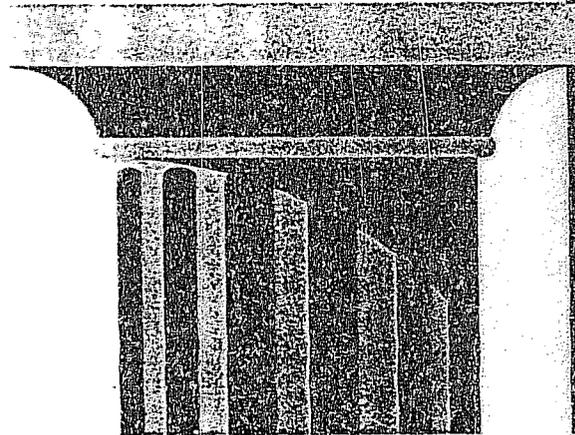
A 1995 graduate of USD, Foy will complete her graduate degree in speech communication, with an emphasis in organizational and intercultural communication in the near future. She has traveled to Strabane, Northern Ireland, as a Sister Cities Representative, working with the Strabane District Council and was advertising manager of the *Volante* student newspaper at USD.

For more information on the ShadowED program, contact Foy at the Development Foundation, 339-0103.

Our community's prosperity is driven by a partnership which includes business leaders like you who have joined the Sioux Falls Development Foundation. You can be part of the team that makes Sioux Falls strong for every company doing business here.

Become one of the Partners in Prosperity by joining the Sioux Falls Development Foundation today!

Becoming a member is easy to do. Just call us at 605-339-0103 and tell us you'd like a membership kit ASAP. Make an investment in your future—and the future of Sioux Falls. Make your business and our community stronger by joining today!



Become A Partner!

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Fax (605) 339-0055

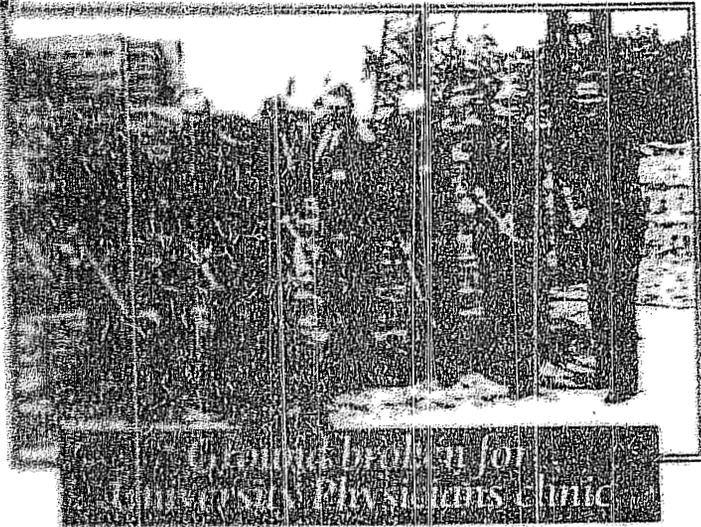
Dan Scott, President Karen Ruhland, Editor

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Tony Bour	Russ Greenfield
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Tom Jones	James Zweep

Groundbreakings



The Development Foundation hosted groundbreaking ceremonies for the \$4.9 million University Physicians clinic facility on the Sioux Valley Hospital campus. The 34,000 square foot building will consolidate four current University Physicians facilities and will house medical, administrative and billing services. Working in the new facility will be 83 doctors and 139 staff people. The new clinic is expected to be completed by January, 1999.



New West Assisted Living has broken ground on a new Sioux Falls facility, which will include two buildings with sixteen units each for older residents who require some assistance in performing their daily tasks. The buildings will be operational in January, 1998, and feature a snack bar, fireplace, sunroom with French doors, recreation room and fully integrated sprinkler, heat and smoke detection system. Two additional sixteen bed residences will be developed on land contiguous to the current facility with completion expected by mid-year, 1998.



The board of directors and staff of the Sioux Falls Development Foundation extend to you, your family and employees our very best wishes for a festive, safe and enjoyable holiday season!



A groundbreaking at Baltic Heights in Baltic, SD, was sponsored by the Minnehaha County Economic Development Association (MCEDA), partners in prosperity with the Development Foundation. The project is a partnership between the city of Baltic and a private developer to add an 80 home development plus a fifteen-acre city park. The first phase of construction will offer homes, all below \$80,000 and will open land for commercial activity along the nearby highway.



*Sioux Falls
Development
Foundation*

President's Report

By Dan Scott

Leadership keeps us moving forward!

As the Sioux Falls Development Foundation approaches the end of an extremely eventful year, we have the opportunity to examine the elements of our successes in recent years. I believe the answer lies in the names of the volunteer board members who have led this organization.

Three very strong leaders are retiring from our board this year. **Tony Bour, Leo Reynolds and Lyle Schroeder** are great examples of what keeps this

organization—and this community—moving forward and achieving the prosperity of which we are all so proud today. Each of these individuals has played a vital role in the Development Foundation's march toward the next century. As chairmen of our organization, they helped to create Forward Sioux Falls, they ensured that the Sioux Empire Development Parks would expand to provide sites for growth, and they helped to form the partnerships that link us to business, state and local government and the community at large. We congratulate Tony, Leo and Lyle, and thank them sincerely for their dedication.

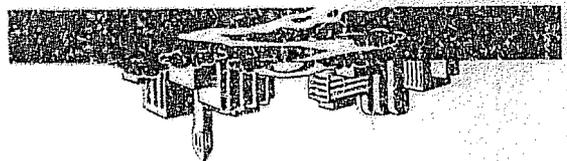
Our board of directors has a keen understanding of the importance of economic development in Sioux Falls, and has always been the driving force for growth, prosperity and maintaining a high quality of life. This past year, **Tom Everist**, as our chairman, has worked hard for the goals of the Development Foundation and has taken a personal interest in the success of the Workforce Development Council of Forward Sioux Falls.

In an era when "Lead, follow or get out of the way!" is a strong message for economic development groups everywhere, we can be proud of our leadership. They know that to keep Sioux Falls on track, the only course of action is to **lead**.

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Arena neighborhood a boom area in waiting

2-5-97

Planners believe
developers coming
as options open

One of the city's hottest development areas is the neighborhood around the Sioux Falls Convention Center and Arena. So what are the developers?

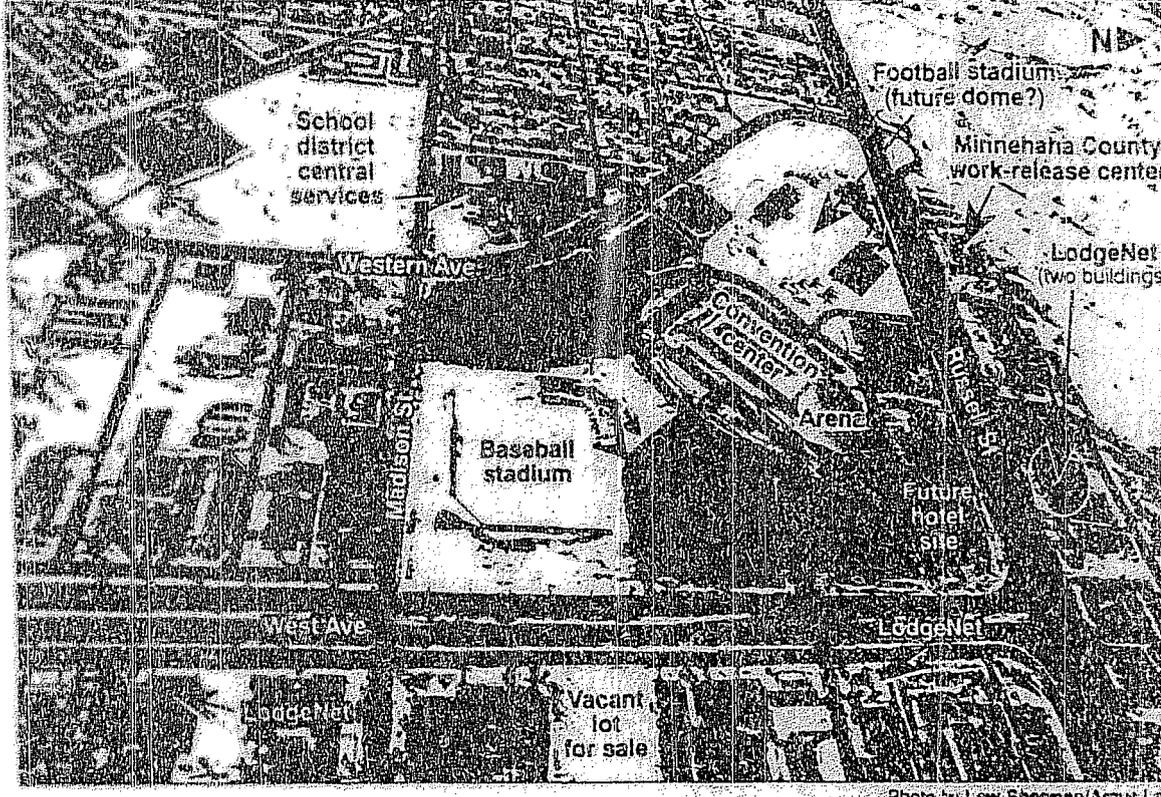
"Everyone is talking about what kind of interest the Convention Center is going to have, but I'm not aware of that many people coming to the new Convention Center," said Jim Johnson, a broker with the Sioux Falls Commercial District.

"I think most people are sitting back, waiting to see what's going to happen, waiting for the first person to take a leap."

But it is that attitude of people that have developed and planned around here and across the neighborhood will be transformed. They agree, though, that the changes will take years.

"Everyone expects that area to be developed over time. I don't expect that to happen that soon. But it will happen," said Michael Hender, a commercial real estate broker.

He represents the Good Samaritan Society, which owns a



This view of the Arena area shows four of the six buildings that LodgeNet Entertainment will vacate.

lot on West Avenue North, across from the Sioux Falls Canaries Stadium.

"Long term, the prospects are good. The question is, how long is long term?" he said.

The area is changing. The Sioux Falls Convention Center opened in January, joining the Sioux Falls Canaries baseball stadium, Sioux Falls Arena

and Howard Wood Field. Construction is scheduled to start in March on an \$18 million hotel at the southwest corner of Russell and West avenues.

In May and continuing into the fall, LodgeNet Entertainment will move out of the Arena area for a new complex near Southeast Vocational Technical Institute. LodgeNet

occupies six buildings in the area, five of them leased.

"Yes, there is going to be quite a lot of square footage on the market," said Steve Truckenmiller, a LodgeNet vice president overseeing the construction project and company move.

Arena neighborhood/ See 2A

Photo by Lew Sherman/Argus L3

City has most industry in S.D.

2-15-97

Sioux Falls tops in number of manufacturers, jobs

Sioux Falls, the state's largest city, is the industrial capital of South Dakota, according to information compiled by an Illinois-based service.

The city ranked ahead of Rapid City, the state's second largest city, in the number of manufacturing firms, according to a new publication, the 1997 South Dakota Manufacturers Register.

Sioux Falls, perhaps, is the South Dakota City finished ahead of Rapid City in the number of manufacturing jobs, according to the publication.

Sioux Falls is listed with 177 manufacturing firms and 22,512 jobs. Rapid City with 138 firms and 5,259 jobs, and North Sioux City with 59 firms and 4,565 jobs.

Sioux Falls, with a population of 19,000, is about twice as big as Rapid City. North Sioux City has a population of about 1,000.

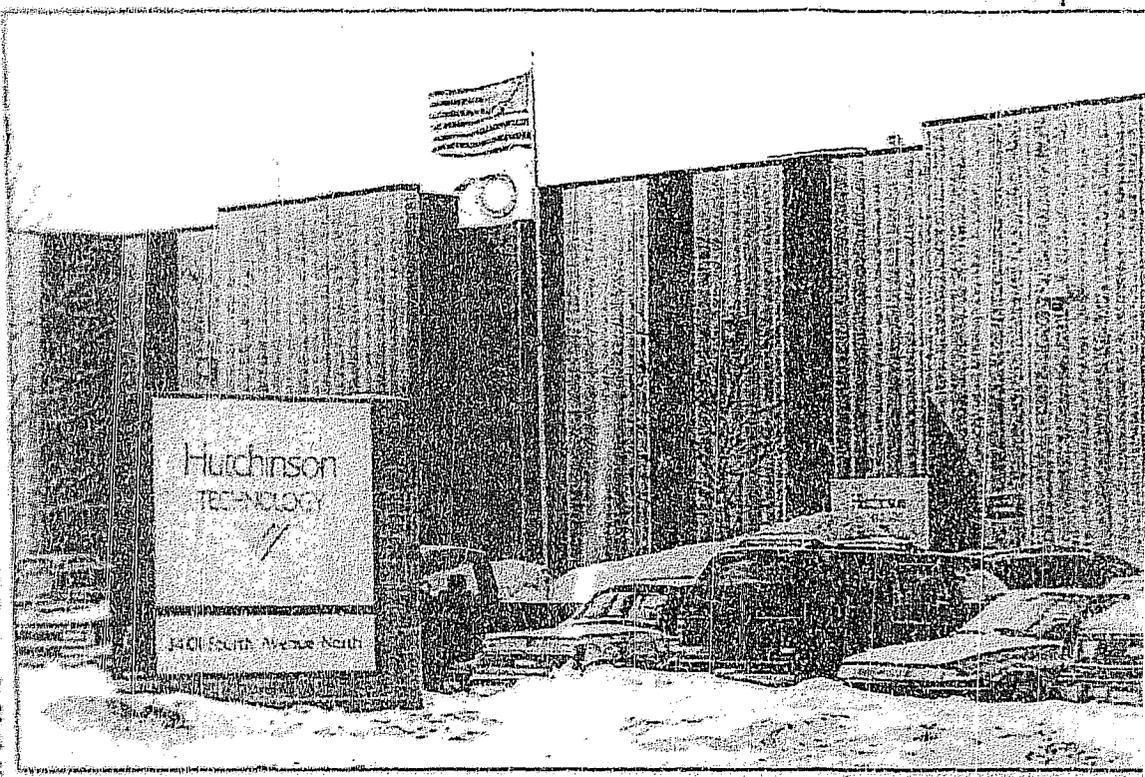
North Sioux City tied with Pierre for 11th place in the number of manufacturing plants. Pierre has 50 manufacturing jobs.

North Sioux City serves as the regional headquarters for the computer company Gateway 2000 Inc. As of Friday, the company employed about 2,000 people in North Sioux City alone.

The 1997 South Dakota Manufacturers Register was published in January by Manufacturers' News Inc. of Evanston, Ill. The company compiles information about industries within states and also directorates with profiles about those businesses.

Lesk Kalas, director of communications for the company, said information about South Dakota, a new market, will be compiled on an annual basis. The company has been gathering industrial information since 1912 and covers about 30 states.

"We really don't analyze the



Hutchinson Technology, located at 3401 Fourth Avenue North, has some of the top manufacturing jobs included in the 1997 South Dakota Manufacturers Register.

information. We strictly report on it," Kalas said Friday.

Manufacturing information is used by organizations such as sales and marketing businesses, she said.

The company's numbers about industries and jobs in Sioux Falls differ slightly from city and state data, which generally includes all of Minnehaha and Lincoln counties.

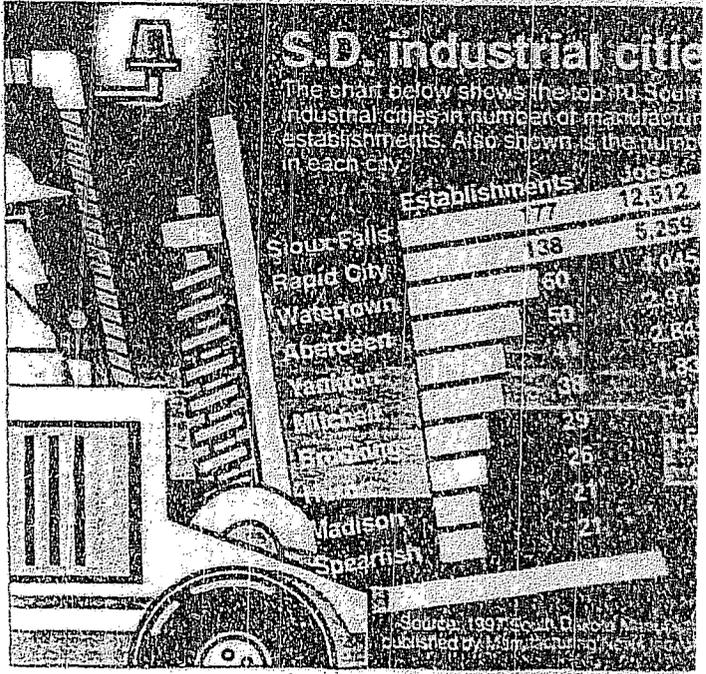
Dan Scott, president of the Sioux Falls Development Foundation, said the numbers will become more interesting in a few years, when annual comparisons can be made.

Tom Everist, chairman of the development foundation's board, said manufacturing jobs generally pay well and are desired in Sioux Falls.

"It's an important segment of the economy that we want to foster," he said.

The South Dakota Manufacturers' Register includes communities with at least four manufacturing firms.

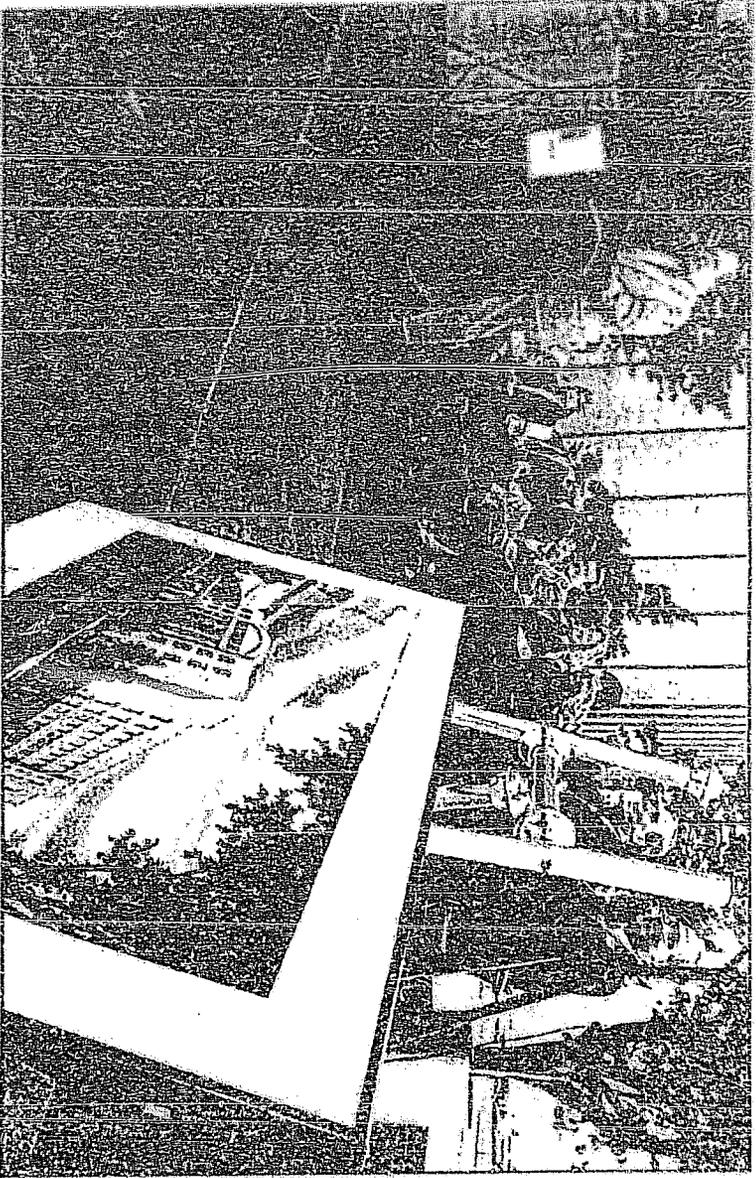
In addition to Sioux Falls and



Rapid City, other cities in the top 10 in numbers of firms are: Watertown, Aberdeen, Yankton, Mitchell, Brookings, Huron, Madison and Spearfish.

For information, contact Manufacturers' News Inc., 1 St., Evanston, Ill., 60201, phone number is 847-861-1111.

Lynn Schreibein
Rt.



Frank Robertson/ Angus Leader
 Hotel Selection Committee Chairman Don Dunham addresses the crowd gathered on Monday for the convention center hotel ground-breaking ceremony near the Arena.

Unnamed hotel breaks ground

Developer plans for upscale franchise near convention center

By SHIMADA WADE SCHMIDT
 Angus Leader Staff

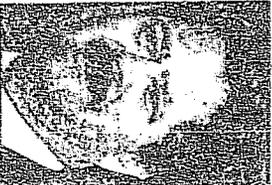
Construction workers will start tearing up ground Monday near the Arena to build a convention center hotel.

But the name of the hotel costing more than \$15 million won't be known for two weeks. Developer John Q. Hammoms is talking with

three franchisees before making a decision, said Lonnie Funk, Hammoms' regional vice president.

Hammoms doesn't have a hotel contract, a construction contract, a city contract or financing for the project.

The company is starting construction because it is confident a contract will be signed, Funk said. The company also needs to start construction to have the property enclosed by winter and



Lonnie Funk

open next spring, he said.

"One week in April doesn't seem to make a big difference. I can tell you one week in November does," Funk told more than 200 business people gathered Monday to break ground for the hotel.

The hotel, described as more upscale than originally planned, would be appropriate for any of the three companies Hammoms is considering, Funk said. Hammoms works with Holiday Inn, Radisson, Marriott, Embassy Suites, Homewood Inns and Hampton Inns.

The local market and the company's options have changed so that Hammoms is seeking a different franchise. Originally, his company proposed that the hotel, which will be built east of the Arena, would be a Holiday Inn.

"I think the economy continues to get healthier, and thus we can look at a more upgraded hotel," Funk said.

The company will hire about

Hotel specifics

About the hotel owner: John Q. Hammoms Hotels, Springfield, Mo.
 Cost: More than \$15 million.
 Rooms: 186.
 Flag: Undecided.
 Features: Artium-style, six-story property with numerous executive-quality rooms, a glass elevator, an indoor pool, a 100-seat restaurant, a lobby bar and an enclosed walkway to the convention center.

4-22-97

175 people at the new hotel. Hammoms also is entering into a contract with the city to manage the Convention Center.

KCC Construction of Springfield, Mo., the same town as the developer, is expected to act as general contractor on the hotel. The company likely will hire local companies as subcontractors, Funk said.

Retiree home plans \$5.9M expansion

5-7-97

Trail Ridge already has up most of 95 units

RANDY HASCALL
is Leader Staff

A Minnesota-based organization that operates Trail Ridge Retirement Community in southern Lux Falls is planning a \$5.9 million expansion.

American Baptist Homes of the Midwest asked the Lincoln County Commission on Tuesday to sponsor its application for \$3 million in revenue bonds.

The organization wants to add apartments to the retirement center southeast of the Louise area and Interstate 229 interchange.

The commission will consider the request at a 10 a.m. hearing May 27 in the Lincoln County Courthouse in Canton.

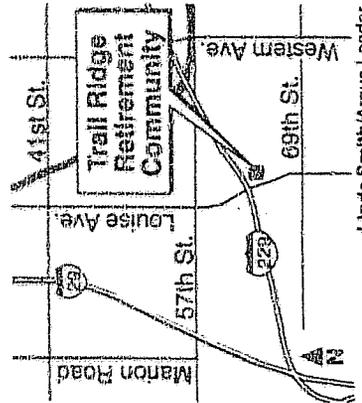
If approved, the bonds will be issued through the county at no cost to the county.

"They figure it takes 18 months to fill a facility like this," Jack Patty of American Baptist Homes told commissioners. "We did it in 14."

The 65 independent-living apartments and most of the 30 assisted-living areas at Trail Ridge are filled.

The addition would be a three-story independent-living wing on the north side of the existing structure.

Workers laid water lines for fire



hydrants Tuesday and plan to start dirt work this week.

The not-for-profit organization used \$5 million in bonds issued through Lincoln County in 1994 to build its \$7.2 million center.

People from 11 states have moved into the center.

"People are retiring and coming home," Patty said. "It has been phenomenal."

The average age of residents at the center is 84, two years older than the national average.

"What really sold the facility was God," Patty said. "The weather was so bad this winter that people kept coming in and saying they're not going through this again."

With 18 acres, the organization has room for additional expansion or projects, said Daryl Christensen of American Baptist Homes.

The project has been a rapid success because organizers lis-

ted to retired people and tried to offer what was important to them, he said.

Lincoln County isn't issuing bonds but is essentially sponsoring American Baptist, County Auditor Helen Nelson said.

Each county can be bonded \$10 million a year to help companies or organizations with projects.

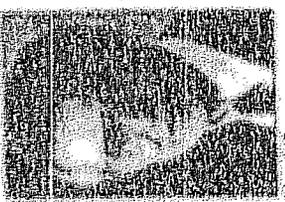
Christensen complimented the County Commission for its support.

Trail Ridge employs 45 full-time employees and the number will grow with the completion of the addition, Christensen said.

CEO cheers Raven's 'quality earnings,' soured on quality earnings

Shareholders gather for annual meeting

BY RAINKOLA MADE SURE
 Shareholders of Raven Industries Inc. gathered in St. Paul today for the company's annual meeting. The meeting was held at the St. Paul Hilton Hotel. Raven Industries is a public company that manufactures plastic products. The company's earnings have been strong in recent years, but its stock price has fallen in the past few months. The CEO, David Christensen, said that the company is focused on long-term growth and is committed to providing high-quality products to its customers.



David Christensen, CEO of Raven Industries, said that the company is focused on long-term growth and is committed to providing high-quality products to its customers. He also mentioned that the company is looking for new opportunities to expand its operations in the future.

Christensen, 57, gave a pep talk to 75 shareholders at the company's annual meeting at the Rainkola Inn in St. Paul. This past year's performance was strong, but the stock price has fallen in the past few months. Christensen said that the company is focused on long-term growth and is committed to providing high-quality products to its customers.

The company's earnings were strong in the past year, but its stock price has fallen in the past few months. Christensen said that the company is focused on long-term growth and is committed to providing high-quality products to its customers.

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Christensen thanked his employees at the annual meeting. He said that the company is committed to providing high-quality products to its customers and is looking for new opportunities to expand its operations in the future.

About the company
 Raven Industries Inc. is a public company that manufactures plastic products. The company's earnings have been strong in recent years, but its stock price has fallen in the past few months. The company is focused on long-term growth and is committed to providing high-quality products to its customers.

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Menards triples store size

Expansion creates the biggest store

Menards has opened a new store at 3001 Shirley Ave. in Sioux Falls, S.D. The new store is nearly three times the size of the old store nearby, which will stay open for six more weeks.

The new store is somewhat different than the old location. It's brighter, has some lumber storage inside, numerous television sets with product information videos, 14 checkout stations and a small vending area where employees or shoppers can sit down and grab a snack.

"We're trying to make it kind of a fun shopping experience so everybody has a good time," Menard said. "More is the watchword. There's more of everything," he said.

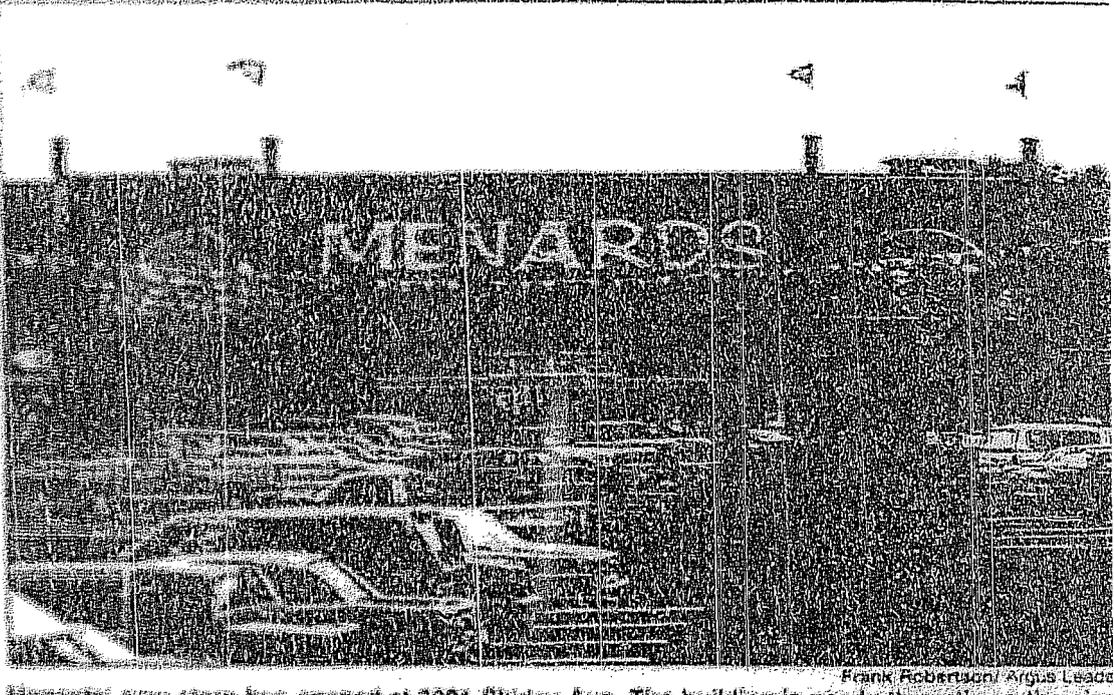
Menard's new store at 3001 Shirley Ave. is nearly three times the size of the old store nearby, which will stay open for six more weeks.

"We don't really had as many things to sell that we didn't have space to display," Menard said. "We just couldn't fit any more into the old store."

The Sioux Falls store is about the size of all the other stores the company has. It's about 100,000 square feet, including a building, Menard said.

"It's big," said Carl DeHaven, Menard's manager of the store. "We're going to have a better price on things to have as customers," he said.

Menard's opened its Sioux Falls store in 1988. The company also has stores in Mitchell and Watertown and is looking to expand



Frank Robertson/Argus Leader

Menards' new store has opened at 3001 Shirley Ave. The building is nearly three times the size of the old home supply store nearby, which will stay open for six more weeks.

"It's big," said Carl DeHaven, Menard's manager of the store. "We're going to have a better price on things to have as customers," he said.

"We found the staff we were looking for without any problem, and we picked up a couple other things they had on special," he said.

DeHaven, who is retired, likes the retail growth in Sioux Falls.

"I think the more large stores we have the more competition there's going to be and the better prices we're going to have as customers," he said.

Menard's opened its Sioux Falls store in 1988. The company also has stores in Mitchell and Watertown and is looking to expand

City and Aberdeen. Menards, which started in 1980, has about 130 locations in the Midwest.

The store eventually will get competition from Home Depot, which is part of a development planned for northeast of Menards in the Meadows on the River area.

"We welcome the competition," Menard said. "We think we know the Midwest better than they do."

While the two Sioux Falls Menards locations are open, the company is employing about 200 people, including college students and employees from other company locations. When the old store closes, the number of employees will drop to about 150, Menard said.

The new store is somewhat different than the old location. It's brighter, has some lumber storage inside, numerous television sets with product information videos, 14 checkout stations and a small vending area where employees or shoppers can sit down and grab a snack.

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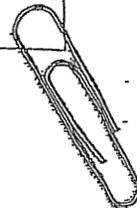
CONTINUATION

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S.D. housing leaps 8.2 percent in 6 years

By [unclear] Argus Lead

The state's housing market has shown a steady upward trend in the past six years, with a 8.2 percent increase in the number of housing units, according to a report released by the U.S. Census Bureau.

The report said that housing in South Dakota has been a strong performer, outpacing many other states. The increase in housing units is attributed to a combination of factors, including a strong economy and a growing population.

During the period covered by the report, South Dakota's housing market has shown a consistent upward trend, with a 8.2 percent increase in the number of housing units.

"The housing market in South Dakota has been a strong performer, outpacing many other states," said the report. "The increase in housing units is attributed to a combination of factors, including a strong economy and a growing population."

South Dakota's housing market has shown a consistent upward trend, with a 8.2 percent increase in the number of housing units. This growth is a reflection of the state's strong economic performance and its growing population.

By [unclear] Argus Lead

The report also noted that the housing market in South Dakota has been a strong performer, outpacing many other states. The increase in housing units is attributed to a combination of factors, including a strong economy and a growing population.

The report said that housing in South Dakota has been a strong performer, outpacing many other states. The increase in housing units is attributed to a combination of factors, including a strong economy and a growing population.



Construction vehicles crowd the streets amid newly built houses on Bonnie Court west of John F. Kennedy Elementary in southwestern Sioux Falls.

Sioux Falls accounts for about one-third of the state's housing growth, Miller said. The biggest impetus for new home construction in the 1990s is the 100,000 to 150,000 new jobs, he said.

Sioux Falls has benefited in part from good job growth, which helps consumers decide to build a house, he said.

"I wish buying a home, people had a long way ahead and say, 'I have a job this year. Will I have one next?'" Miller said.

While South Dakota has done a great job adding homes in the past, it needs more, said Tony Hernandez, representative with the Housing and Urban Development Office in Denver.

"You have more housing than you had before. That is a good thing," he said. "The down side is you don't have as much as you need."

HUD is working to improve home ownership nationwide. That means South Dakota needs another 11,000 single-family homes. In 1994, 60 percent of new residents owned their

How housing units fare around the nation

A Census Bureau report released Monday showed that Nevada leads all states in housing growth with a 11.9 percent increase from 1990 to 1996.

Idaho had the second highest growth rate with 10.5 percent, followed by Georgia at 10.1 percent, Utah with 10 percent and Arizona at 10.9 percent.

The District of Columbia had the nation's only decline in housing units with a 3.6 percent

drop.

Here is how states near South Dakota fared against the national average of 7.1 percent. The Midwest had a 6.1 percent growth.

- Iowa --- 4.7%
- Minnesota --- 7.1%
- Montana --- 3.3%
- Nebraska --- 5.6%
- North Dakota --- 5.3%
- South Dakota --- 8.2%
- Wyoming --- 2.9%

own home, about 100,000 households in the state. That has since increased to 185,000.

The goal is to have 191,000 by the year 2000, Hernandez said.

"You guys are doing well, but there's great opportunities to doing more," he said.

Young people, single heads of households and minorities are populations that can be served better, he said.

Households headed by those 35

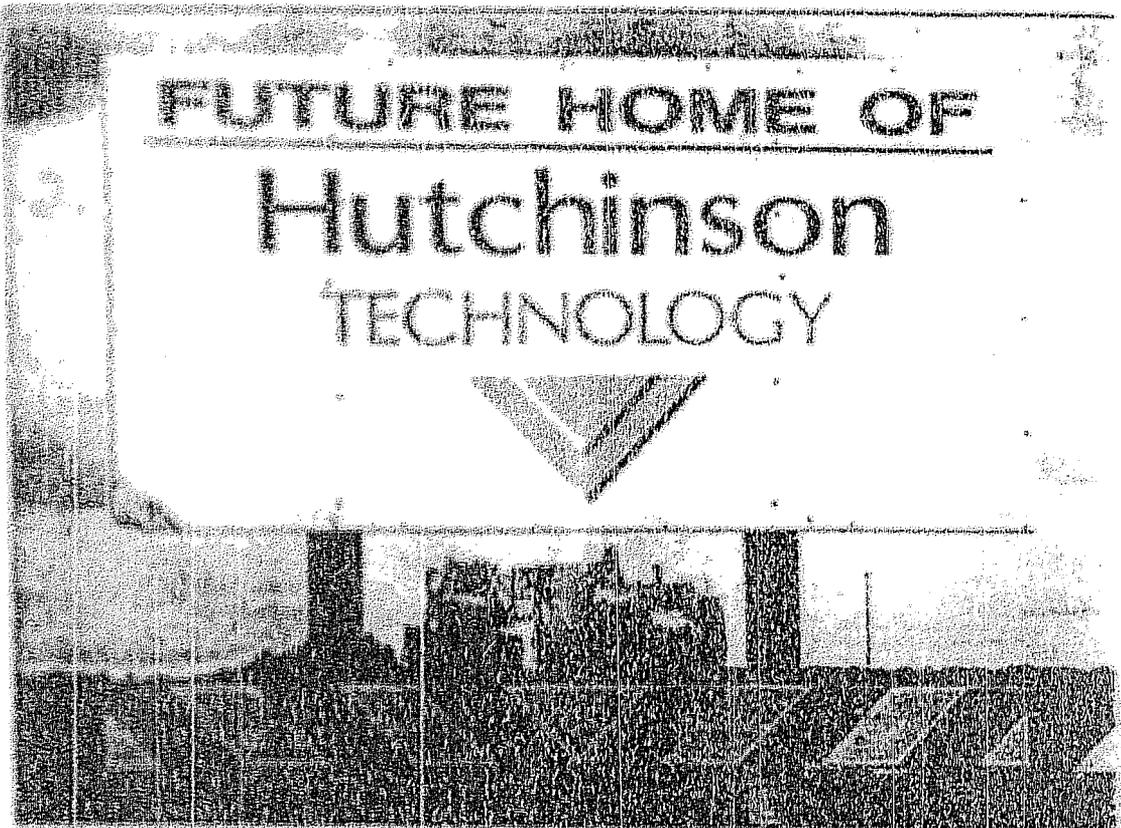
and older increased. But households headed by those 25 to 34 decreased 15 percent, Census data shows.

Dar Baum, executive director of the South Dakota Housing Development Authority, said the state's first-time home-buyer program saw loan approvals rise 25.6 percent for the year ending June 30.

"We certainly haven't seen it slow down," she said.

Hutchinson holds groundbreaking today

FUTURE HOME OF Hutchinson TECHNOLOGY



Greg Lacey/Argus Lead

The new manufacturing plant is under construction at Hutchinson Technology's new site north of the Pepsi plant on near Pentstemon Avenue, just off the Interstate 229 and Benson Road interchange.

"We're excited to capacity right now," Ruzicka said.

"Over the building is capped, we can get back to it, and the construction people are moving in," Ruzicka said.

The first of two manufacturing lines is expected to be ready next year.

The entire complex is expected to be finished in September or October of 1997.

Bob Saboury, a vice president for John Deere's investment services in Minneapolis, markets technology-based manufacturing. Hutchinson is a global leader in computer-controlled laser cutting.

"We are well positioned in the industry," Saboury said.

In addition to Sioux Falls, Hutchinson has plants in Hutch-

inson, Minn., and Eau Claire, Wis.

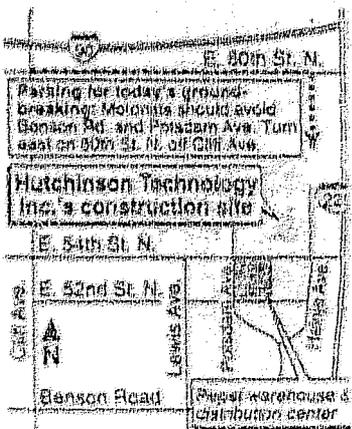
The existing plant in Sioux Falls employs more than 1,300 people.

The plant has expanded its work force slightly since announcing its expansion plans, but does not have room for many more employees.

"We're filled to capacity right now," Ruzicka said.

The unemployment rate in the Sioux Falls area dropped to 1.8 percent in May, down from 1.9 percent a year ago. The state-wide jobless rate in May was 2.3 percent, and the national rate was 4.8 percent.

The average pay for entry-level jobs at the Hutchinson plant averages slightly more than



Linda Smith/Argus Lead

\$13,000 per year.

"We're still very positive about the work-force supply," Ruzicka said.

Sox Falls/Lincoln and Minnehaha County EDA

Business Development Division in Charge of Areas A's Future Growth Areas

Lincoln County is one of the most rapidly growing areas in the state. The county is rich in natural resources and has a strong economic base. The county is also home to a number of major industries and is a major center for manufacturing and service industries.

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Business Development

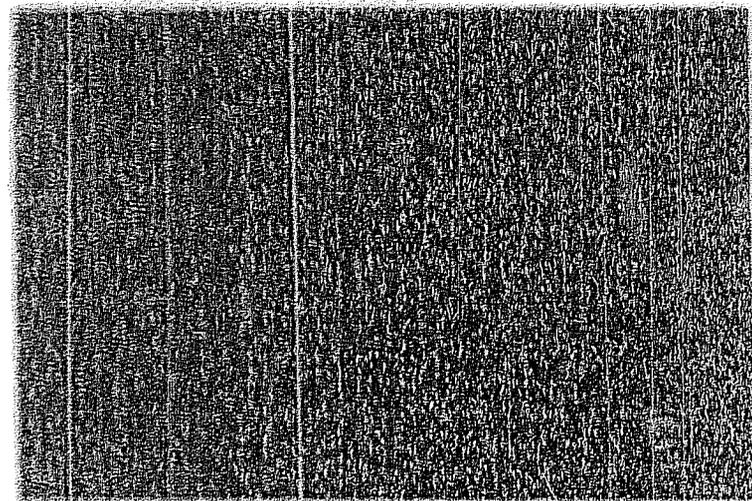
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At A Glance

- 100 square miles

Contact Information

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Sox Falls, MN 55055

1997

LINCOLN COUNTY

ECONOMIC DEVELOPMENT

ASSOCIATION

(LCEDA)

Lincoln County unity could boost economy

County unity could be the key to economic recovery and growth, according to the Lincoln County Development Association.

County unity is the key to economic recovery and growth, according to the Lincoln County Development Association. The association is made up of business, labor and professional people. It is the only organization in the county that represents all these groups.

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EDITORIAL

The issue of county unity is a matter of great importance to the Lincoln County Development Association.

The Lincoln County Development Association is the only organization in the county that represents all these groups.

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QUOTABLE

"The only way to ensure that there is unity is to support for protecting their property from taxes to the extent of the maximum amount permitted by the Constitution." - Tom Dugan, 1984 County Judge.

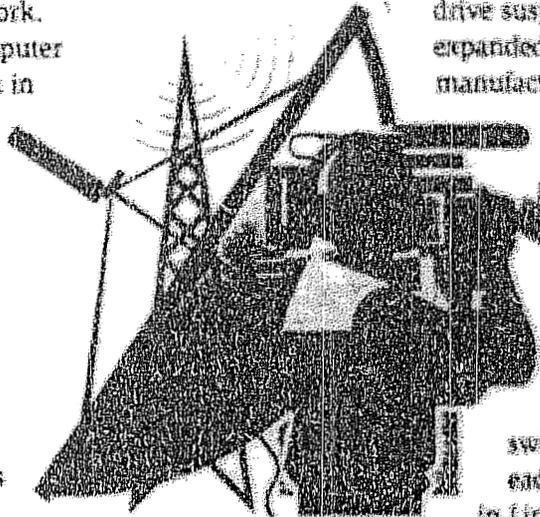
Lincoln County

The tools for growth worldwide

A Lincoln County location for your business keeps you right at the center of today's business communications network. With an established, tested computer and telecommunications system in place throughout the county, any company is instantly linked to customers, markets and affiliates around the world.

Technology businesses thrive

High technology companies co-exist comfortably with agricultural operations in Lincoln County. Gateway 2000, the nation's largest direct marketer of computers,



utilizes a base in our market for their customer service and sales division. Hutchinson Technology, the world's largest manufacturer of computer disk drive suspension assemblies, has recently expanded their operation here. Numerous manufacturing facilities throughout Lincoln

County rely on high technology for consistent business growth. High technology communication systems connect such businesses in Lincoln County with customers, suppliers and markets around the world. The global infrastructure of fiber optic networks and state-of-the-art switching systems linking businesses to each other instantly is well established in Lincoln County. From here, you can do business with anyone on the planet while enjoying all the amenities of a rural location.

The telecommunications system in Lincoln County is as good or better than anywhere in the country. Fiber optic lines crisscross the area and we have the biggest switch available—the same as in New York or Chicago. The rural-urban distinction is disappearing. The technology is here, and there are no more life issues to consider. Here in Lincoln County, you find the same level of service in the low season. We find that people who want to come here to do business will find it here.



TOM HERTZ
CEO & General Manager
Dekota Cooperative Telecommunications, Inc.
Regional providers of telecommunications, Internet, data and video services.

Lincoln County

...and the most beautiful in the state.

I

...and the most beautiful in the state. Lincoln County offers incentives, combined with... incentives making it easy to choose Lincoln County as a... and other family.

Property Tax Abatement programs

The... have enacted... structures or additions to... be taxed at a lower rate. This... of property tax... following construction. The... to... available to you for... in Lincoln County.

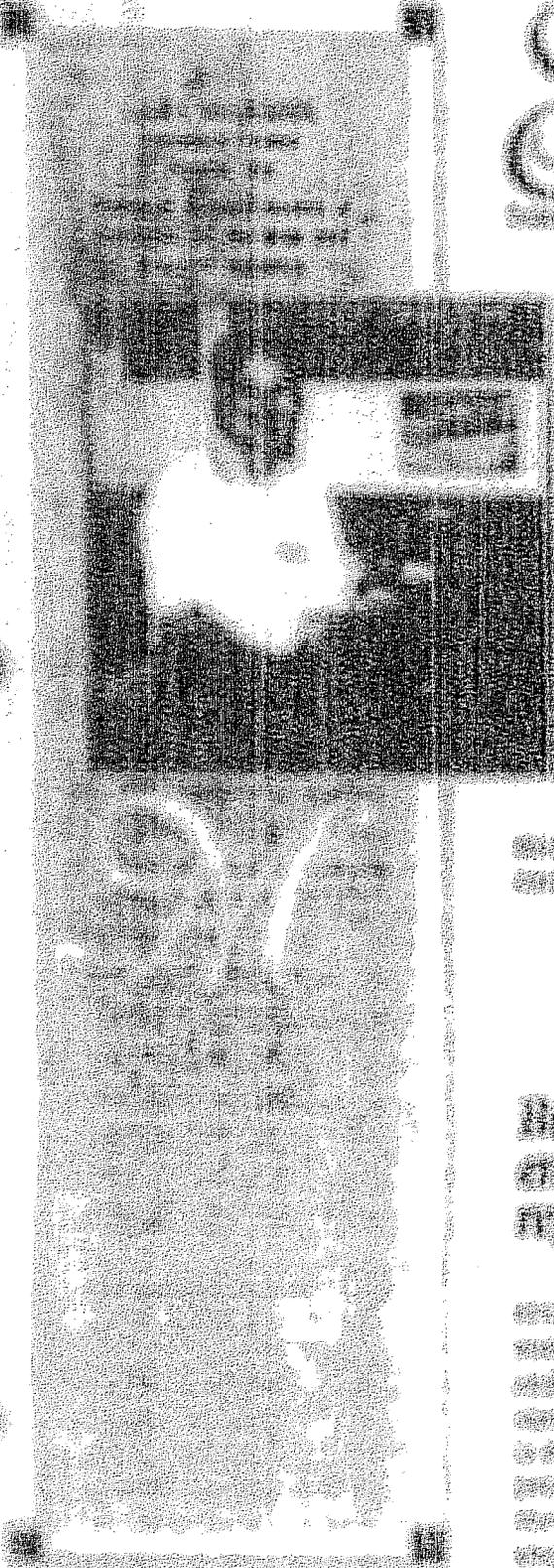
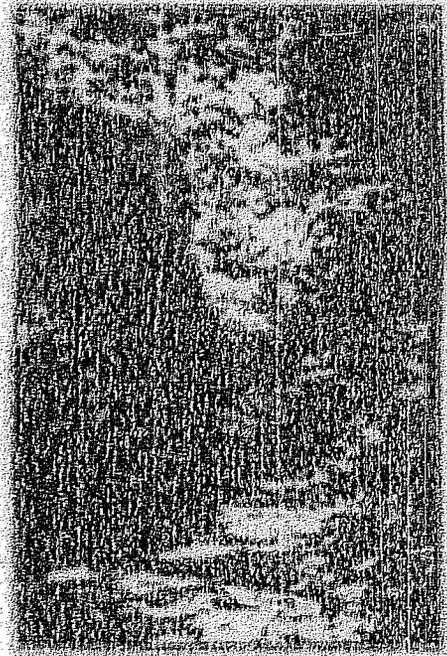
Low Worker's Compensation rates

South Dakota has traditionally been known as having... rates in the... for... of payroll.

Arkansas	14.24
California	14.52
Illinois	14.75
Missouri	14.78

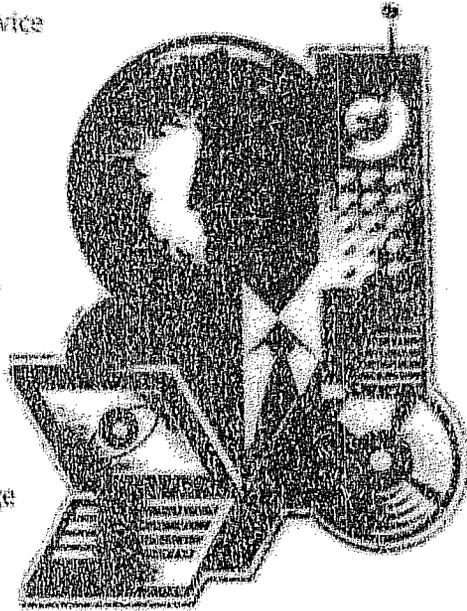
Business friendly environmental regulations

Lincoln County and the... of South Dakota... The... is designed to protect and... without... as



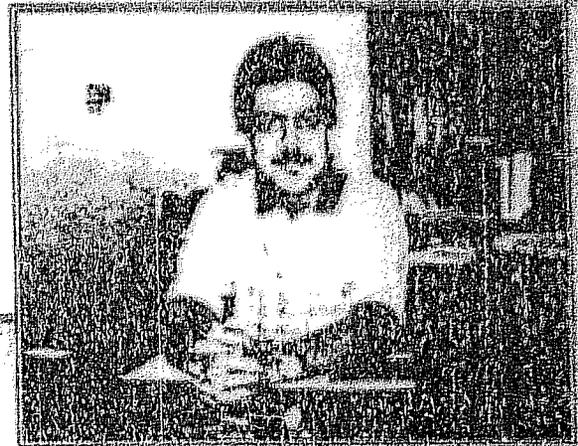
Flights connect to the world

The Sioux Falls regional airport is home to five carriers, as well as recently upgraded facilities for FedEx and UPS, which consider Sioux Falls an important hub. Every community in Lincoln County is within a 30 minute drive of this vital air link. In addition, the U.S. Customs Service maintains a Port of Entry at the Sioux Falls Regional Airport, so international shipments can come right into Lincoln County, clearing customs here. And a Foreign Trade Zone has been approved for our MSA, including the Regional Airport and warehousing facilities nearby, so that foreign shipments can be held for reshipment without the necessity of going through U.S. Customs here—an advantage to foreign trade.



A growing network of ground transportation

Lincoln County has direct access to Interstate Highways 29 and 90, making it possible for local businesses to efficiently utilize ground-based transport to assure growth. Over fifty trucking companies are based in the area, with over-the-road and less-than-load capabilities. Maintaining our infrastructure is a major priority, and raw materials, consumer goods and finished industrial products flow in and out of Lincoln County every day.



ADEEL TAIDI
Vice President & General
Manager, Behr Heat Transfer
Systems, Inc.

International manufacturers
of Heat Transfer Systems
(Engine Cooling and HVAC)
for John Deere Co.,
Freightliner, Cummins
Diesel and others.

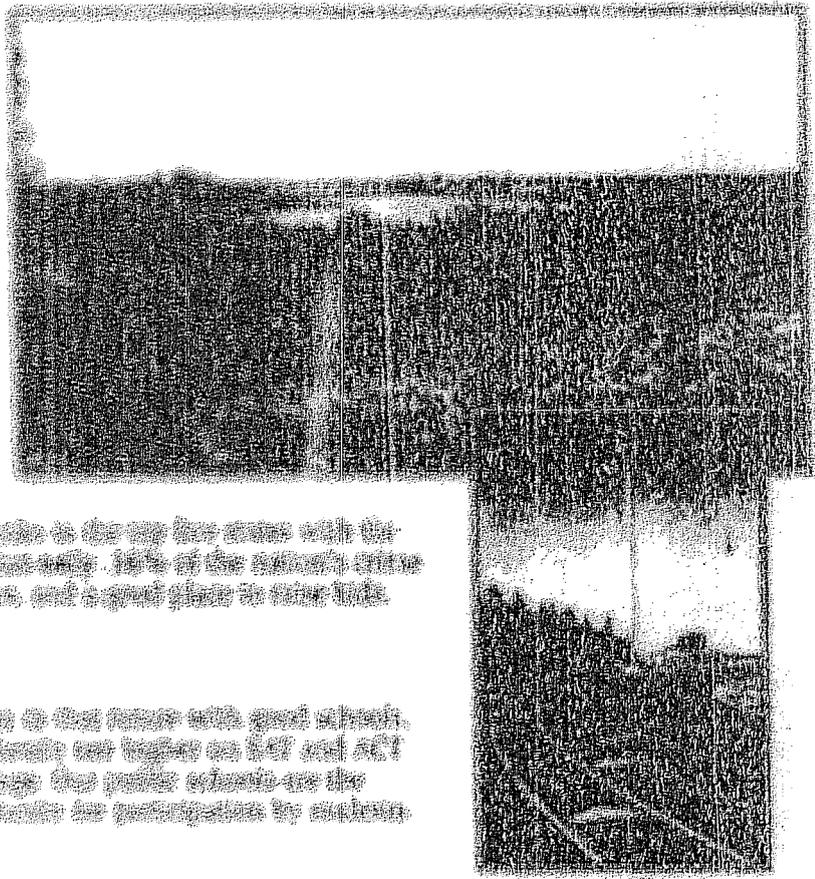
Lincoln County

...and more for your family to enjoy

The Lincoln County community is one of the most beautiful in the state. It has a rich history, a beautiful landscape, and a friendly atmosphere. It's a place where you can enjoy the best of both worlds. The Lincoln County community is one of the most beautiful in the state. It has a rich history, a beautiful landscape, and a friendly atmosphere. It's a place where you can enjoy the best of both worlds.

Lincoln County Important features

Lincoln County is a beautiful area with a rich history and a friendly atmosphere. It's a place where you can enjoy the best of both worlds. The Lincoln County community is one of the most beautiful in the state. It has a rich history, a beautiful landscape, and a friendly atmosphere. It's a place where you can enjoy the best of both worlds.



We care about education

Creating an environment where we can learn is the focus with great schools. Lincoln County is a beautiful area with a rich history and a friendly atmosphere. It's a place where you can enjoy the best of both worlds. The Lincoln County community is one of the most beautiful in the state. It has a rich history, a beautiful landscape, and a friendly atmosphere. It's a place where you can enjoy the best of both worlds.

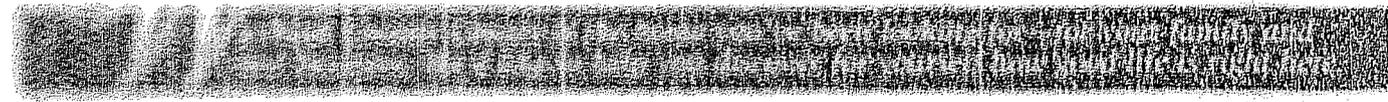


Take time out for recreation

Challenging golf courses, beautiful state parks and great fishing waters are just a few of the recreational opportunities in Lincoln County. This is a place where you can fly a kite with your kids, watch a beautiful sunset from your back porch, take a bike ride over rolling hills or go out for some of the best steak in the county. Hunting and fishing are a big part of our lives here, and the country-side beckons, with some of the best hiking and camping in South Dakota right here in Lincoln County.

City atmosphere just minutes away

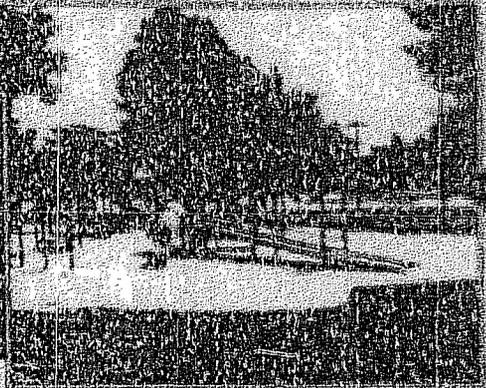
Some in any of the Lincoln County communities is just minutes away from the restaurants, concerts, galleries, professional sports and movies of Sioux Falls. Lincoln County offers all the advantages of a metropolitan area with the best of small town life. You'll discover a place with the best of what we all hold dear—but which so often disappears in the haze of modern life and big cities.



business and industry. Most state and county environmental regulations maintain this balance by approximating the minimum federal environmental standards.

Affordable land with established infrastructure

Several LCEDA communities have developed industrial parks, with infrastructure in place to save you money in building or expanding your company. Land in these communities offers prime access to railroad, interstate highway and air service, and are surprisingly affordable, especially when compared to similar sites in metropolitan areas. Most importantly, LCEDA can work with you to find a site that is ideal for your business, whether you are seeking an industrial, commercial or office operations location. And residential property is a bargain in Lincoln County, too!



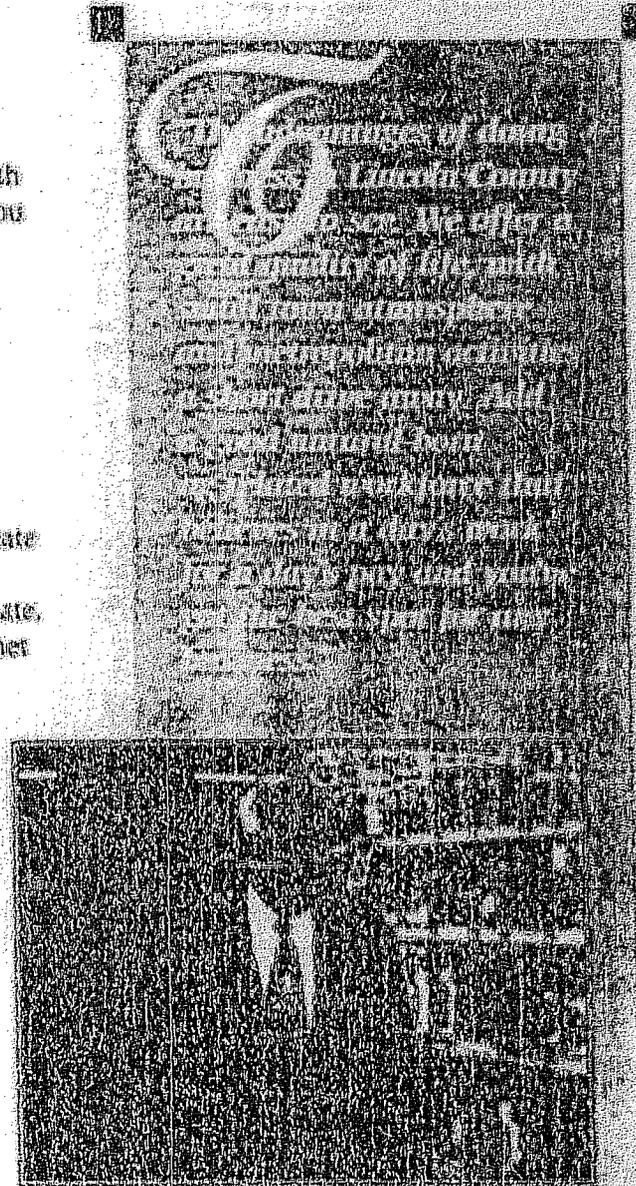
REDI Fund Loan program

Administered by the Governor's Office of Economic Development, the Revolving Economic Development and Initiative (REDI) Fund Loan program was developed to create primary jobs in South Dakota. These jobs "provide goods and services which shall be primarily exported from the state, gain market shares from imports of the state, meet an unmet need into an area, have a stimulative effect on other businesses or assist a community in diversification and stabilization of its economy." The REDI Fund may provide up to 45% of the total project cost and requires the applicant to secure the matching funds before applying to the Board of Economic Development. Interest rates are generally three percent. The loan can be amortized over a maximum of 20 years and is due within five years.

In addition, other financing programs are available because of the rural nature and economic development efforts of the LCEDA communities.

Flexibility in utility rates

Utility costs in Lincoln County are among the most favorable in the Midwest, and utility companies in the LCEDA communities are the strongest proponents of industrial growth. As a result, utility rates in the county are an excellent value. LCEDA will be glad to provide gas, electric, water and sewer availability and cost information for each community.



VING MUSCH
Owner, Lincoln Industrial Parks
President of community
development corporation.

Lincoln County leads S.D. with 4.2% population growth

Most of increased census from sustained growth of Sioux Falls

Lincoln County, South Dakota, has led the state in population growth, according to the U.S. Census Bureau's 1980 report. The county's population increased by 4.2 percent, the highest gain among all South Dakota counties. The state's total population grew by 1.8 percent during the decade. Lincoln County's growth was primarily due to an increase in the number of people aged 18 and over, which rose by 5.1 percent. The number of children under 18 fell by 1.1 percent, while the number of people aged 65 and over increased by 0.8 percent. The county's population in 1980 was 102,000, up from 97,000 in 1970. The growth was sustained throughout the decade, with annual increases ranging from 0.4 to 0.8 percent. The county's growth rate was significantly higher than the state's average of 1.8 percent. The U.S. Census Bureau's report shows that Lincoln County's growth was primarily due to an increase in the number of people aged 18 and over, which rose by 5.1 percent. The number of children under 18 fell by 1.1 percent, while the number of people aged 65 and over increased by 0.8 percent. The county's population in 1980 was 102,000, up from 97,000 in 1970. The growth was sustained throughout the decade, with annual increases ranging from 0.4 to 0.8 percent. The county's growth rate was significantly higher than the state's average of 1.8 percent.

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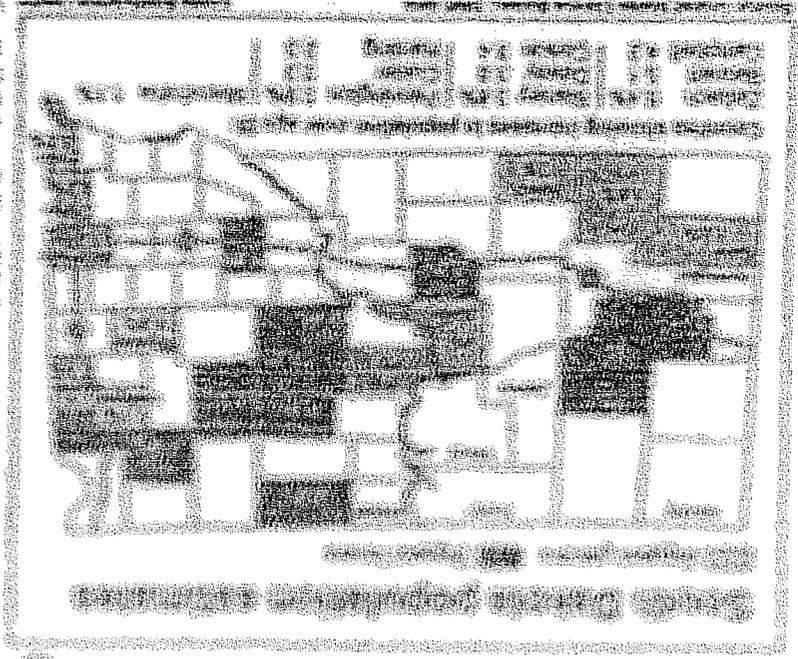
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Population

The population of the United States in 1950 was approximately 150 million. This represents a significant increase from the 75 million recorded in 1920. The growth is primarily due to immigration and a high birth rate. The population is distributed unevenly across the country, with the highest concentrations in the Northeast and Midwest. The South and West have seen rapid growth in recent years, particularly in the Sun Belt region. The population is becoming increasingly diverse, with a growing number of ethnic groups and languages spoken. The average life expectancy at birth is 70 years, and the literacy rate is 98 percent. The population is projected to continue to grow, reaching approximately 200 million by the year 2000.



The building shown in the photograph is a typical example of the architecture of the early 20th century. It features a symmetrical design with a central entrance and a series of windows on either side. The building is made of brick or stone and has a flat roof. The photograph is taken from a low angle, looking up at the building, which emphasizes its height and scale. The image is grainy and has a high level of contrast, which is characteristic of a photocopy or a low-quality print.

Design

The design of the building shown in the photograph is a classic example of the Collegiate Gothic style. This style is characterized by its use of traditional Gothic architectural elements, such as pointed arches, ribbed vaulting, and flying buttresses, combined with the materials and forms of a modern building. The building's design is both functional and aesthetically pleasing, reflecting the architectural trends of the early 20th century. The building's design is a result of the influence of the Arts and Crafts movement and the Gothic Revival. The building's design is a testament to the skill and creativity of the architects of that time.

1997

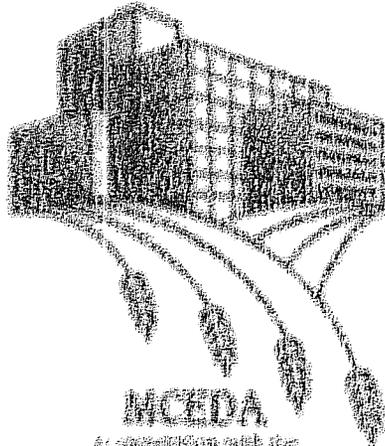
MINNEAPOLIS COUNTY

ECONOMIC DEVELOPMENT

ASSOCIATION

(MCEDA)

1997 Annual Report



NCEDA

A partnership with the
Statewide Development Foundation

Business Center

4900 E. 250 South Phillips Avenue

PO Box 207

Waco, TX, 76791

Phone (817) 514-4140

**President's
Message**

By Jim Wilcox



As we prepare for 1998, the Minnehaha County Economic Development Association can look back on a year of progress in our communities, in our county and in our organization.

One of the established rules of thumb for economic development is that 80% of growth comes from the expansion of existing businesses. As our communities expand, with new home construction and population growth, we have seen a corresponding expansion of our business communities. Industrial growth has also been a factor this calendar year, with the expansions of Lou-Rich and Luverne Truck Equipment in Brandon.

New projects were also in the spotlight this year. The Dell Rapids Industrial Park was created, with a partnership being forged between the city of Dell Rapids and the Industrial Development Association there. The

Habit Heights housing development and city also underlines the partnership aspect of economic development, as the public and private sectors work together for a stronger community. The Humboldt Plaza project featured the construction of an 11,880 square foot retail facility, bringing a bank and a needed grocery store to Humboldt. MCEDA is proud to have hosted groundbreaking ceremonies this year for developments that are making a difference in our county.

Another major step taken by our organization this year has been the creation of the MCEDA Revolving Loan Fund. This \$100,000 fund is designed to stimulate economic growth in the county and will be flexible enough to assist projects which may not be eligible for industrial-based financial assistance—the state's RLFII fund, for example. We will be able to help get retail operations, housing and service industries off the ground throughout Minnehaha County. It's a big step—and an important one!

As the MCEDA partnership continues to become stronger and involves more and more people throughout our communities, we can all be proud of the teamwork that keeps our county growing! Congratulations on another great year.

**Unincorporated areas
fueled by residential construction**

The unincorporated areas of Minnehaha County continued to show residential growth in 1997. The growth of nearby communities makes a home in the country a viable alternative to living in the city.

In 1996:
Permits issued.....313
Total valuation.....\$14,768,557

In 1997 (through September):
Permits issued.....323
Total valuation.....\$14,223,413

1997 Categories

January through September (by thousands of dollars):

Residential:	
New.....	\$ 9,930.40
Remodel.....	\$ 2,236.40
Commercial & Industrial:	
Total.....	\$ 1,739.50
Agricultural:	
Total.....	\$ 1,317.40

**1997 Minnehaha County
Economic Development
Association Board of Directors**

- Jim Wilcox, President, At Large
- Wayne Peters, Vice President, At Large
- Dennis Olson, Secretary/Treasurer, Brandon
- Mike Schultz, Rural Mayors Association
- James Zweep, County Commissioner
- Tom Early, Dell Rapids
- Evan Ingehjorgson, At Large
- Ken Jaques, Valley Springs
- James Jording, Humboldt
- Udale Loeb, Hartford
- Myron Bohava, Baltic
- Cheerl Van Druys, Cotton
- Barvin Wilmann, Crooks
- Owen Wiese, Clariston
- Dell Winterlon, Sherman
- Jeff Eckhoff, MCEDA Executive Director

Development takes shape in Alameda County in 1987

The year 1987 was a year of significant development in Alameda County. The county's economic growth was strong, and the population continued to increase. The county's infrastructure was improved, and the quality of life was enhanced. The county's development was a result of the county's commitment to growth and progress.

with a continued commitment to economic growth. The county's development was a result of the county's commitment to growth and progress.

and that Alameda County is growing. With a population of 1.5 million, Alameda County is one of the most densely populated counties in the state. The county's development is a result of the county's commitment to growth and progress.

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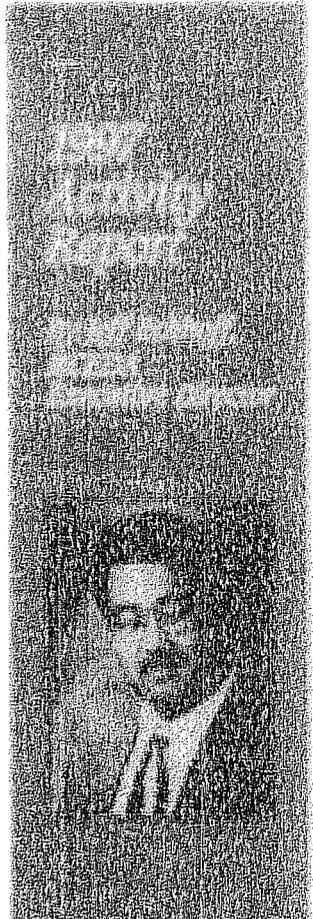
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Construction workers at the site of a new development in Alameda County.



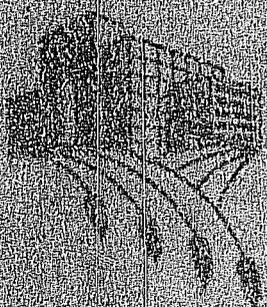
The county's development is a result of the county's commitment to growth and progress. The county's infrastructure was improved, and the quality of life was enhanced. The county's development was a result of the county's commitment to growth and progress.



The MCEDA Mission

to promote the long-term economic development of Alameda County. The county's development is a result of the county's commitment to growth and progress. The county's infrastructure was improved, and the quality of life was enhanced. The county's development was a result of the county's commitment to growth and progress.

**A Snapshot
of 1997
growth in
the MURBA
member
communities**



Baltic

The groundbreaking for the Baltic Heights development was the big news this year

in Baltic. This residential project, complemented by a new city park, will have 14 homes under construction and six families moved in by the end of this year. Commercial property is also being developed along the highway in conjunction with the housing development. The year saw the issuance of 41 building permits, with a total valuation of nearly \$1 million.

Brandon

Brandon saw expansions to both Laverne Truck Equipment and

Low-Rich in 1997. Blachowski Trucking built a 10,000 square foot facility, and a 42 bed addition to Helping Hand Assisted Living was constructed. Ideal Optical and Security Mortgage opened, and City Mall was expanded and remodeled. \$8.37 million in building permits were issued in 1997, a total of 194 permits, with \$6 million of that total valuation in residential construction.

Colton

Colton plans to break ground this year for the 24 unit Colton Assisted

Living facility, which will create as many as 20 jobs. Local investors made the Assisted Living facility possible. The community is continuing to develop housing options to stimulate growth. Activity for 1997 included 15 building permits with a valuation of \$100,000, all residential construction.

Crooks

Crooks has completed its municipally owned natural gas installation,

now in use in the Crooks-Renner area. In 1997, 14 residential building permits were issued at a valuation of \$900,500. Four new businesses have located at the Crooks-Renner interchange on I-29, with all the original lots developed there now being sold. As a result, an additional 20 lots have been opened for future expansion. New streets have been built, and three and a half acres of land has been donated for a city park, and is being developed as a ballpark.

Dell Rapids

Dell Rapids, in addition to completing

preliminary work on the community's 13-acre industrial park in partnership with the city, continues to develop as a residential center. The golf course is expanding, and the Pony Hills development around the golf course is creating space for over 100 housing units. Plans have been made to expand the high school to make room for a middle school. Building permits for the past year totalled \$3.2 million with a valuation of nearly \$2 million.

Gartelton

Gartelton saw considerable activity in 1997,

with expansions to Fleck Hardware, Farmer's Plus Food, Rockingham Hardware, and Spilner's Television Co-op. New businesses included Wood 'N Turn, a custom cabinet, lumber planing and miller business and Homeowner Resources, a new antique shop. Building permits for the year totalled \$2,000,000, a valuation of \$400,000—over half of which was residential construction.

Hartford

Hartford saw 64 permits were issued, with a valuation

\$1.8 million, over half in residential construction. Development activities along the highway 38 corridor with the addition of a new sport clothing store, a convenience bar with banquet facilities, a chiropractic office, barber shop and beauty shop. Downtown Hartford has also seen activity, with a retail clothing store, auto repair business, new insurance office and antique store being added. The old Post Office has been renovated into offices for United Telephone, and a cabinet manufacturing company plans to open in the former Catholic Youth Center.

Humboldt

Humboldt kicked the construction of the year for the

11,000 square foot Humboldt Plaza, home to Dollar's Grocery and Farmer's Food Shop. Construction has been completed and the project indicates the confidence residents have in the community. In 1997, 25 building permits have been issued, at a valuation of \$637,100. Humboldt growth continues and the economic climate indicates strong

Sherman

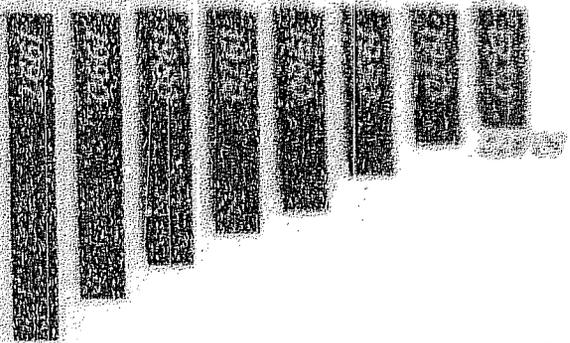
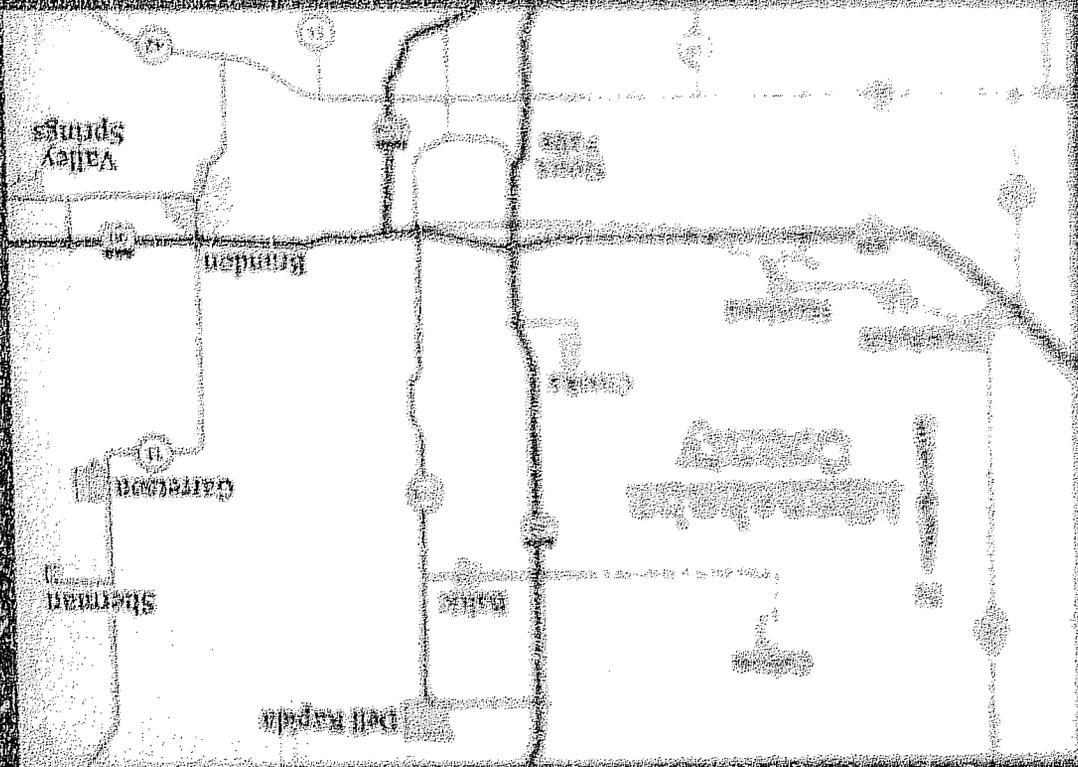
Sherman has seen growth this year, with the addition of

a new business. Scatterfoot Development has opened, renovating the former Albert Heijn, plan to house its operations, which shows and lays seed for new competition. Three building permits were issued in Sherman during 1997, with a total valuation of \$75,000, all in residential construction.

Valley Springs

Valley Springs saw

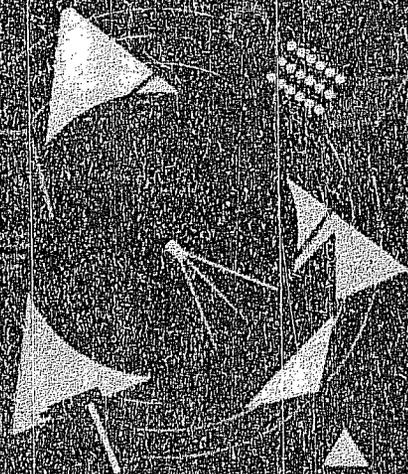
that except for one lot, all the land in the community's industrial park has been sold, a signal of future growth. Behind commercial concerns along at Valley Springs Community, celebrating its 70th anniversary by building a new board room. Housing growth continues in the new developments on the south side of town. Community wide, 20 building permits were issued, with a valuation of \$2,000,000.



The economic development
 program is designed to
 provide a framework for
 the growth of the
 region. It is a long-term
 plan that will be revised
 as the needs of the
 community change. The
 program is a key element
 of the overall economic
 development strategy.



*Linked to the
entire globe...
instantly*



In today's networked business environment, a location in Minnehaha County is right at the center of the globe. With a well-established, reliable, redundant fiber optic system in place throughout the county, any company is instantly linked to customers, markets and affiliates around the world.

The EROS Data Center, site of the NASA program Mission to Planet Earth, has been located in rural Minnehaha County for over 25 years. Their satellite data is vital to the future of our nation, and the world, as they study climatological and earth resource changes. EROS is connected to international research centers and scientists around the globe—*from Minnehaha County*

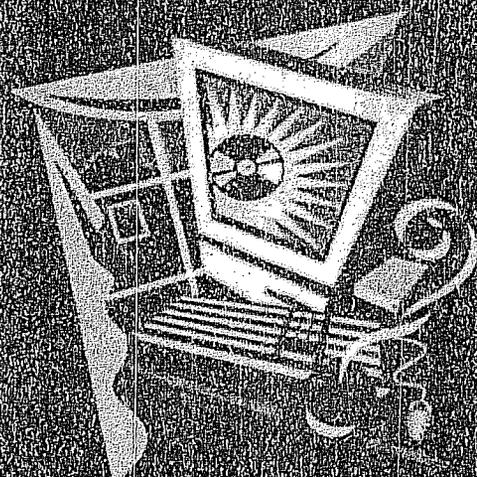
In addition to EROS, major banking and high tech firms have found our county a successful location for their business. Citibank (South Dakota) N.A. has operated one of the world's largest credit card facilities from Minnehaha County since 1983, and Gateway 2000, the nation's largest direct marketer of computers, utilizes a base in our county for their customer service and sales division.



TOM EARLEY
Personnel & Training Officer,
Hughes STX Corporation, EROS Data Center
EROS is an international satellite imaging and earth research center operated by the U.S. Geological Survey and Hughes STX Corporation, contractor to the USGS.

"The EROS Data Center and Hughes STX are able to recruit world-class scientific and professional people to work in Minnehaha County because of the amenities the area offers. A wide variety of communities, types of housing, educational options and social opportunities are available to new residents. These assets are especially attractive to former South Dakotans and midwesterners who seek to return here to work."

Advantages for every business



Here's a reason that Minnehaha County has one of the fastest-growing economies in the nation: companies make better profits. Our county and state share a pro-business philosophy that you can take to the bank. Among the advantages for every business located here:

- NO corporate or personal income tax
- LOW workers compensation rates
- NO business inventory tax
- NO personal property tax
- LOW utility costs

Business Tax Comparison

City	State Corporate Income Tax	Real Property Tax	Total
Denver, CO	\$ 80,000	\$65,199	\$145,199
Des Moines, IA	\$112,500	\$62,199	\$174,699
Fargo, ND	\$105,000	\$62,178	\$167,178
Milwaukee, WI	\$ 19,500	\$42,645	\$62,145
Minneapolis, MN	\$ 98,000	\$62,600	\$160,600
Omaha, NE	\$ 76,000	\$85,199	\$161,199
Minnehaha County MSA	0	\$28,199	\$28,199

Income Tax is based on \$1 million of federal taxable income.
Real Property Tax is based on \$1.5 million assessed value.



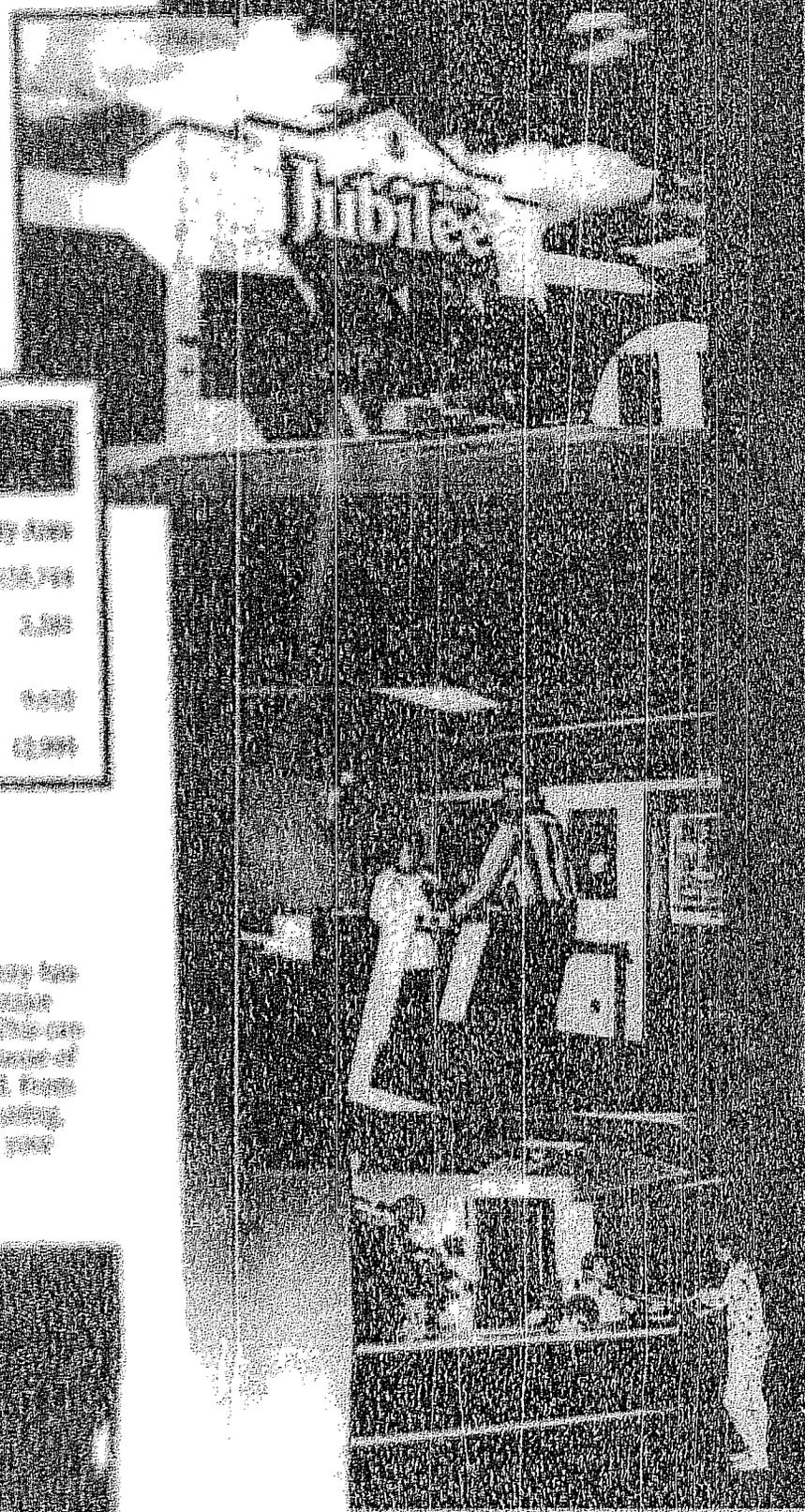
STEW MCKENNA
Vice President, Ashbach Milling Company
A regional highway improvement and construction firm.



A glance at the leading employers in Minnehaha County illustrates the wide range of businesses which find our business climate particularly hospitable. Sioux Valley Hospital and McKean Hospital, who combine to make our county an important regional medical center, together employ over 6,000 people. Citibank adds another 3,200 employees with its credit card operation, while John Marshall & Co., one of the nation's leading meat packers, employs over 3,000 individuals as well. Hutchinson Technology, the world's leading producer of computer disk drive suspension assemblies, is also a major employer. From cows to computers, businesses thrive in Minnehaha County.

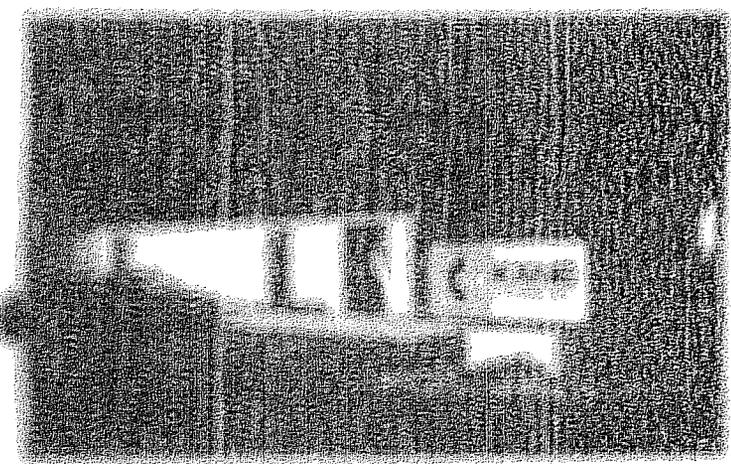
We were somewhat apprehensive at first, locating in rural Minnehaha County, but we've had a great first year and our moving here has really paid off. The biggest advantage has been the people. The people we've hired have been really good for us, and the service people we deal with here have just been great. Overall, people have more time for you—they want to help you. You get good service—and that's a major plus.

The following information is provided to
 assist you in the selection of a
 vehicle. The information is based on a
 survey of the market for new
 vehicles. The information is based on
 the following assumptions:



Item	Quantity	Price
Subaru	1	\$15,000
Accessories	1	\$1,000
Subaru	1	\$15,000
Accessories	1	\$1,000

The information is provided to assist you
 in the selection of a vehicle. The
 information is based on a survey of
 the market for new vehicles. The
 information is based on the following
 assumptions:

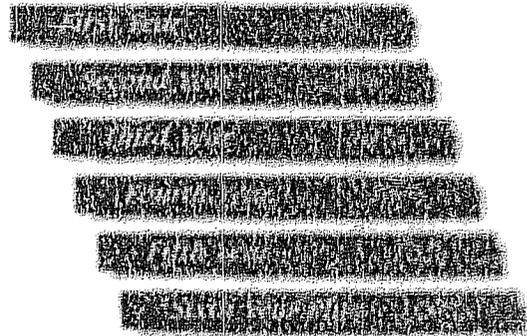


Working
to help your
business grow

Minnehaha County, South Dakota is an affordable solution to your business expansion or relocation. A variety of cost-saving incentives, combined with significant savings in the cost of living and doing business, make it easy to choose Minnehaha County as a place to grow a business or raise a family.

Industrial programs

The member communities of MCEBA have enacted ordinances to allow new industrial structures or additions to existing industrial structures to be taxed at a lower rate. This abatement ordinance results in a savings of property tax normally paid during the first five years following construction. This chart illustrates the percentage of property taxes that would be paid on qualifying buildings and improvements through the first five years.



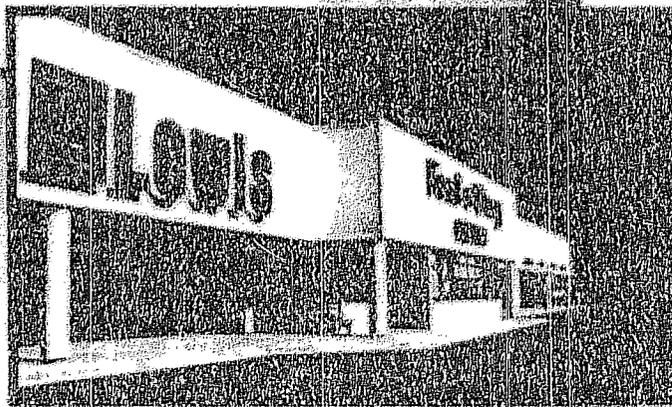
Low Worker's Compensation rates

South Dakota has traditionally been known as having one of the lowest Worker's Compensation rates in the country. The average worker's comp net insurance cost for manufacturers in South Dakota is \$4.90 per \$100 of payroll, compared to these rates in other states:

Minnesota	\$4.50
Illinois	\$4.75
California	\$4.82
Texas	\$6.31

Business-friendly environmental regulations

Minnehaha County and the entire state of South Dakota are noted for clean air, fresh water and unspoiled landscapes. The state's environmental legislation is designed to protect and preserve this quality environment without imposing excessive restrictions on business and industry. Most state and county environmental regulations maintain this balance by approximating the minimum federal environmental standards.



Affordable land with established infrastructure



Community with a reputation for developed infrastructure with infrastructure in place to meet your needs. This is a rare opportunity to acquire a prime location with established infrastructure. The location is ideal for a wide range of applications. The location is ideal for a wide range of applications. The location is ideal for a wide range of applications.

Location

The location is ideal for a wide range of applications. The location is ideal for a wide range of applications. The location is ideal for a wide range of applications. The location is ideal for a wide range of applications. The location is ideal for a wide range of applications.

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Infrastructure

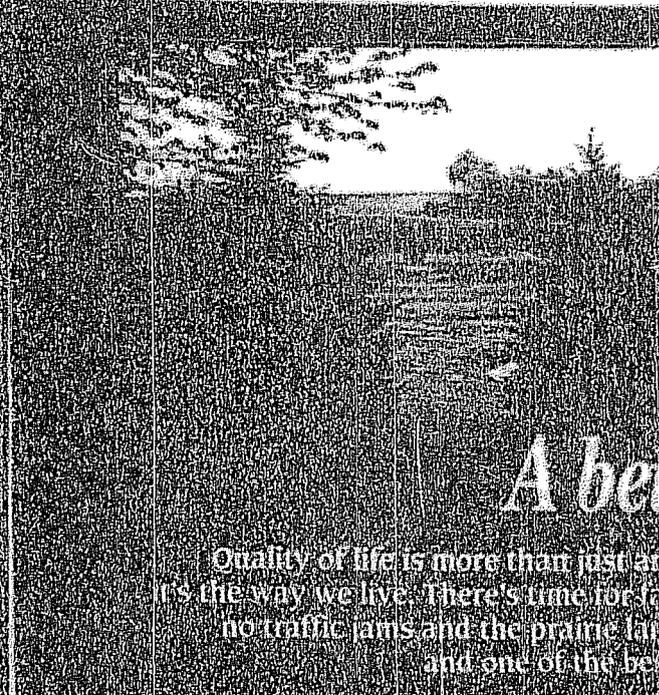
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A better way of life

Quality of life is more than just an economic development phrase in Minnehaha County. It's the way we live. There's time for family, for recreation and for friends. With no long commutes, no traffic jams and the prairie landscape just moments away, this is a good place to be—and one of the best places in the country to raise a family.



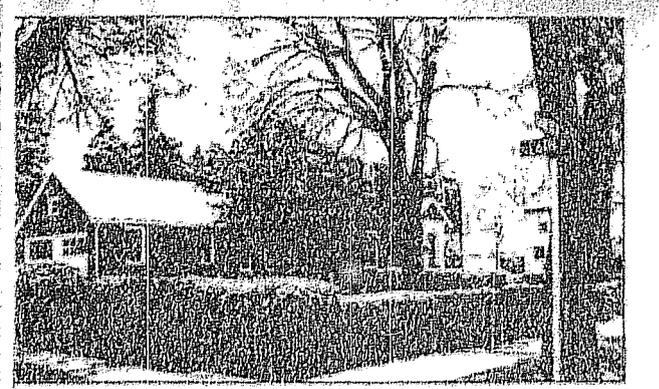
Our crime rate is among the lowest in the nation. We have strong and visible police protection, in local law enforcement and the county sheriff's office. Recent FBI statistics show that only 1.6% of the nation's crime occurs in South Dakota. And people in the quiet communities of rural Minnehaha County share a neighborly regard for each other—a kind of community Crime Watch program.



Some of the finest schools in the state of South Dakota are in Minnehaha County. We believe that our children are our future—and we invest in that future with good schools. As a result, our children consistently test higher on SAT and ACT college placement tests than the national average. Our public schools are the heart of the community, with plenty of opportunity for participation by students at all levels of athletic and scholastic ability.



Challenging golf courses, beautiful riverside parks and great sporting events to watch are just a few of the recreational options in Minnehaha County. This is a place where you can be a kid with your kids, watch a beautiful sunset from your back porch, take a bike ride over rolling hills or go out for some of the best steak in the world. In Minnehaha County, we know how to live a good life.



A home in any of the Minnehaha County communities is just minutes away from the restaurants, concerts, galleries, professional sports and movies of Sioux Falls. And you'll be even closer to opportunities for hunting, fishing or hiking. Minnehaha County offers all the advantages of a metropolitan area with the best elements of small town life. You'll discover a place where a helping hand is still a daily occurrence, where friendships last a lifetime and people care about their neighbors—and know them by name.

We think Minnehaha County is the home you've been looking for—for your family and your business. We'd like to help you discover how good life is right here.

1997

ECONOMIC DEVELOPMENT
ACTIVITIES

IN

NSP-SD COMMUNITIES

1987

**NSP-SD ECONOMIC ASSISTANCE
COMMITMENTS**

Commercial Agriculture	\$ 1,000
Small Business, Inc.	\$ 5,000
Small Business Incentive Fund	\$ 1,500

MALLOY

ELECTRIC · BEARING · SUPPLY

February 26, 1997

Michael Brown
Western States Power Company
PO Box 938
Sioux Falls, SD 57101

Dear Michael:

"Value-added Agriculture."

The term has become a real buzzword in South Dakota over the past couple of years for the state's policy makers and ag producers. But does the general public really have an understanding of how they individually benefit from adding value to the raw commodities produced or processed in South Dakota? And, do they understand that those benefits will dramatically increase if more is done to enhance South Dakota's role in this area?

As businesspeople, we see that increasing the opportunities for value-added agriculture in South Dakota means more direct jobs for our communities, more spin-off jobs, more income for our state's ag producers, and more sales for our businesses. That leads to a healthier economy, and a better way of life for our citizens.

However, as I visit with others in the business community, I sense there is not an overwhelming groundwork of support from the general public for businesses like Marshall's, or the soybean processing facility in Volga, or the ethanol plant in Aberdeen. That is why we need to step forward and help turn public opinion in this direction!

How can we help move this issue forward?

I have been in contact with several other business leaders who are in the process of developing an educational campaign utilizing the electronic media to deliver a "Value-Added Ag Report" to the general public. The campaign will utilize a combination of paid television and radio advertising to convey the message that value-added agriculture is important to our state's business economy.

A Shavings firm, TV Productions, has come forth with a proposal to handle the production and placement of the campaign, but this takes funding. I feel strongly enough about this to have stepped forward with a financial contribution, and have volunteered to take a leading role in raising funds for the campaign.

Overall, we need to raise \$30,000 to adequately fund this campaign, and a contribution from your company is a necessary ingredient for its overall success.

Your assistance is vital. Thanks.

Sincerely,



Gary Isachsen
Walley Shavings, Inc.

P.S. Your investment in this project can be sent to TV Productions, PO Box 6, Shavings, IA, 52086-0006. In the memo line of your check, or in your cover letter, please reference the "Value-Added Ag Report."



NSP

Northern States Power Company
South Dakota

Jim Wiscox, Manager
Government & Community Relations
500 West Russell Street
P.O. Box 988
Sioux Falls, SD 57101-0988
Telephone (605) 339-8350 fax 339-8231
internet - WLCXY1@nspcc.com

March 27, 1997

Gary Jacobson
Kathy Electric, Inc.
622 West Russell Street
Sioux Falls, SD 57104

Dear Gary:

Thank you for your vision in leading the efforts to establish a "Value-Added Ag Project."

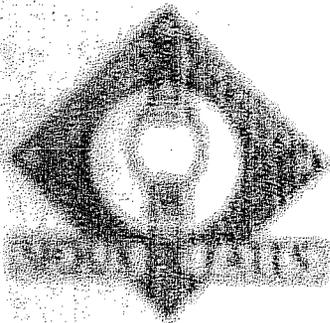
I am pleased to inform you that we are in the process of sending a check for \$1,000 to TV Productions in Brookings to help get this program off the ground.

If there is anything else we can do to help in this project, please let us know.

Sincerely,

Jim Wiscox

c. Mae Hanson



Main Street Sioux Falls

333 South Phillips Avenue, Suite 110 • Sioux Falls, SD 57104-6321

(605) 338-4009 FAX: 338-8816

http://www.sodak.net/~main_street_sl/mainstreet.htm

March 18, 1998

Mr. [Name]
Northern States Power
P.O. Box 100
Sioux Falls, SD 57101

Dear Sir,

The Community Economic Development Incentive Fund (DEDIF) program has been tremendously successful - to date 22 loans for nearly \$400,000 have been made to downtown businesses. DEDIF funds have been used to buy inventory, equipment and fixtures, and to pay for interior and exterior renovation and construction.

The success of this program would not be possible without the \$10,000 loan fund made by Northern States Power. Please accept our appreciation. (\$5,000 received January 16, 1997 and \$5,000 received October 30, 1997).

Sincerely,

Carole
Carole [Name]
[Address]

1997

SOUTH DAKOTA

G.O.L.D.

COMMUNITY

GRANTS

Canton 10-30-97



NSP Gives Grant to City of Canton

A check for \$400 from Northern States Power Co. was presented to the Mayor of Canton, David Gard, last week by Wilson E. Kullander, the Area Relations Representative from NSP. The grant is presented to Canton as a Gold Program community that will be used for community improvements.

CITY OF CENTERVILLE

P.O. BOX 6
CENTERVILLE, NORTH CAROLINA 27002
919-339-1111

April 14, 1977

Mr. Wilson
Business Office Park Center
PO Box 100
Clemson, SC 29634-0100

Dear Mr. Wilson,

The City of Centerville would like to take the opportunity to say "Thank You" for your participation as a volunteer and judge for the 1976 Community Achievement Awards.

It is one's job as a volunteer like yours, programs such as the Gold Program should be the success they are. The Gold Program truly brings the towns in touch with one another so we can find out what other communities are doing and what works. We can appreciate the positive attitudes that are at such a high level. Many of us have commented that we come out of the meetings at a high level of all the negative comments we hear in our own little towns.

Please expect for your financial support and the \$500 award we received for second place in the Business & Industrial Development Area.

Sincerely,

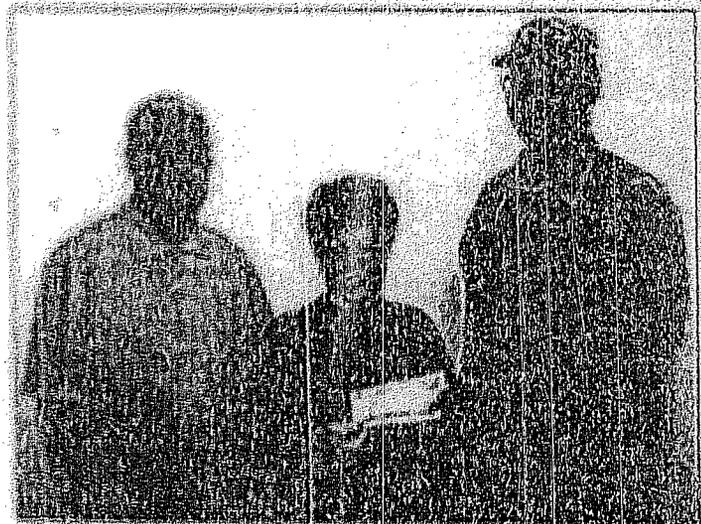
CITY OF CENTERVILLE

Nancy A. Klunt
Mayor
Frances Gibson
Finance Officer

Stan Eason
Gold Award Winner

Centerville
...where YOU
make the
difference

NSP Presents \$500 Check



The City of Centerville was honored last week with a \$500 check from Keith Reed, District Representative of Northern States Power Company. The city was presented this award for the community's involvement in the South Dakota Gold Program for Community and Economic Development. NSP has presented a check to the city for the past five years. Receiving the check on behalf of Centerville are Nancy Kludt, City Finance Director, and Stan Schmiedt. Centerville has participated in the Gold Program since 1985.

DELL RAPIDS GOLD PROGRAM

DELL RAPIDS GOLD PROGRAM, 200 WEST NORTH DAKOTA, RAVENNA, ND 58022 605-428-0110

October 11, 1997

Mr. Greg Fries
Northern States Power
200 West Grand
P.O. Box 999
Grand Forks, ND 58001-0999

Dear Mr. Fries:

I want to thank Northern States Power for its recent donation to the Dell Rapids GOLD Program and to thank you for your efforts in obtaining the donation.

The Dell Rapids GOLD Program continues its work on six goals for 1997. These goals were established at a community-wide meeting.

1. Develop an industrial park.
2. Improve the truck route through Dell Rapids.
3. Create or improve the Mills area as a walking trail and recreational area.
4. Revitalize the historic downtown business district.
5. Develop an efficient trail system on the South side of the Sioux River.
6. Work toward establishing a community and youth center.

Your help is greatly appreciated as we work toward these goals. I believe many of these goals would remain dreams and not become reality without the GOLD program. Thank you for your support.

Sincerely,

Gregory A. Calkins
Gregory A. Calkins

NSP donates \$500 to Development Foundation



NSP Representative Joel Giles presents Laura Wilson, President of the Marion Development Foundation, with a \$500 grant. The grant is to be used for City beautification. NSP has been making the \$500 contribution to Marion for several years.

SALEM 3-5-98



GOLD FUNDS - William Kullander, Northern States Power Area Relations Representative, presents a \$500 check to Salem PSA Co-President Carla Boyden on Wednesday at the Buckhouse Floral and Gifts in Salem. NSP annually presents checks to area GOLD communities. Kullander said, "NSP is pleased to again support the South Dakota GOLD program effort by donating \$500 to seven rural communities NSP serves in eastern South Dakota. The award is a tool for stimulating rural economic development and is an investment by NSP in the future of the community. Carla and her husband Todd are co-presidents of the Salem PSA. Deb Cheeseman is vice president and Jackie Felsch is secretary. This is the 5th year NSP has presented Salem with a GOLD check with a total of \$2,500 donated.

1998

NSP-SD

ECONOMIC DEVELOPMENT

INCENTIVE PROGRAM

NORTHERN STATES POWER COMPANY

Economic Development Incentive Program

NSP has an interest in maintaining the economic vitality in our service area. The South Dakota Public Utilities Commission has authorized NSP to invest in economic development activities in South Dakota. These economic development activities are intended to help attract, expand or retain businesses in South Dakota.

PURPOSE

The Economic Development Incentive Program is designed to attract new business to the NSP service region. It will also provide support to establish or expand existing businesses in the service territory. NSP will give assistance and support with incentive money to qualifying businesses.

Eligibility

To qualify for the NSP Incentive Program a business must be a NSP customer, create new jobs, add energy growth and bring capital investment into the community or area. Incentive funds may be used for any reasonable development costs that are deemed necessary to the project.

Funds

Once the budgeted amount for the calendar year is exhausted, the NSP Incentive Program will be discontinued until the following calendar year.

1997

ECONOMIC DEVELOPMENT
ACTIVITIES

IN

NSP-SD COMMUNITIES

Construction On All Sides At Canton-Inwood Hospital

By *Staff Writer*

Work on the new and old buildings is being done on all sides of the Canton-Inwood Memorial Hospital. The project, sponsored by Massachusetts Commonwealth of Care, includes a new entrance, a 12-unit assisted living facility,

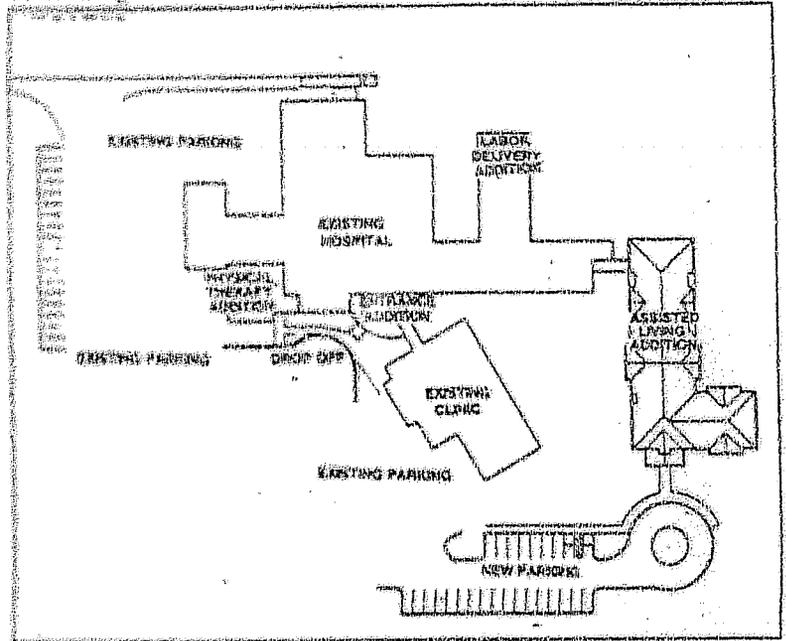
and work being done on both of the hospital's back entrances and physical therapy additions, which were built several years ago. The best way to enter the hospital is from the north entrance on the east side of the building. DeWitt says the old area will be closed up and most accessible within a week.

"We are doing everything," said DeWitt. He added, "The medical building and entrance are also being done. The connection between the physical therapy and laboratory for the labor delivery room is done. The physical therapy department is done and they are waiting for water main work." The new labor and delivery room is being

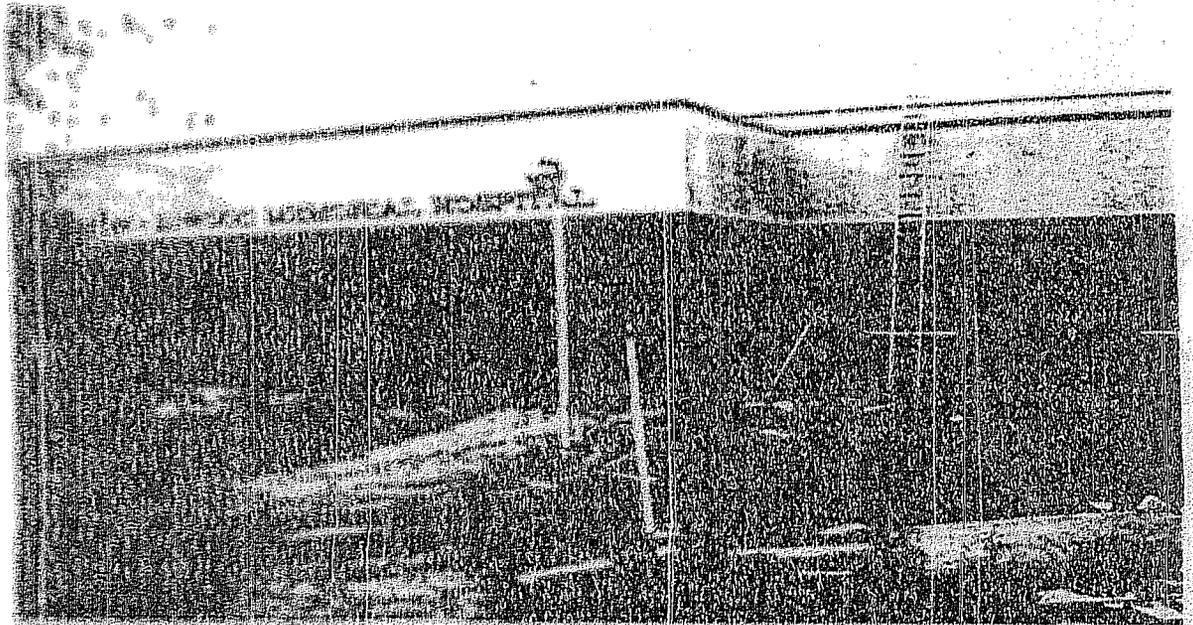
added to the north side of the hospital with the assisted living units going up on the east end.

The project has not been without its challenges. DeWitt says workers

ran into old foundations while excavating and came across a leaking water main that needed to be fixed. Despite set-backs, all work is expected to be completed by mid-June.



This blueprint shows the layout plan for additions being built at the Canton-Inwood Memorial Hospital.



Work is going all around on the construction project at the Canton-Inwood Memorial Hospital. Shown here are the new work at the front of the hospital pending footings for the new entrance and expansion of the physical therapy addition.

Canton 11-13-97

Canton 11-20-97

Assisted Living Units Have Waiting List

By Susan Lippert

Construction on the second living facility at Canton-Inwood Memorial Hospital has just begun. The hospital's waiting list for the 12-unit addition.

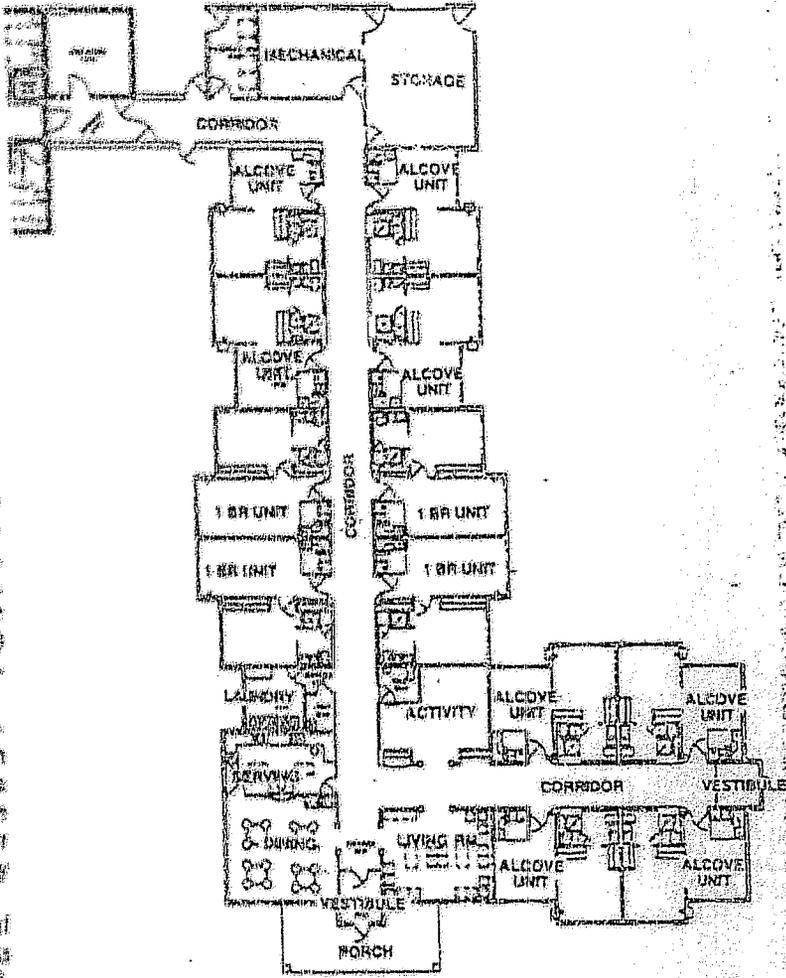
The flooring, concrete slab and masonry to the hospital have been completed. By mid-June the facility is expected to be ready for occupancy. According to Patti Rarnse, nurse manager in charge of assisted living admissions, if all those on the list decide to move to the unit, the facility could already be filled.

The addition will house eight alcove units and four one-bedroom units. Each unit will have one bedroom, a living room, dining room, bathroom and bathroom. Alcove units have no bedroom door for extra space and are about 100 square feet smaller than the one-bedroom units.

"We are trying to provide a service to a niche that is not filled in the community," said Rarnse. She said assisted living is for "someone who maybe doesn't want to cook for themselves, but they are not ready for a nursing home."

According to Rarnse, details of services to be offered to residents have not yet been completed. Services plan are for the facility to provide meals and meals, approximately one hour a week of house-keeping, limited nursing services, laundry and two meals a day.

Rarnse said units will have an emergency call button. Nursing care provided, however, will be limited to one hour per day with additional services available on a charge per service basis.



Construction on the assisted living unit is well-underway at the east side of the Canton-Inwood Memorial Hospital. This blueprint shows the lay-out for the \$750,000 addition.

Common dining, living and activity rooms and a laundry area will also be available to residents of the facility. Meals brought from the hospital will be served at the common dining hall and various activities will be offered in the activity room.

Hospital administrator, John Davick, says assisted living occu-

pants will have no ownership in the facility. Residents will be charged a monthly rent which will include meals, occupancy and services indicated above.

Those who have questions about the facility or would like their names added to the waiting list should contact Patti Rarnse at the hospital.

Plans for Baltic assisted living center progressing

Steve Riswold and John Sindng hope to have the Baltic Assisted Living Center open for occupation by the coming fall.

"We're going to have a first-class operation," Riswold said. "We'll work with good caring help."

The center will be built just west of the Baltic fire station. The lot faces south and will take advantage of the southern exposure for the common rooms. Sindng said Riswold and Sindng said they hope to begin construction soon if the weather continues to cooperate.

Riswold said assisted living centers are regulated by the South Dakota Department of Health just like nursing homes are. Staff must be certified to dispense medication and a registered nurse must be on call at all times.

Riswold said they know of five other centers in Baltic. They will contact them about being on call for the center.

"We're pretty fortunate with the fact that we've got that many people in town with the RN degree," he said.

The assisted living center will

be an alternative to nursing home care, Riswold said.

The capacity of the center will be 25 beds. Most rooms will be double occupancy with some single rooms.

The double rooms are about 420 sq. ft. and the single rooms are about 350 sq. ft. The one-floor facility will have a central dining room and kitchen, as well as a central living area.

Two staff members will be available at all times. There will be medication supervision available for the residents. Residents will be responsible for the cost of their medication, but the center's staff will assist in ordering it and administering it.

Different levels of care above the basic care level will also be available, such as day or night checks and assistance with personal care. Services such as room service meal trays or staff doing errands will be charged individually.

"When you come to the day when you have to go into an assisted living center," Riswold said, "I think the big thing you worry about is good quality care."

"The intent of this kind of facility," Sindng said, "is for those people who can no longer comfortably live on their own."

Three meals will be served every day and the kitchen will be open for residents to cook for themselves. Utilities, phone and cable hookups are included with the rooms.

Scheduled transportation, activities, housekeeping and laundry will be available.

Riswold said a barber or hair stylist will also be brought in if the residents would like those services.

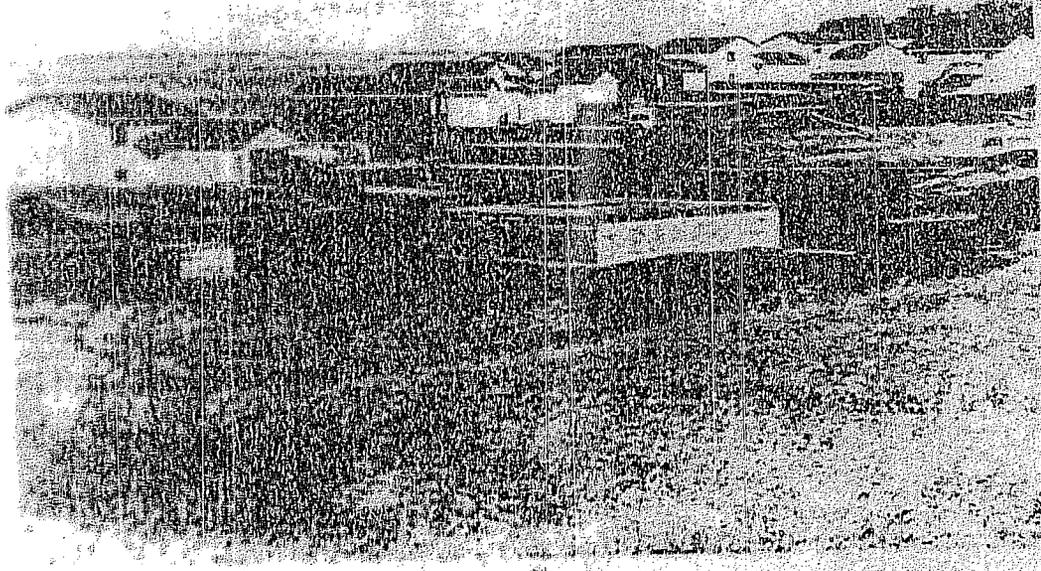
Residents will have a choice of organized activities such as fishing or field trips.

"The key to all that is you're only as old as you think," Sindng said. "The more that we can come up with those activities to keep you active and young-minded."

Riswold and Sindng shared their plans with a meeting of the Senior Citizens of Baltic last Friday.

They have not picked a name for the center yet although "Nordland Paradise" was suggested.

1-14-78



Building boom

The new Baltic Heights Addition has been a beehive of activity early in 1998. A total of nine houses have been constructed in the housing addition. The final draft has been completed for the new 14-acre city park which includes two ballfields, playground, basketball courts and more.

Photo by Jim Wilber

NAPA Store Opens in Centerville

First Five Days Next Week, "Grand Opening" To Follow



Sam Britt, NAPA Store Owner, opened the business that Monday, February 2, 1998 in downtown Centerville. The store will feature a full range of auto, truck and farm supply needs. Mike Gentry, Vice President of the Centerville Chapter of Commerce (MC) welcomes Sam Britt and Paul Wagner, NAPA Store Owner to the community. The business will have first five days next week, followed by a "Grand Opening" celebration the following week. Check for all the details and the specials offered by the NAPA Store in the coming weeks.

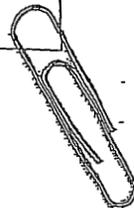
Centerville 2-5-98

CONTINUATION

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of pages



LADC breaks ground for 'spec' building in industrial park

The Lennox Area Development Corporation (LADC) broke ground this week on a 10,000-square-foot "spec" building, to be located in the southeast corner of their industrial park. The construction is the latest project by the LADC to attract industry to Lennox.

According to Virg Musch, president of the LADC, "We are told by the Governor's Office of Economic Development (GOED) that over 70% of the companies looking to move or expand to South Dakota begin by looking at existing buildings. We feel that the spec building will be a great boost to the activity in the industrial park." Musch adds that, "We know that this building will increase the number of prospective companies that come to Lennox to take that first look, and in this business it takes a lot of those leads to land that first company."

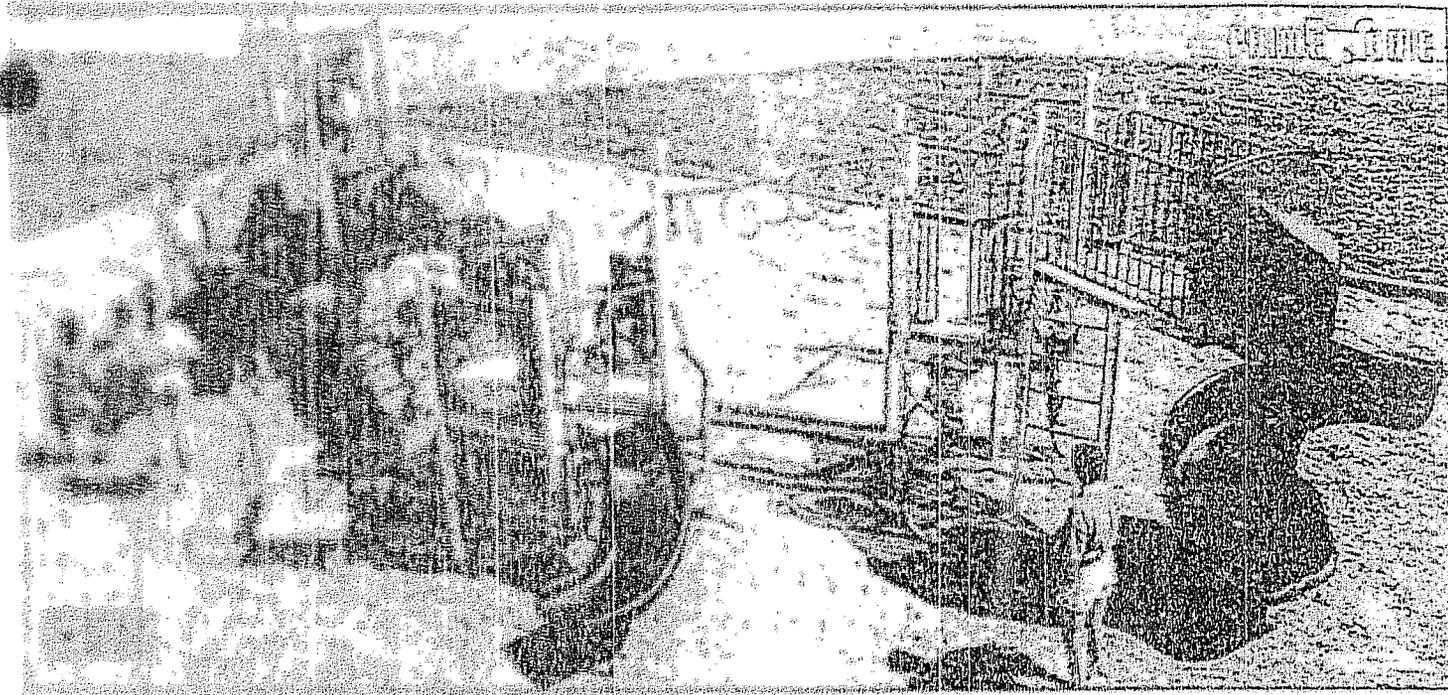
A spec building is completed with minimal finish work inside so as to retain as much flexibility as possible in meeting the needs of a future tenant. "As well as attracting prospects, having the spec building in place will give us the additional advantage of construction time," explains LADC secretary, Rhonda Beach. "This building will give us a two-month head start on the more traditional building process, which will also be a big advantage to a

company looking for a site."

After a process of soliciting bids from several area contractors and reviewing bids from four builders, James Steel Erection, out of Lesterville, SD, was awarded the contract. "James Steel was chosen based on a combination of their product, their experience with other development corporations, and their bid," says Jeff Eckhoff, executive director of the Lincoln County Economic Development Association (LCEDA). Eckhoff adds, "The town of Lennox should be proud of the progressive stand their development association has taken in recruiting industry. What the Lennox community has accomplished in the last four to five years serves as a model for economic development in South Dakota."

Should a company need the extra room, the spec building will be designed for future expansion. According to Musch, "If need be, the building could be fully expanded to the west and could utilize a full ten acres. We worked closely with state officials and looked at other projects around the state before deciding on our current plan." According to Beach, the project, which is slated for a January, 1998 completion date, has already drawn the attention of at least one company that is currently looking at Lennox.

Lennox 10-1-97



Playground equipment ordered for Lennox park

Area children will be able to enjoy new equipment at the Lennox park next summer thanks to the efforts of the Lennox GOLD Committee and all those who have donated to the park project. Margaret Meyer, chairman of the committee, has announced that the equipment pictured here has been ordered and the committee was able to save almost \$500

by sending in a check for the cost of the equipment. Total cost of the playground equipment ordered was \$17,425.55.

This is the first step in planned improvements for the city park. Meyer would like to thank everyone who has donated to the project and would like to encourage anyone else who would like to donate to do so.

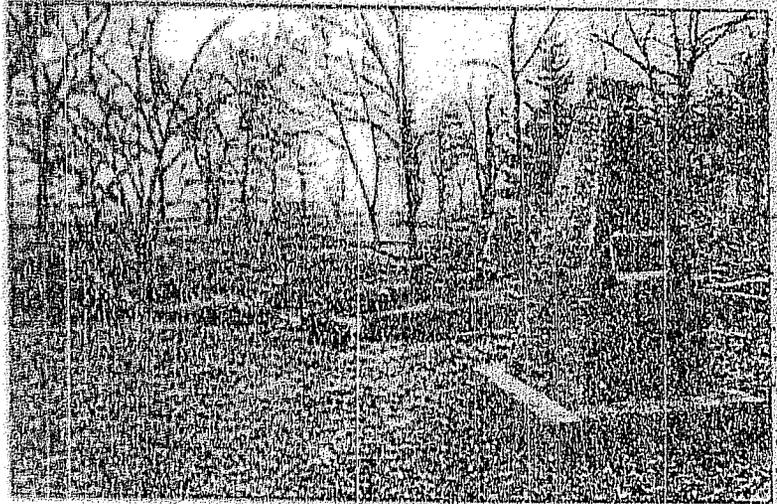


The playground equipment shown here is planned for the Lennox park. The equipment is being ordered by the Lennox GOLD Committee. The equipment will arrive in the spring.



Work proceeds on Lennon Park Project

Lennon City Park improvements are on the way! The new city park equipment was delivered to Lennon last week. City employees Bill Koerner, Carroll Stack, and Dave Tipton help to unload the gear from the semi-trailer. Two Game Time Systems were ordered for the city of Lennon—The "Fun Runner," for children over the age of five, and "Tommy's Clubhouse," for the younger children. The city park is being reworked for the new equipment, as is evidenced by the picture below. Anyone who would like to donate to the project may contact Margaret Meyer at 667-2474.



Tieszen Memorial Home set to begin apartment construction

Paul English, Executive Director of the Tieszen Memorial Home, has just announced the Corporation's plans to build a 4-plex apartment building. The Tieszen Memorial Home has had continual demand for its existing apartments, prompting them to plan for more units.

Each apartment will be a 2 bedroom apartment with 832 square feet. An attached garage for each apartment is also part of the plan.

The apartments will have individual Natural gas furnaces and hot water heaters. All appliances (stove, refrigerator, dishwasher, microwave, washer and dryer) as well as water, sewer, and garbage will be furnished. Usual services of trash removal and lawn mowing will also be furnished to the tenants.

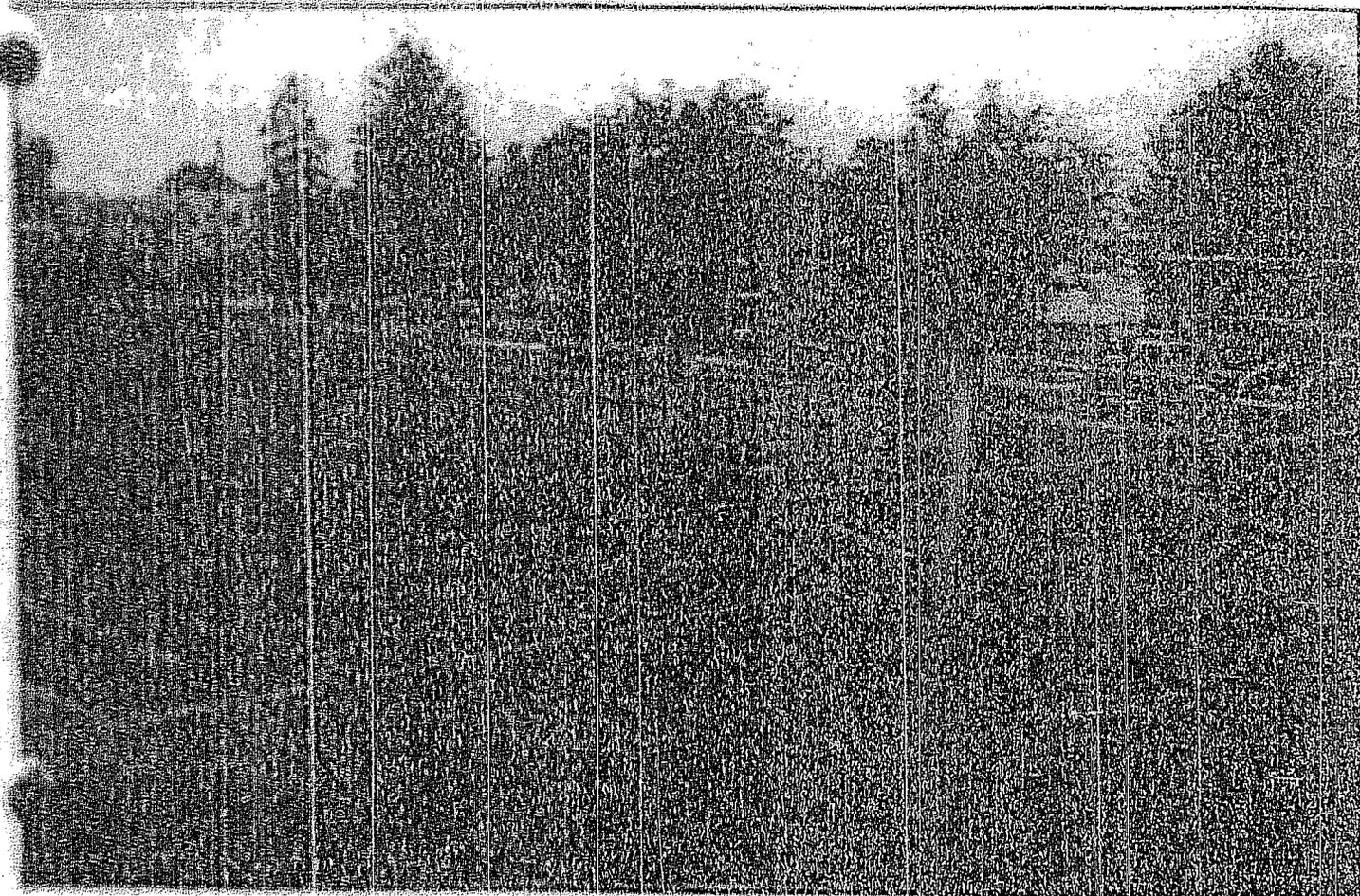
These apartments will be located just east of the Twin Home on Tieszen Drive. Tieszen Drive is a new street which is located on the east end of Marion, east of Glen Street.

W and H Construction, Marion, will be the contractor for the building. Farmers Home Bank of Marion, is providing the financing for the project.

A September 1, 1987 completion date is anticipated.

Message 6-19-97

Construction begins



The Tieszen Memorial Home's latest apartment building complex got underway this past week. H & H Construction of Marion is the contractor of the 4-story apartment project being constructed on East State Street.

Marion 7-17-97



Groundbreaking ceremonies were held Monday afternoon for the Leisure Living apartments being built in Salem. Pictured in the front were, pictured from left, Salem Mayor Lee Stetson, ministers Ed Kranz, Arlen Muth, Paul Muth, Don Muth, Terry Sabers,

and Jack Sabers; Salem Community Development representative Mike McCormick, PSA President Randy Sabers, and First Dakota National Bank representatives Darwin Miller and Ralph Dydahl.

Ground breaking held for Leisure Living Complex

A groundbreaking ceremony for the Leisure Living complex was held Monday afternoon in Salem at approximately 1:30 p.m. in the presence of approximately 150 people. The project is to have the complex open by November 1.

The event was Master's social event. Salem Mayor Lee Stetson, PSA

President Randy Sabers, First Dakota National Bank President Darwin Miller and Vice President Ralph Dydahl, Salem Community Development representative Mike McCormick, plus local investors Jack and Vivian Sabers and Ed and Sheri Kranz. Also present were investors who own Leisure Living units in Corsica and Hartford: Don and Dianne Muth from Valley Springs, his brother Paul Muth, Arlen and Pat

Schuh, Terry and Deb Sabers from Mitchell.

Terry Sabers said Leisure Living is like living at home without the responsibility and expense of home ownership. Sabers said the assisted care complex also offers families peace of mind, knowing there is always someone nearby. "It's not like a nursing home, it's like your own home and it's an all-inclusive package," he commented.

Included with the rent are: a private room with bathroom, three full meals per day, electricity and heating, cable TV in each room, laundry, cleaning, storage space, community room with fireplace, property taxes, snow removal and lawn care. Residents furnish their own telephone. An on-site manager will live at the complex.

Sabers said they plan to show a video of the Hartford Leisure Living apartments at a future meeting of the Salem Senior Citizens. A ribbon-cutting and open house for that facility was held last December.

NSP-SOUTH DAKOTA 1998 ECONOMIC DEVELOPMENT PROPOSED BUDGET

Forward Sioux Falls III Campaign - (\$25,000 x 5 years - 1997 thru 2001)	\$ 25,000
Minutaha County Economic Development Association (MCEDA)	\$ 10,000
Litwin County Economic Development Association (LCEDA)	\$ 15,000
Program Total	\$ 50,000

NSP-SD "Economic Assistance" Program

Economic Development Incentive Fund	\$ 43,020
<u>Continuing Commitment Assistance</u>	
SD Rural Enterprises, Inc. - (\$5,000 x 3 years - 1997 thru 1999)	\$ 5,000
Program Total	\$ 48,020

NSP-SD G.O.L.D. Program Support:

Belle	\$ 500
Bridgewater	\$ 500
Carlton	\$ 500
Centerville	\$ 500
Dell Rapids	\$ 500
Emery	\$ 500
Garnison	\$ 500
Harrisburg	\$ 500
Lanox	\$ 500
Marion	\$ 500
Salem	\$ 500
Tea	\$ 500
GOED Conference G.O.L.D. Program Award Co-Sponsor	\$ 1,500
Program Total	\$ 7,500

TOTAL **\$105,520**

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

OF THE MATTER OF THE FILING BY) ORDER APPROVING 1997
NORTHERN STATES POWER COMPANY FOR) ECONOMIC DEVELOPMENT
APPROVAL OF AN ECONOMIC) REPORT AND 1998
DEVELOPMENT PLAN) ECONOMIC DEVELOPMENT
) PLAN
) EL98-008

On April 9, 1998, the Public Utilities Commission (Commission) received Northern States Power Company's (NSP) 1997 Economic Development Annual Report and proposed Economic Development Plan for 1998. The proposed plan was filed in accordance with the settlement agreements reached between NSP and Commission Staff, and approved by the Commission, in the company's most recent rate case filings, Dockets EL97-004 and EL92-016.

For 1998, NSP's proposed economic development investment budget is \$105,520. The actual expenditures for the 1997 Economic Development Plan were \$99,500. Fifty percent of the 1998 budget would be recovered through rates, with the remaining 50% funded by shareholders.

At its regularly scheduled May 28, 1998, meeting, the Commission reviewed NSP's 1997 Economic Development Annual Report and Economic Development Plan for 1998. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, SDCL 49-34A-4 and 49-34A-6. After review of the report and plan, the Commission found that they are just and reasonable and voted to approve them. It is therefore

ORDERED, that NSP's 1997 Economic Development Annual Report and Economic Development Plan for 1998 are approved as filed.

Dated at Pierre, South Dakota, this 11th day of June, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in the above captioned matter and that service has been made in the manner and at the time herein stated, with charges prepaid thereon.

[Signature]
6/12/98

(OFFICIAL USE ONLY)

BY ORDER OF THE COMMISSION:

[Signature]
JAMES A. BURG, Chairman

[Signature]
PAM NELSON, Commissioner

[Signature]
LASKA SCHOENFELDER, Commissioner