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MidAmerican
ENERGY

May 7, 2004

Ms. Pam Bonrud
 Executive Director
 South Dakota Public Utilities Commission
 State Capitol Building
 500 East Capitol Avenue
 Pierre, SD 57502

RECEIVED

MAY 12 2004

Re: Docket No. NG01-012

**SOUTH DAKOTA PUBLIC
 UTILITIES COMMISSION**

Dear Ms. Bonrud:

In accordance with the Decision and Order approving Settlement Stipulation NG01-010, enclosed are 12 copies of MidAmerican Energy Company's report on 2003 economic development activities and our 2004 proposed budget. The actual expenditures shown in section 1 are based on the MidAmerican Energy Company 2003 Economic Development Budget, which was approved by the Commission on February 20, 2003.

MidAmerican Energy focuses on our monetary support to local development leaders, specific project assistance efforts for these groups, and business attraction incentives. We also provide in-kind support through Mark Rodvold, our Economic Development Consultant based in Dakota Dunes. He is actively involved with the following groups:

- Yankton Area Progressive Growth economic development advisory council.
- Board Member--Lincoln County Economic Development Association.
- Member--Minnehaha County Economic Development Association.
- Active coordination--Sioux Falls Development Foundation.
- Board Member--Second District Economic Development Corporation.
- Assisted in the formulation--Elk Point Development Corporation.
- Liasion--North Sioux City Development Corporation.

He also assists personnel with local economic development programs in the following communities in MidAmerican's service territory:

- Vermillion Chamber & Development Company
- Alcester Development Corporation
- Flandreau Development Corporation
- Salem Development Corporation

Mark works with local development personnel throughout MidAmerican's South Dakota service territory to encourage expansion of existing business, foster economic vitality and support community preparedness for new growth. Additional MidAmerican economic development staff is available to enhance our overall program, as needed, which further extends our relationship and value to our South Dakota communities.

Ms. Pam Bonrud
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Opportunities are continually being sought to more efficiently deliver utility services for present and future customers. MidAmerican Energy continues to work with State offices and local jurisdictions on topics of mutual economic value. For example, at the request of SDDOT, Mark Rodvold has served as the sole private sector representative on task forces to improve highway access and preserve future highway corridors. Since utilities frequently parallel public right-of-way, these activities are valuable to properly design and build all utility facilities, thereby keeping service costs to the public at a minimum. A pilot study was completed during 2003 for SD Highway 42 east of Sioux Falls. In order to fully implement the program, DOT has asked Mark to help them develop the most appropriate procedures to coordinate with utilities. These cooperative efforts are seen as a mutually beneficial activity at a large scale, long-term level.

MidAmerican Energy's role is to support community leaders in making decisions relating to the economic growth and vitality of their communities. Their unique local application of knowledge, as well as their capabilities to address issues, goals and priorities, is fundamental to the growth of those communities. MidAmerican encourages these leaders to work closely with all public and private entities to advance their specific priorities dealing with economic development.

We have clearly noticed an economic revival occurring during the latter months of 2003. For instance, MidAmerican Energy participates in major industrial trade shows each year, such as the National Plastics Show and Fabtech, searching for industries interested in expansion in our territory. Compared our many previous years at Fabtech, the prospects were more abundant and positive than ever before.

While the slow economy has clearly impacted our entire region, we are very pleased to report continued growth within our service territory during 2003. In section 3 we have provided an overview of economic development highlights during the year.

Since successful economic development requires a team effort by many players, we sincerely appreciate the opportunity to support all organizations working to achieve positive impacts on employment, income, and community growth. We respectfully request approval of our 2003 report and our proposed 2004 budget.

Very truly yours,



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enc.
cc: Mark Rodvold

MidAmerican Energy Company

Report on

2003 Economic Development Activities and Proposed 2004 Budget

to the

South Dakota Public Utilities Commission

January 30, 2004

Revised: April 30, 2004

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SECTION I

Overview

This report is being submitted in accordance with the Decision and Order approving Settlement Stipulation NG01-010 as it pertains to MidAmerican Energy Company's economic development expenditures.

This report presents MidAmerican's expenditures against approved budget for 2003 and presents the 2004 spending plan. In addition, it also presents an overview of economic activity in MidAmerican's gas service territory. This activity is presented both narratively on accomplishments and statistically in selected key measurements of economic activity. This last presentation is new to our reporting and we welcome any comments on its form and inclusiveness.

Generally 2003 was another good year in MidAmerican's territory. Many successes were reported by key economic development partners and property valuation continues to grow in Union County around our Dakota Dunes development area.

These accomplishments would not have occurred without the commitment of local, regional and state visionaries. The heart of MidAmerican's economic development plan is to support of these visionaries along with their community practitioners. We believe our 2003 spending plan helped in that regard and that our 2004 plan will do likewise.

In summary, we were approved to spend \$100,586 in 2003 but actually spent \$84,308. The shortfall occurred primarily due to less than anticipated allocation of staff salaries from the retirement and non-replacement of two staff vice presidents.

Our plan submitted here calls for spending \$118,200 in 2004, which includes a carryover of approved but under-spent expenditures of \$16,278.

SECTION II
Expenditures & Budget

2003 Actual Expenditures

	<u>Actual</u>
<u>Development Group Program Support</u>	
Forward Sioux Falls.....	\$18,250
Yankton Area Progressive Growth.....	3,000
Vermillion Development Co.....	1,000
Sioux Falls Development Foundation.....	850
Siouxland Initiative (South Dakota allocation).....	1,500
Minnehaha County Economic Development Association (MCEDA).....	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA).....	3,500
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
Individual Community Development Support:	
Alcester Development Corp.....	\$200
Centerville Development Corp.....	200
Elk Point Gold Program.....	200
Flandreau Improvement Corp.....	200
Montrose Development Corp.....	200
North Sioux City Development Corp.....	200
Salem Development Corp.....	200
Subtotal.....	\$1,400
Program Support Subtotal.....	\$33,000
<u>Economic Assistance Programs</u>	
South Dakota Achievement Awards Program.....	\$1,500
<u>Business Attraction Incentives</u>	
Governor's Golf Classic – South Dakota Business Attraction.....	\$3,000
Allocation of non-labor costs for MEC personnel working with and/or on behalf of South Dakota communities (including trade shows, marketing assistance, etc.).....	\$6,750
<u>Staffing</u>	
Allocation of direct labor costs (including labor loadings) for MEC personnel working with and/or on behalf of communities in our South Dakota service territory.....	\$40,058
Actual 2003 Expenditures Requested for SDPUC Approval	\$84,308
2003 Proposed Budget Approved By SDPUC	<u>\$100,586</u>
2003 Underspent Expenditures, Carryover to 2004 Budget	\$16,278

2003 Approved Budget

<u>Development Group Support</u>	<u>Budget</u>
Forward Sioux Falls	\$ 18,250
Yankton Area Progressive Growth	3,000
Vermillion Development Co.....	1,000
Sioux Falls Development Foundation.....	850
Siouxland Initiative (South Dakota allocation).....	1,500
Minnehaha County Economic Development Association (MCEDA)	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA).....	3,500
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Individual Community Development Support:	
Alcester Development Corp.....	\$200
Centerville Development Corp	200
Elk Point Gold Program.....	200
Flandreau Improvement Corp	200
Montrose Development Corp.....	200
North Sioux City Development Corp	200
Salem Development Corp.....	200
Program Subtotal.....	1,400
 <u>Economic Assistance Programs</u>	
Intended for economic development enhancements that help to create new jobs, capital investment and economic benefit to communities within our service territory (GOLD program, industrial site analysis, etc.)	5,000
 <u>Business Attraction Incentives</u>	
Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.)	7,000
 <u>Proposed Staffing</u>	
Allocation of salaries and related expenses for MEC developers working with and/or on behalf of communities in our South Dakota service territory.	55,000
 <u>Carryover</u>	
Carryover of unspent funds from approved 2002 Economic Development Budget.....	586
 TOTAL 2003 PROPOSED BUDGET APPROVED BY SDPUC	\$100,586

2004 Proposed Budget

Large Development Group Support

Forward Sioux Falls	\$ 18,250
Yankton Area Progressive Growth	3,500
Vermillion Development Co.....	1,250
Sioux Falls Development Foundation.....	850
Siouxland Initiative (South Dakota allocation).....	1,500
Minnehaha County Economic Development Association (MCEDA)	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA).....	3,500
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
 Total Large Development Group Support	 \$32,350

Individual Community Development Support:

Alcester Development Corp.....	\$250
Centerville Development Corp	250
Elk Point Development Corp	250
Flandreau Improvement Corp.....	250
Montrose Development Corp.....	250
North Sioux City Development Corp	250
Salem Development Corp.....	250

Total Individual Support \$1,750

Economic Assistance Programs

Intended for economic development enhancements that help to create new jobs, capital investment and economic benefit to communities within our service territory (GOLD program, industrial site analysis, etc.)..... \$5,000

Business Attraction Incentives

Governor's Golf Classic – South Dakota Business Attraction \$3,000 |

Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.) \$5,000 |

Proposed Staffing

Allocation of salaries and related expenses for MEC developers working with and/or on behalf of communities in our South Dakota service territory. \$54,822

Carryover

Carryover of unspent funds from approved 2003 Economic Development Budget..... \$16,278
(To be used mainly for SD Location One Information System (LOIS) – data assembly)

TOTAL 2004 PROPOSED BUDGET FOR SDPUC APPROVAL **\$118,200**

SECTION III
2003 Economic Development Highlights
MEC South Dakota's Service Territory

Sioux Falls

Industrial & Warehouse Development:

Dakota Digital completed a 22,000 square foot facility in Sioux Empire Development Park VII. The facility provides increased production space for the company's 30 employees.

Fastenal purchased 1.05 acres of land in Sioux Empire Development Park I for their newly constructed 5,000 square foot industrial and construction supply facility.

Hegg Companies completed construction on a 31,000 square foot facility for **Unisource** on 2.9 acres in Sioux Empire Development Park III East.

Holt Supply Company relocated a distribution center to Sioux Falls from Iowa. The HVAC distribution company is operating out of a 6,000 square foot facility.

Ideal Yardware is in the process of constructing a new 12,000 square foot facility on South Louise Avenue. The facility is scheduled for completion in March or April of 2004.

Luverne Truck Equipment, Inc. of Brandon built a new 30,000 square foot warehouse. The company plans to add 40 more employees over the next three years.

Midwest Motor Express purchased six acres in Sioux Empire Development Park III for their new terminal facility and has begun site work on the property.

Rude Transportation Company underwent a 6,000 square foot expansion, doubling the size of its terminal on Marion Road.

Sprenger Midwest built a 20,000 square foot warehouse to house pre-finished siding material and cedar. They also plan to upgrade their existing facilities over the next five years.

Vander Haag's Inc. is adding 16,400 square feet of shop space, parts storage and offices to their original 8,000 square foot facility. Work is scheduled for completion in December. The company currently employs 10 and plans to add shop and sales positions in the future.

Office, Commercial & Medical Development:

Work is complete on the \$14 million, four-story addition to the **Avera Doctors Plaza**, on the campus of Avera McKennan Hospital. The original 26,000 square foot building more than tripled in size to 86,000 square feet to provide more clinic space for doctors.

Breukelman Kubista, formerly TenCate Advertising, expanded into a new 7,000 square foot, \$1 million facility in Yankton Trail Professional Park. The company employs 13.

Construction is underway on a new 100 room **ClubHouse Hotel & Suites** on South Louise Avenue in the Meadows area. Construction started in October with completion in late 2004. The facility will include meeting space as well as a **Johnny Carino's Country Italian** restaurant.

Ear Nose & Throat PC moved into a new 15,000 square foot facility at 57th and Old Yankton Road in the Yankton Trails Professional Park.

First Dakota National Bank purchased the former 60,000 square foot Marquette Bank building for its Sioux Falls-based branch that opened earlier this year.

A 13,992 square foot expansion is underway at **First Dakota Title**. The expansion is scheduled for completion in December.

The \$10 million **Flying J Truck Plaza** opened for business in January near the intersection of I-29 and I-90. Over 100 people are employed at the facility.

A new upscale restaurant is nearing completion in the Meadows area. **Foley's Fish, Chop & Steakhouse** will provide seating for 300 guests.

Frontier Bank and **The Diamond Room** teamed up to construct a new 10,000 square foot facility near 57th and Louise Avenue to house their expanding businesses.

Construction was completed on **Graham Automotive's** new 30,000 square foot service, sales and parts facility on 41st Street.

A new walk-in health care clinic opened for business in September. **HeathReach Urgent Care** is located on South Minnesota Avenue and employs 17 medical providers and support staff.

Hematech, LLC, will create 70 new jobs when their new \$15 million, 40,000 square foot headquarters and research facility is completed. The new facility will be located on four acres in Sioux Empire Development Park V.

Hobby Lobby added an additional 13,000 square feet of space for seasonal sales items. The project began in June and was recently completed.

A six month, \$1.8 million renovation project that involved guest rooms, meeting rooms and common areas was recently completed at the **Holiday Inn City Centre** in downtown.

The **Internal Revenue Service** moved into 15,000 square feet of a new two story building owned by **Matrix Development Partners**.

Kohl's expanded from 87,000 square feet to 114,725 square feet and underwent a complete remodeling of all departments. The project was recently completed.

A sixth **Lewis Drug Store** is scheduled to open in 2004.

A new **Menards** store is under construction. The 200,000 square foot facility will include a garden center and will sell appliances. Groundwork has also started on an expansion of the existing **Menards** store on South Shirley Avenue to add a garden center.

Mid-American MotoPlex, formerly Elliot Power Sports, moved to a newly constructed 36,000 square foot facility on West 60th Street North near the intersection of I-29 and I-90.

Missouri River Energy Services moved into a new 25,000 square foot facility this summer in southwest Sioux Falls.

Work continues on **Northwestern Mutual Life Insurance's** new 7,000 square foot office facility in Yankton Trail Professional Park, with completion in early January, 2004.

Construction is scheduled to be completed in January on the new **Nyberg's Ace** at 41st Street and Sertoma Avenue. Nyberg's will occupy 36,000 square feet of the 48,000 square foot facility.

ObGyn Specialty Clinic has a new 3,780 square foot facility near Sioux Valley Hospital.

Work was completed this summer on the new 42,000 square foot facility for **Pontiac, Cadillac & Hummer of Sioux Falls**. It features 24 service bays, sales offices, a showroom and customer lounge.

The **Ramada Inn** underwent a \$5 million construction/renovation project to modernize all guest rooms and to expand the pool area with amenities.

Riddle's Jewelry is expanding and adding an additional 9,500 square feet to create the **Galleria on 41st** to house a **Starbuck's Coffee** shop and **Halberstadt's Men's Clothier**.

Sam's Club underwent a 27,000 square foot expansion adding a pharmacy, optical center, film processing center and snack bar/café. They also added a 12-pump gas station.

Service First Federal Credit Union expanded and remodeled its main branch on East 10th Street. The 6,800 square foot addition was completed this fall.

Sioux Falls Family Vision will open in a new 3,500 square foot facility in Yankton Trail Professional Park.

A number of **Sioux Valley Hospitals & Heath System** building projects are under construction including the two-phase, \$30 million, 44,000 square foot **Cancer Center** and a \$2.5 million, 23,800 square foot **Sioux Valley Clinic** at 69th & Minnesota Avenue. Work is also underway on the 60,000 square foot Prairie Plaza Building; 25,000 of which will house Sioux Valley's **Data Center**. Future plans also include a Children's Hospital and a joint fitness facility with the YMCA.

Ground was broken in April on the **South Dakota Technology Business Center**, a project of Forward Sioux Falls. The SDTBC is a business accelerator that will enhance the development and success of new and emerging technological companies. The \$4 million, 38,000 square foot facility is scheduled for completion in December. Forward Sioux Falls is a joint venture between the Development Foundation and the Sioux Falls Area Chamber of Commerce.

20,000 square feet of the former Scheels Sports at 41st and Minnesota Avenue is home to a **Staples** office supply store.

Target recently completed a 22,000 square foot expansion and remodeling project. The project allows more space for food items, registers, and sales space as well as wider aisles.

Vern Eide Mercedes-Benz/Mitsubishi merged with AutoMax to construct a new facility at 24th and Minnesota Avenue. The new facility is 20,000 square feet.

Walgreen's opened their fourth store in early 2003 at the corner of 26th and Minnesota. The store is 13,359 square feet. Another store at the corner of 26th & Sycamore is in the planning stages.

Brandon

Luverne Truck Equipment constructed a 40,000 square food warehouse and added 40 jobs.

Bethany Meadows completed \$8 million phase one of a multi-purpose senior living center on a 175 acre site. This phase includes 100 beds in both an independent and assisted living environment. Several new jobs in the health care professional field were created.

Three **strip malls** were constructed, one with four units in 9,000 square feet, another with four units in 9,160 square feet and another 4 unit-3,250 square foot complex.

Beresford

A 5,000 square foot **strip mall** was constructed.

Canton

Fastec completed a 15,000 square foot addition and hired 20 new workers.

Dakota Dunes

Village Square, the first major retail center in **The Dunes**, is 90% occupied as of the end of 2003. The facility was 42% occupied at the beginning of the year.

A new wing was added to the **Siouxland Surgery Center**, increasing bed capacity by 10.

Additional infrastructure (water, sewer, and street) of \$510,000 was constructed east of I-29 and north of the interchange in anticipation of new development.

Premier Bankcard's 50,000 square foot building was completed, with initial occupancy planned in early 2004.

Construction of a new **Catholic Church** began at the northwest corner of the development. Water and sewer facilities were added, which extends service into a previously undeveloped area. Completion anticipated in February 2004.

Infrastructure was extended for 12 residential lots in the **Meadows 7th addition**.

Infrastructure work began for 26 residential lots in the **Meadows 8th addition**.

Lennox

Ware Manufacturing built a \$2.5m, 70,000 square foot plant to relocate its manufacturing operation from New Hope, MN. They hired 38 workers and plan to grow to 100 in three years.

Sioux Steel purchased a 25,000 square foot spec building and expanded it to 60,000 square feet for its relocated livestock products division. 40 new jobs were added in the community.

North Sioux City

Menu Foods purchased the dog food plant formerly owned by IAMs and continues to process and can their product.

Four Seasons North purchased the former Body Wise facility and implemented a full service health care and exercise club.

Sioux City Bolt acquired the 40,000 square foot spec building built by the North Sioux City Economic Development Corporation and is currently operating from this facility.

Two telemarketing services, **Trans-Action Teleservices** and **Mass Marketing Group**, established communications facilities.

Vermillion

A \$1.5 million **Holiday Inn Express** motel near the Highway 50 bypass at Dakota Street was built, which currently employs 12 workers. Located near the USD campus and the Dakota Dome, the motel should enhance the university while supporting community development.

Grace Baptist Church constructed a major \$330,000 addition to their facility.

The **Edward Jones Investment Center** was completely remodeled for better customer service.

Coyote Cleaning Systems significantly expanded its building.

Remodeling was completed on the East Cherry Street **strip mall**.

Yankton

Industrial

Applied Engineering invested \$800,000 in its facility and created 8 new jobs.

Baldwin Filter invested over \$2m in its facility expansion and added 14 new workers.

M-Tron added 29 workers to its production facility.

Vishay Dale Electronics invested over \$1m and added 43 new jobs.

Cimpl Packaging added 16 new workers and made a significant addition to its facility.

Gehl Power Products added 20 new jobs because of growth in demand for its products.

Commercial/Institutional

Tractor Supply Company invested over \$1 million in their new facility and hired 2 workers.

The Human Services Center hired 5 workers.

First Dakota State Bank invested \$400,000 to upgrade its facility and hired 2 workers.

First National Bank added 5 people to its staff.

Avera Sacred Heart Hospital completed a \$3m expansion/remodeling and added 4 medical professionals.

SECTION IV
Economic Indicators

Building Permits

Lincoln & Minnehaha Counties

Permits not separated by residential and non residential.

<u>Community</u>	<u>2002</u>	<u>2003</u>	<u>Change</u>	<u>% Change</u>
Lincoln County				
Beresford	\$ 929,955.00	\$ 2,024,180.00	\$ 1,094,225.00	117.66%
Canton	\$ 2,662,623.00	\$ 1,938,577.00	\$ (724,046.00)	-27.19%
Harrisburg	\$ 4,566,453.25	\$ 10,659,845.00	\$ 6,093,391.75	133.44%
Lennox	\$ 1,416,152.00	\$ 5,573,701.00	\$ 4,157,549.00	293.58%
Tea	\$ 6,128,002.00	\$ 5,815,314.00	\$ (312,688.00)	-5.10%
Worthing	\$ 1,265,000.00	\$ 2,021,999.00	\$ 756,999.00	59.84%
	\$ 16,968,185.25	\$ 28,033,616.00	\$ 11,065,430.75	65.21%
Minnehaha County				
Baltic	\$ 853,957.00	\$ 1,356,145.00	\$ 502,188.00	58.81%
Brandon	\$ 27,052,384.00	\$ 22,657,047.00	\$ (4,395,337.00)	-16.25%
Colton	\$ 500,910.00	\$ 382,341.00	\$ (118,569.00)	-23.67%
Crooks	\$ 2,700,775.00	\$ 3,381,556.00	\$ 680,781.00	25.21%
Garretson	\$ 1,090,000.00	\$ 1,435,500.00	\$ 345,500.00	31.70%
Hartford	\$ 2,338,903.00	\$ 2,944,484.00	\$ 605,581.00	25.89%
Humboldt	\$ 1,089,730.00	\$ 781,744.00	\$ (307,986.00)	-28.26%
	\$ 35,626,659.00	\$ 32,938,817.00	\$ (2,687,842.00)	-7.54%
TOTAL	\$ 52,594,844.25	\$ 60,972,433.00	\$ 8,377,588.75	15.93%

Note: Data provided by local public officials.

Yankton City & County

Yankton City

Year	Total Valuation	New Single Family	New Multiple Family	New Commercial	Commercial Additions, Remodels	Other
2003	\$16,890,322	(36) Homes \$6,332,957	(46) Units \$2,432,308	\$3,285,025	\$2,643,416	\$2,196,616

Source: City of Yankton Building Department

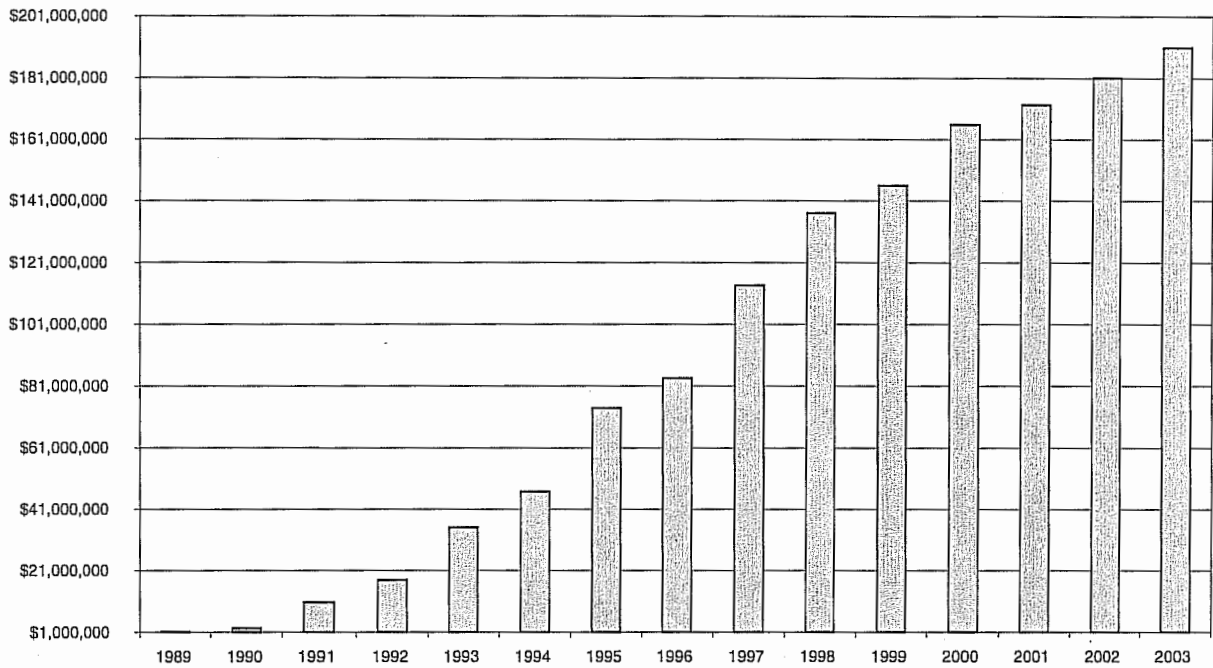
Yankton County

<u>Calendar year</u>	<u>Est. Value</u>	<u>Commercial/Industrial</u>	<u>Single Family</u>	<u>Total permits</u>
Year 2002	\$18,650,500	\$ 617,060	27	126
Year 2003	\$13,823,682	5,250,000	27	181

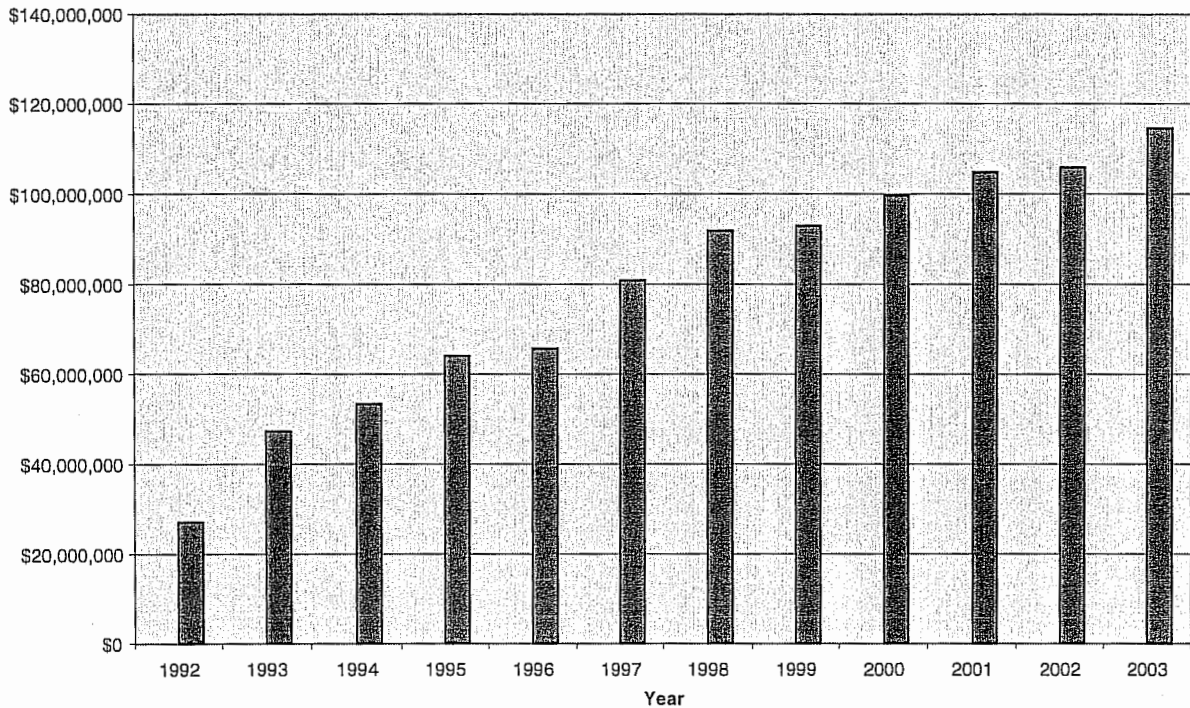
Source: Yankton County Zoning Department

Taxable Valuation

Dakota Dunes: Growth in Taxable Value 1989 - 2003



North Sioux City: Growth in Taxable Value 1992-2003



POPULATION CHANGE SINCE 2000 CENSUS

South Dakota Counties with MidAmerican Energy	In migration from other states	Out migration to another state	Net interstate migration	County Rank-Net interstate migration (66 counties)
Union	2,683	1,609	1,074	1
Lincoln	2,200	1,553	647	2
Yankton	2,613	2,270	343	3
Turner	523	423	100	9
Moody	537	461	76	10
Lake	862	793	69	11
McCook	353	294	59	12
Minnehaha	16,105	16,129	-24	27
Clay	2,191	2,818	-627	60
TOTAL MEC COUNTIES	28,067	26,350	1,717	
OTHER SD	44,481	58,666		
SD TOTAL	72,548	85,016	-12,468	
MEC COUNTIES %/SD	39%	31%		
Source: US Census Bureau, Fall 2003				



SCOREBOARD

RESIDENTIAL

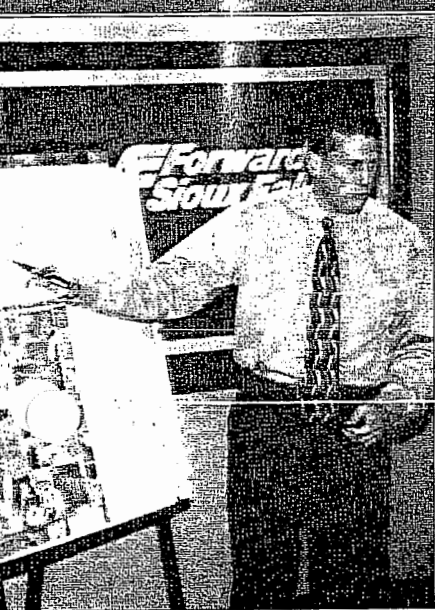
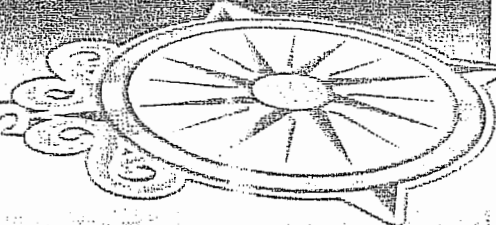
HOME SITES SOLD.....	664
HOMES UNDER CONSTRUCTION.....	24
HOMES BUILT.....	552
HOME RESALES.....	365
RESIDENTS.....	2168

COMMERCIAL

ACRES SOLD.....	156
APARTMENTS.....	306
WELLINGTON AT THE DUNES.....	192 UNITS
STERLING GREEN ESTATES.....	114 UNITS
DAKOTA PRAIRIE.....	8 UNITS
BUILDINGS.....	37
COMPANIES.....	76
JOBS.....	1652

DECEMBER 31, 2003

Directions



Dan Huidhorgen, Sioux Falls Development Foundation Vice President, points out available land in the Sioux Empire Development Parks to prospective new Sioux Falls businesses.



A publication of the
**Sioux Falls
Development Foundation**
Volume 27, Number 5
September-October, 2003

2003 sees strong land sales in development parks

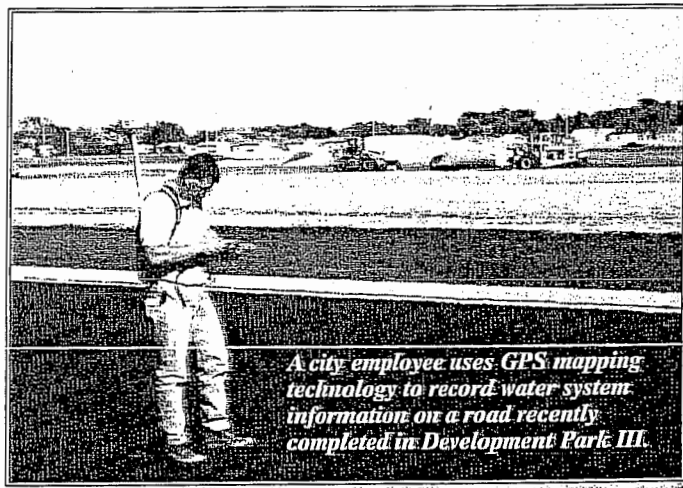
Over \$1 million worth of land in the Sioux Empire Development Parks will be sold this year. That is a sign of continuing prosperity in Sioux Falls, according to Development Foundation president Dan Scott.

"Land purchases this year mean construction activity through the winter and spring," Scott said. "With prices as low as \$1.25 per square foot, the demand for established land in our industrial parks—with streets, utilities and good location—has been very strong, necessitating the acquisition of more new park land."

Currently, there are eight numbered Sioux Empire Development Parks. Parks I and II, originally platted in the early 1970s, are now completely full. Parks III and III East have only a few lots available. Parks IV and V, at the corner of Benson Road and I-229, have been filling rapidly since their creation in 1992, while the newest parks, VI and VII, are opening up the northwest corner of Sioux Falls. Land acquired this year for Park VIII is ready for improvement, and planning has begun for its development.

In addition to the land already sold this year, the Development Foundation has another 20 acres on which purchasers will likely close during the next several months.

Continued on page 2...



A city employee uses GPS mapping technology to record water system information on a road recently completed in Development Park III.

Land sales

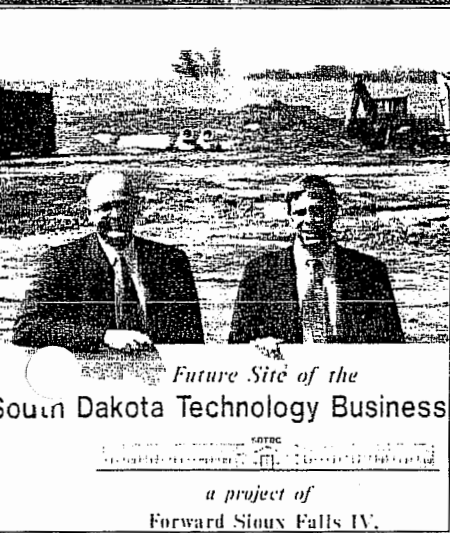
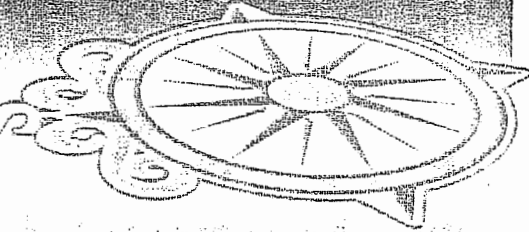
Continued from page 1...

Park growth required the construction of a new road this year in Park III, while infrastructure improvements in the other parks are on-going.

"The best reason to choose a site in our development parks is that there are no surprises," Scott said. "Safe, wide, hard-surface streets are already built. Electrical power and natural gas lines suitable for business or industrial use are already run to the site. Water and sewer, again in acceptable dimensions for industrial use, are available. Build your building, hook up to existing utilities and you're in business."



Directions



SDTBC Executive Director Rich Naser, left, and Technology Committee Chair Dave Link have guided the planning and development effort which led to the groundbreaking for the new Technology Business Center since the beginning of the Forward Sioux Falls IV program.



A publication of the
**Sioux Falls
Development Foundation**

Volume 27, Number 3
May-June, 2003

Construction begins on Technology Business Center

A vision for the future of Sioux Falls is becoming a reality on land adjacent to the Southeast Technical Institute campus. The South Dakota Technology Business Center (SDTBC), the incubator facility projected by Forward Sioux Falls as the keystone for a community technology and information systems park, is under construction directly north of the joint-use building shared by STI and USDSU.

"Years from now, those of us here today will look back on this event and see it as a turning point in our community's history," said Forward Sioux Falls chair Tom Everist at the groundbreaking ceremony. "The Technology Business Center will usher in the next major phase of the Sioux Falls business economy."

SDTBC is a technology-business accelerator that will assist new and early-stage tech-based companies by offering leased space and providing business development services such as planning, accounting, marketing and legal assistance. The goal of the project is to diversify the regional economy by helping entrepreneurs establish the next generation of technology-related businesses.

David Link, Technology Committee chair, said that SDTBC is planned as the cornerstone of a "knowledge community," which will include a technology business park and a graduate learning center near the STI/USDSU campus. Link said this part of the community will be a focal point for education, research and technology, making the Sioux Falls area a technology hub.

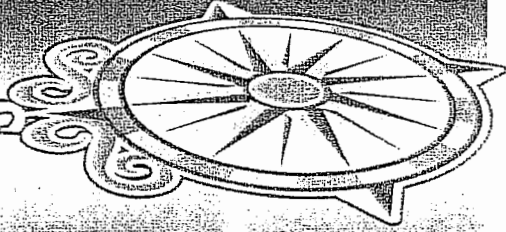
"This facility is one of the most exciting developments to arise from the partnership that is Forward Sioux Falls," said Dan Scott, Development Foundation president and a SDTBC board member. "This accelerator represents the aggressive, pro-active determination of Forward Sioux Falls to not just meet the challenges of modern economic growth, but also to shape the future of our community."

The \$4 million Technology Business Center has been funded by Forward Sioux Falls investors, a HUD/VA EDI grant, the South Dakota Future Fund, the Sioux Falls Development Foundation and the Sioux Falls Area Chamber of Commerce. Completion of the facility is expected in December of 2003. For more information on SDTBC or to inquire about becoming one of the initial tenants of the tech incubator, contact Rich Naser at 605-373-2008 or e-mail rnaser@siouxfalls.com.



The groundbreaking ceremony for the South Dakota Technology Business Center was held on May 12, 2003, with Forward Sioux Falls, Sioux Falls Development Foundation, Sioux Falls Area Chamber of Commerce and city officials participating in the historic event.

Directions



Park VIII provides space for future development

The creation and growth of the Sioux Empire Development Parks is one of our area's major economic development success stories. From the initial land purchases in 1971, the industrial parks established by the Development Foundation have grown to encompass nine parks, currently home to over 100 businesses, employing more than 12,000 individuals.

The Sioux Empire Development Parks include 700 acres of developed business sites, and 460 acres of land purchased for future community growth. The most recent addition to the Development Foundation land is sixty acres of pasture near the intersection of I-229 and Benson Road.

"One of our jobs is to have a vision for Sioux Falls far into the future," said Dan Scott, Development Foundation president. "When land becomes available for sale, and seems to fit into our vision of this area's growth

patterns, we take steps to acquire that land. The past success of our industrial parks has been built on that long-sighted pattern."

The Development Foundation board of directors has established a goal of having enough undeveloped land in the major expansion corridors in and around Sioux Falls to meet the growth needs of the community for twenty years. The current total of about 460 acres comes close to that goal, but Sioux Falls is a dynamic and vigorous economic entity and guessing about the potential growth of the area is not a finite science, according to Scott.

"Think about the recent rapid development of the Meadows on the River area," he said, "or even the relative speed with which 41st Street developed in the 1980s. Now we're seeing incredible growth in the northwest corner of the city to match constant expansion to the south and east. We plan ahead, but exciting things happen in this

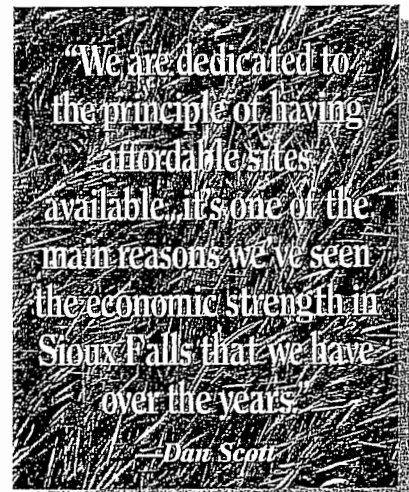
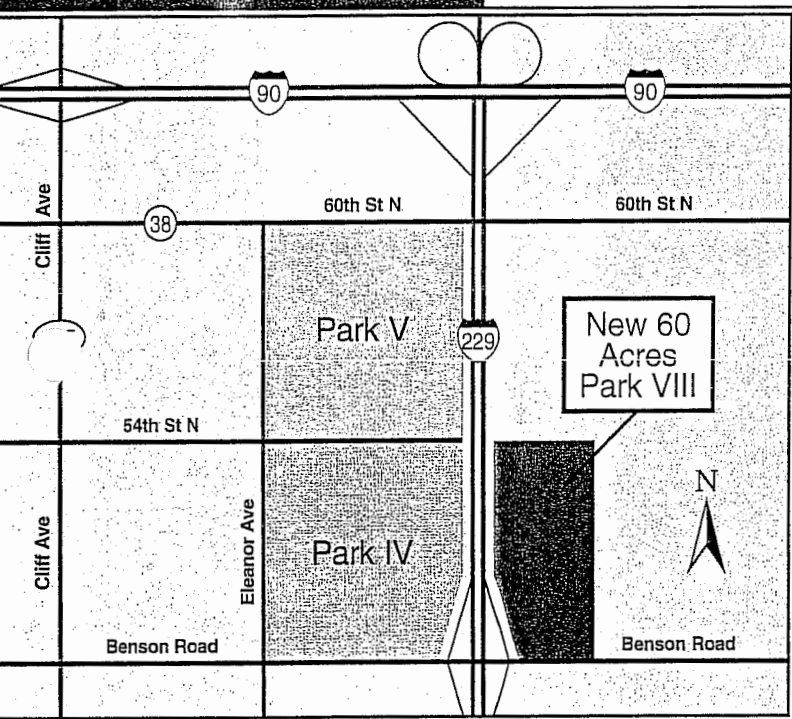
community—history tells us that much."

The new development park land will be designated Park VIII, Scott said, and will most likely remain pasture land for several years. However, having the land and being able to acquire it for a reasonable price is consistent with the Development Foundation's strategy for future growth.

"We are dedicated to the principle of having **affordable** sites available," Scott said.

"The Development Foundation has always been the organization that expanding and relocating companies can turn to for sites that are advantageous. Frankly, it's one of the main reasons we've seen the economic strength in Sioux Falls that we have over the years."

And to maintain that inventory of affordable development sites, the Development Foundation will continue to be in the industrial park business.



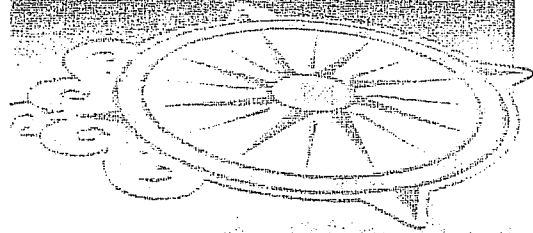
A publication of the

**Sioux Falls
Development Foundation**

Volume 27, Number 1
January-February, 2003



Directions



State funds SDTBC biotech suite



Governor Mike Rounds announced \$1.3 million in funding to establish a dedicated biotech area in the new South Dakota Technology Business Center to strengthen the potential for attracting new biotech firms to Sioux Falls. More on SDTBC's progress on page 2.



A publication of the
**Sioux Falls
Development Foundation**

Volume 27, Number 4
July-August, 2003

Governor announces \$7.5 million in Hematech funding

Governor Mike Rounds is recommending \$7.5 million in financing for Hematech, LLC to assist in planning and constructing a \$15 million headquarters building that will include a state-of-the-art Good Manufacturing Process (GMP) pilot purification facility. In the next 18 months, Hematech intends to build a highly sophisticated biotechnology campus in Sioux Falls and additional animal production facilities around the state.

"This project will have a far reaching impact on all of South Dakota and no doubt that impact will ripple into Iowa and Minnesota," Rounds said. "This is exactly the type of economic development we are looking for, allowing us to capitalize on so many of our strengths in South Dakota, including agriculture, medicine, business and education. Additionally, the project promises to bring together the academic research and corporate worlds."

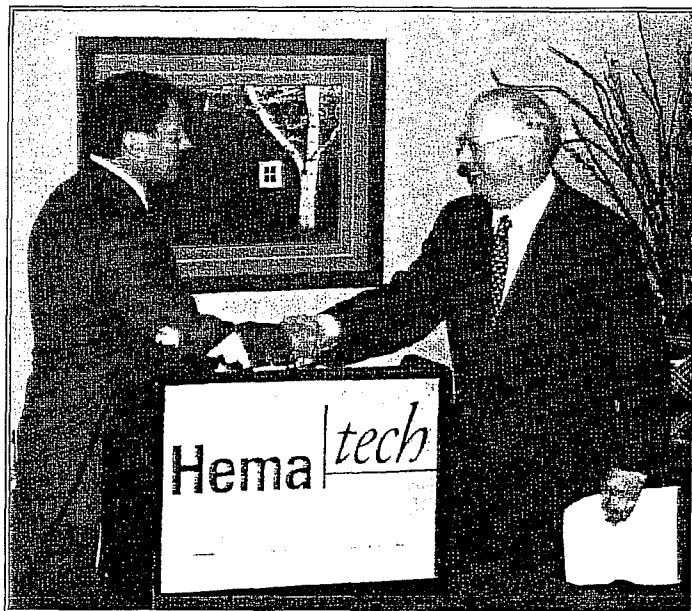
The \$7.5 million financial package includes a \$500,000 Future Fund grant, a \$2 million REDI Fund loan and a \$5 million taxable bond issuance through the Economic Development Finance Authority, a statewide issuer of industrial development bonds. The Authority, at the recommendation of Governor Rounds, is in the process of changing the maximum bond issuance from \$2.4 million to \$5 million to accommodate larger, more capital-intensive projects.

Hematech came to South Dakota in 2002 and expanded its facilities earlier this year. This second expansion involves the construction of a cutting-edge facility that will allow the company to take the purification and separation of fully-human polyclonal antibodies to the next level.

"This financing is yet another example of the tremendous support we have received from the people and the government of South Dakota," said James Barton, Hematech CEO. "South Dakota is a great place to do business and we look forward to a long and rewarding relationship."

Rounds said the state has already benefited tremendously from the location of Hematech, but said this is really just the beginning.

"I can't emphasize enough the quality of these jobs. Hematech is hiring PhD's, graduate students, lab technicians and other professionals with advanced degrees," Rounds said. "These are the types of jobs that will keep our young people in South Dakota."



South Dakota Governor Mike Rounds, left, congratulates Hematech CEO Jim Barton on the announcement of \$7.5 million in state funding to assist in the completion of a \$15 million Sioux Falls headquarters and lab facility for the biotech company.

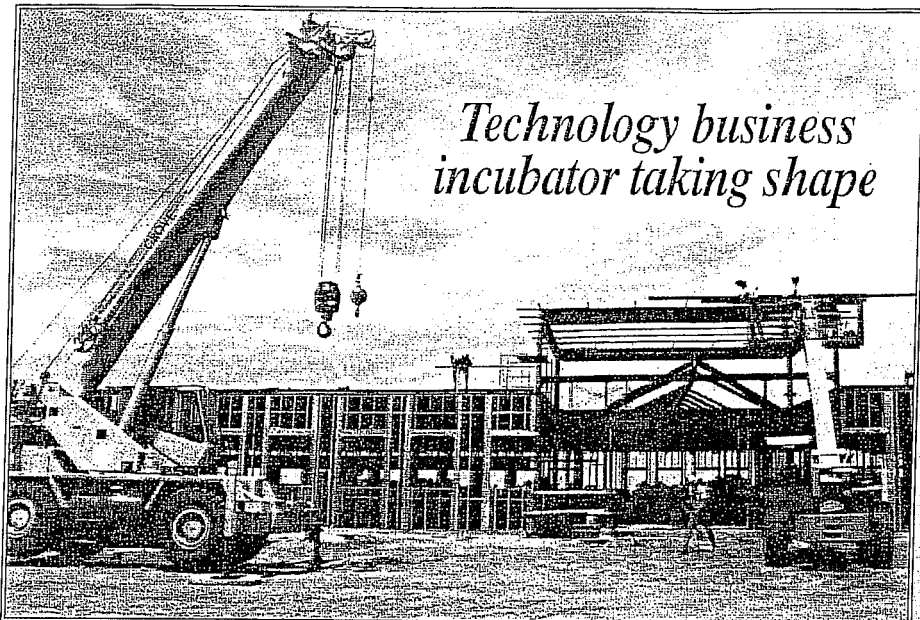
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Hematech funding

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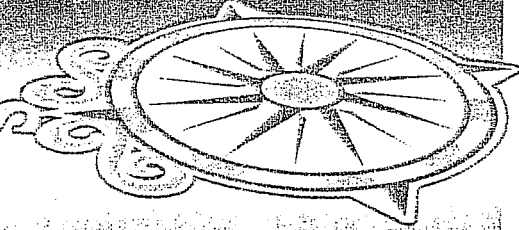
The governor also talked about the collaboration that has taken place as a result of this project, pointing out that Hematech has worked closely with South Dakota State University, the University of South Dakota and medical facilities in the state.

"This project emphasizes the partnership nature of modern economic development," said Dan Scott, Sioux Falls Development Foundation president. "Governor Rounds and his staff, business leaders in Sioux Falls and our strong educational sector created a team approach that made Sioux Falls and South Dakota a natural choice for Hematech's future plans."

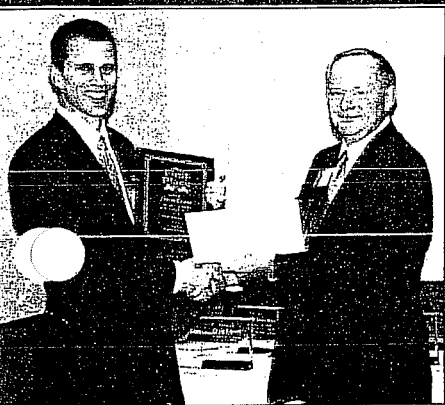


Construction is running on schedule for the South Dakota Technology Business Center adjacent to the Southeast Technical Institute campus in northwestern Sioux Falls. On July 31, Governor Mike Rounds announced planned state funding of \$1.3 million for dedicated biomedical or biotech space in the incubator for research and development.

Directions



Join a
winning team!



Business leaders receive appreciation awards from Development Foundation members in a committee chair Darwin Steffen at the conclusion of this year's volunteer membership drive. It is not too late to become a member of the region's most effective economic development organization. Get details inside!



A publication of the

**Sioux Falls
Development Foundation**

Volume 27, Number 2
March-April, 2003

The Sioux Falls advantage receives regional press

The majority of companies who expand their operations or relocate their businesses to Sioux Falls come from other cities in the upper midwest region. That fact makes it mandatory for Sioux Falls to ensure that business leaders in the Twin Cities, Des Moines and Kansas City, among other regional business centers, get our message.

"Companies that already understand the benefits of being located in the center of the country are looking for other advantages," said Dan Scott, president of the Sioux Falls Development Foundation. "Saving over a million dollars a year, paying fewer taxes and tapping into one of the most motivated, educated and fast-growing workforces in the country are among those advantages with a Sioux Falls location."

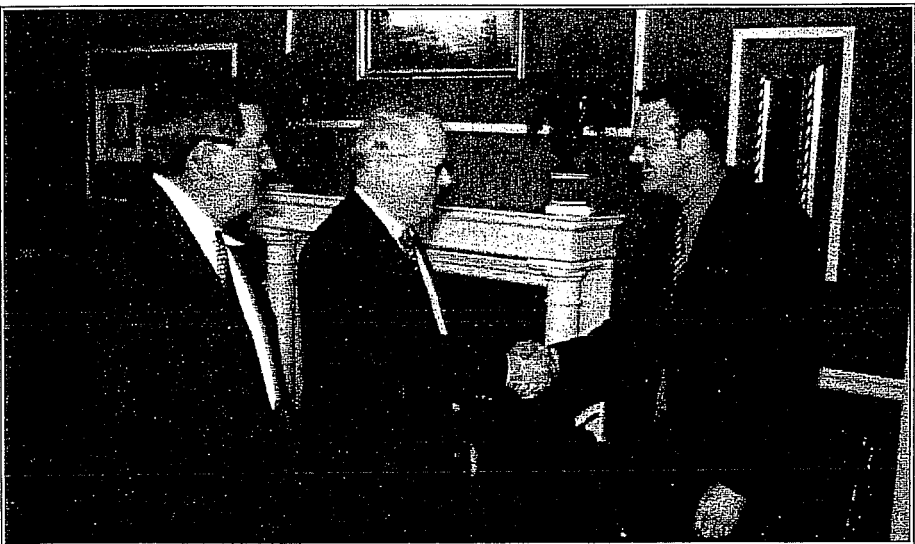
In mid-March, the *Des Moines Register* ran a Sunday feature breaking out the reasons why Iowa is losing companies to Sioux Falls. "The rival: Sioux Falls" was written in response to the current concern in Iowa that high tech ag-based businesses may come to Sioux Falls, following the lead of Hematech. The Iowa legislature is considering a major incentive package to discourage one of those companies, Trans-Ova of Sioux Center, from expanding into South Dakota.

"We're certainly talking to Trans-Ova," Scott said, "along with representatives of the Governor's Office of Economic Development. The success of Hematech in Sioux Falls—they expanded their operation within the first year—has shown that we are a great location for bio-tech companies."

Last year, the *Star Tribune* in the Twin Cities market reported that Sioux Falls is the best place in the US to open a high-tech company, something that Bay Technologies, Monet Wireless and BrightPlanet, among other technology firms, have already discovered. The construction of the South Dakota Technology Business Center (SDTBC) near the Southeast Technical Institute campus will further cement Sioux Falls' solid reputation as a great place for high tech. The facility will help entrepreneurial technology enterprises get established and become profitable before spinning them off into a nearby technology business park.

Kansas City got the word about Sioux Falls in a March 11 story in the *Kansas City Star*. Reporting the comparisons in the recent survey conducted

Continued on page 2...



Dan Scott, left, introduces Hematech president Jim Barton to Jamie Rounds, right, director of the Governor's Office of Strategic Initiative. Rounds met in Sioux Falls with Development Foundation and Hematech officials to discuss the company's expansion.

Sioux Falls advantage

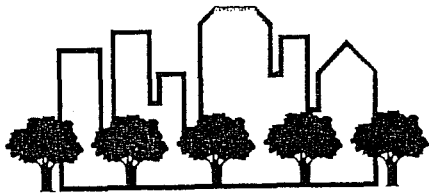
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by the Boyd Company of Princeton, NJ, the paper listed Sioux Falls as the **least expensive spot** in the US to operate a bio-medical research and product development company. The study postulated the costs in 48 North American cities for a 100-worker facility occupying 75,000 square feet of office and lab space. San Jose, CA, was the most expensive spot and Kansas City ranked 19th in the survey.

The Des Moines story pointed out Sioux Falls' tax advantages, established technology infrastructure and lifestyle excellence, citing high rankings by *Money* and *Forbes* magazines, among others.

"It's great when the daily papers in other cities help us convince business people they should be in Sioux Falls," Scott said. "But they're right: Sioux Falls is the best place in America to live and work!"





LCEDA
Lincoln County Economic Development Association

in cooperation with the
Sioux Falls Development Foundation

PO Box 907, Sioux Falls, SD 57101-0907
*Phone: (605) 339-0103 * Fax: (605) 339-0055*

March 25, 2003

Mark Rodvold, Community Development Consultant
MidAmerican Energy
816 Walnut
Yankton, SD 57078

Dear Mark:

On behalf of the Board of Directors for the Lincoln County Economic Development Association (LCEDA) thank you for your support of our organization. We are extremely proud to be a part of that effort and look forward to your support in 2003. Enclosed is MidAmerican Energy's invoice for this year's dues and we thank you in advance for your investment.

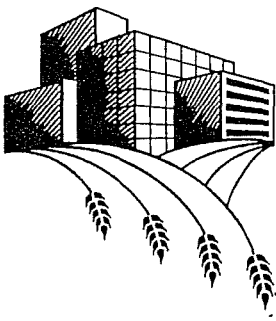
While the national economy continues to drag itself out of the slowdown, the resiliency of Lincoln County is evident. Sioux Steel, Ware Manufacturing, Sioux River Ethanol, United Concrete and Hilltop Cabinets are all new businesses that have started up or announced their location in Lincoln County within the last year. Overall, population, building permits and sales tax collection increased in the last year. Prospect inquiries also increased substantially and continue to show promise, leading to cautious optimism that the national economy is recovering. Now more than ever, responsible, strategic development is important to the continued growth of the county.

Thank you again for your support of economic development in Lincoln County. Should you have any questions, please feel free to contact myself, any member of the board or our Executive Director, Jeff Eckhoff.

Sincerely,

Marshall Drexler, President
Lincoln County Economic Development Association

enclosure



MCEDA
Minnehaha County Economic Development Association

in cooperation with the
Sioux Falls Development Foundation
PO Box 907, Sioux Falls, SD 57101-0907
Phone: (605) 339-0103 * Fax: (605) 339-0055

March 26, 2003

Mark Rodvold,
MidAmerican Energy
816 Walnut
Yankton, SD 57078

Dear Mark:

On behalf of the Board of Directors for the Minnehaha County Economic Development Association (MCEDA) thank you for your past support of our association. The unselfish cooperation and collaboration between the MCEDA communities speaks to the character of its leaders and the subsequent success of our economy. We are extremely proud to be a part of that effort and look forward to your support in 2003. Enclosed is MidAmerican Energy's invoice for this year's dues and we thank you in advance for your investment.

As the national economy continues to drag itself out of the slowdown, the resiliency of Minnehaha County perseveres. Overall, population, building permits and sales tax collection increased in the last year. Prospect inquiries also increased substantially and continue to show promise, leading to cautious optimism that the worst is behind us. Now more than ever, responsible, strategic development is important to the continued growth of the county.

Thank you again for your support of economic development in Minnehaha County. Should you have any questions, please feel free to contact myself, any member of the board or our Executive Director, Jeff Eckhoff.

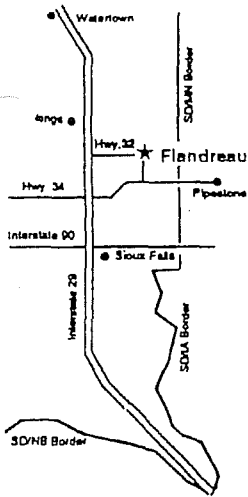
Sincerely,

Marvin Wieman, President
Minnehaha County Economic Development Association

enclosure

Representing Economic Development In:

*Baltic * Brandon * Colton * Crooks * Dell Rapids * Garretson * Hartford * Humboldt * Sherman * Valley Springs*



Flandreau Improvement Corporation

PO Box 342

Flandreau, SD 57028-0342

(605) 997-2353

April 23, 2003

Mr. Glen Ivarsen
Mid American Energy Co.
P.O. Box 778
Sioux City, IA 51101-0778

Dear Mr. Ivarsen,

The Flandreau Development Corporation / Civic and Commerce thanks you and your organization for the very generous prize/gift that was awarded to us at the 2003 Governor's Conference. This gift is greatly appreciated, and provides an incentive for organizations to strive to reach more and greater opportunities for their community. We appreciate the generosity of the energy companies in our state.

We have discussed ways that we might spend this award, but have not reached any final conclusions. We do not use these gifts in our own budget. We plan to spend it in a way that will benefit the most citizens in our community.

Again, we thank you.

Sincerely,

*Arlene Dordall, Administrative Assistant
Flandreau Improvement Corporation/ccc*



Award presentation

Flandreau's Mayor Warren Ludeman, left, and Arlyce Derald of the Flandreau Development Corporation are pictured in center front of this picture, receiving a \$1,500 reward at the Economic Development Conference held April

15 and 16 in Pierre. The award was given for the Dakota Layers Cooperative project in the community. Pictured with the winners from the East Central Region are representatives of the sponsors for the monetary awards.

City of SALEM

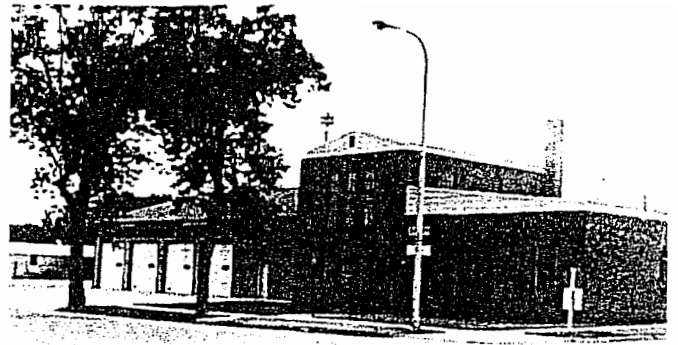
P.O. Box 249

Salem, South Dakota 57058

Phone (605) 425-2301

FAX (605) 425-3194

Mayor Robin Rayman



May 13, 2003

Glen Ivarsen
MidAmerican Energy Company
PO Box 778
Sioux City, IA 51101-0778

Dear Mr. Ivarsen,

The City of Salem, Progressive Salem Association and Salem Community Development Association would like to extend a thank you to you and MidAmerican Energy Company for the recognition on our community project and the cash reward.

The reward money has been used to add a sandbox and sandbox toys to the softball park, which was a great addition to the park.

Thank you again.

Sincerely,

Lori Heumiller
Finance Officer
Economic Development Coordinator
City of Salem

Sioux River Ethanol breaks ground

Congressional delegation, state and local officials take part in ceremony

By Paul Buom
Editor/Publisher

HUDSON - In what started as a vision only a few short months ago became a reality last week as nearly 200 people gathered in the Hudson City Park to hold a ground breaking ceremony for the new Sioux River Ethanol plant, which will begin construction southwest of Hudson this summer.

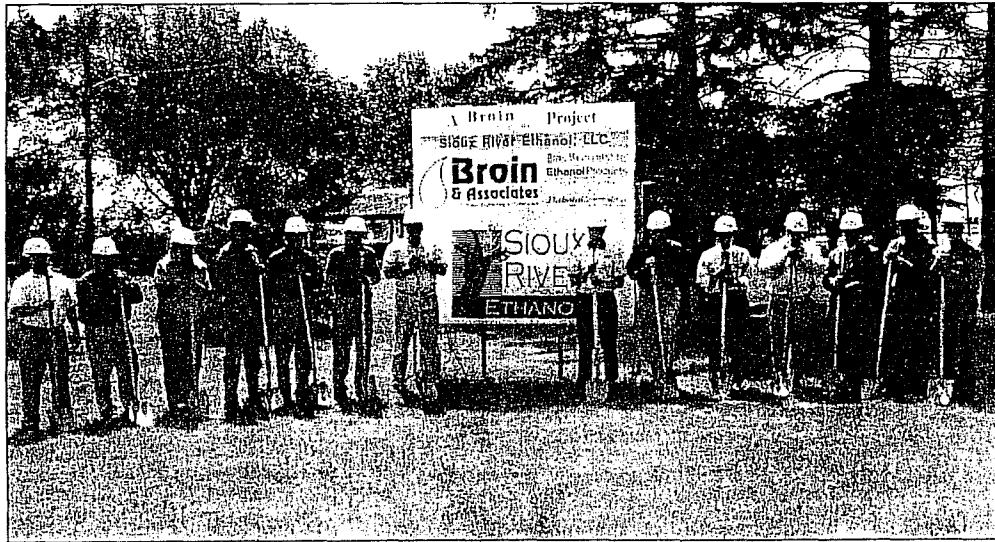
Last Wednesday morning, May 28, South Dakota's congressional delegation, along with officials from the Broin Companies, state and local officials, investors, and interested spectators gathered under a warm May sun to officially kick-off the construction of the new \$60 million facility.

Larry Ward, Director of Marketing for the Broin Companies, and Lincoln County Commissioner Jim Schmidt, welcomed the crowd before introducing Jeff Broin, CEO of the Broin Companies.

The Broin Companies, based in Sioux Falls, are building the new ethanol plant, which is expected to produce 45 million gallons of ethanol annually.

"Presently the eleven plants managed by the Broin Companies in South Dakota produce over 400,000 million gallons annually," Broin said. "To date, more than 7,000 producers, as well as hundreds of other investors, have invested in ethanol plant projects developed by the Broin companies. Incidentally, all of the 470 investors for Sioux River Ethanol are from South Dakota, and most are farmer producers."

"We're thrilled to play such a key role in the successful ethanol industry in South



Taking part in the Sioux River Ethanol ground breaking ceremony last Wednesday in the Hudson City Park were (l to r) Larry Ward, Director of Project Development for the Broin Companies; Jeff Eckhoff, Executive Director, Lincoln and Minnehaha County Economic Development Associations; Lisa Richardson, Executive Director, South Dakota Corn Growers Association; Reid Jensen, Sioux River Ethanol Board of Directors; Fred Thurman, Sioux River Ethanol Board of Directors; Blake Hoffman, Sioux River Ethanol Board of Directors; Paul Shubeck, Sioux River Ethanol Board of Directors; Jeff Broin, CEO, the Broin Companies; Senator Tim Johnson; Senator Tom Daschle; Congressman Bill Janklow; Trevor Guffey, Executive Director, American Coalition for Ethanol; Janita Rouns, Governor's Office of Economic Incentives; and Jim Schmidt, Lincoln County Commissioner.

Dakota and look forward to maximizing the success of Sioux River and our other partner facilities."

Broin spoke of what the new plant will mean to the region.

"Sioux River Ethanol will produce 45 million gallons of ethanol annually, which will take 16 million bushels of corn to make that happen. Not only will the plant produce ethanol, area livestock producers will benefit from the production of about 135,000 tons of premium high protein Dakota Gold Plus brand livestock feeds. The plant will employ 40 people with an annual payroll of \$1.25 million dollars."

Ward said he was excited to have South Dakota's congressional delegation of Senator

Tom Daschle, Senator Tim Johnson, and Congressman Bill Janklow present at the ceremony, and just what new ethanol plants like Sioux River Ethanol mean to the state. He then invited Senator Daschle to say a few words.

"I think what is so remarkable is how fast you (the Broin Companies) were able to bring this plant together," said Senator Daschle. "Five hundred investors in five days, and Sioux River Ethanol became a reality. That is a record, and I think it is an indication of the extraordinary reputation of the Broin Companies, but the extraordinary opportunities that your leaders saw as you created this opportunity right here in southeastern South Dakota. Just think

about 40 additional jobs, 1.5 million in additional payroll, an opportunity for people to bring their corn for a product price fifty cents higher than it is today."

Senator Daschle spoke of the impact that the ethanol industry has had on the South Dakota economy.

"Just in the last year, ethanol in South Dakota has meant more than \$1.3 billion in additional income. Today all across South Dakota, one in every three rows of corn is dedicated to ethanol production. We have 8000 investors, 500 more jobs, in our state alone, directly as a result of plants like this, and we are just getting started."

Senator Daschle said he has been working hard in Washing-

ton with both political parties to increase reliance on ethanol, and decrease reliance on foreign oil for the nation's energy needs.

"There is absolutely no question in my mind that as we go forth, Hudson and all of the plants like it, all over our state, will be the energy producers creating an image for South Dakota that will take us across the nation as an energy-producing state, and indeed, we should be," Senator Daschle said. "For the next ten years, our country is going to consume about 1.5 trillion gallons of gasoline. We have only 3% of the world's known energy reserves today. The economists have already begun to examine the impact of ethanol at reducing our dependency on foreign oil, and they

tell us that over that ten year period of time, we could actually see a reduction in our dependence of \$40 billion. We recognize that this is not only good for agriculture, this is not only good for Hudson and South Dakota, this is good for our country."

Senator Daschle went on to explain the effects that ethanol use will have on air quality in the United States.

"Last year alone, we took 4.3 tons of greenhouse gasses out of the air as a direct result of ethanol. Now 4.3 tons of greenhouse gas doesn't mean much to me, but some expert told me that that translates into 636,000 vehicles, the equivalent of which we have taken off the road because we are using ethanol in our cars to the extent that we are today."

"A lot of times you see Republicans and Democrats fighting about things, there is no fight about ethanol. We have Republicans and Democrats working together to make this the reality. And that is the only way we are going to pass the Renewable Fuels Standard for this country, and when it passes, we can expect at least 5 billion gallons of consumption of ethanol by the year 2012. We're going to do better than that, but this plant is going to take a role in making that happen."

Ward introduced Senator Tim Johnson, joking that it was something of a homecoming for Johnson in that he was raised just northwest of Hudson in Canton, and his grandfather homesteaded land near Centerville.

"Sioux River Ethanol, a \$60 million investment right here in the Hudson area producing 45 million gallons of

Continued on Page 3

Order of the Eastern Star donates to Alcester Foundation

Mary Erickson last week delivered a \$1,000 check to the Alcester Community Foundation from the Lily Chapter #135 of the Order of the Eastern Star. The Lily Chapter is an order of Eastern Star with members from both Alcester and Beresford.

Eastern Star members said they felt it was appropriate to help support local community

organizations such as the Alcester Community Foundation.

Gary McKellips accepted the contribution and thanked the Order of the Eastern Star for their support. The money will be placed in the permanent trust of the Foundation with the earnings used for community improvement projects.

Information Centers host high numbers of travelers

Travelers driving in South Dakota during the Memorial Day holiday weekend visited the state's Interstate Information

the highest total of all centers. More than 1,200 cars also stopped at the Lewis and Clark Information Center near Cham-

NRCS; funding available for water-saving irrigation practices

HURON - South Dakota is one of 17 states receiving USDA funding to help farmers and ranchers implement technologies and practices to conserve water and mitigate the long term impacts of drought.

State Conservationist Janet Oertly, NRCS, Huron, S.D., says, "The Natural Resources Conservation Service (NRCS) has funding available for conservation practices that result in net savings in groundwater or surface water. Conservation activities such as improved irrigation efficiencies or conversion to less water intensive

crops and dryland farming are eligible," says Oertly.

The Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) authorizes the Ground and Surface Water Conservation (GSWC) provision of the Environmental Quality Incentives Program (EQIP). The EQIP GSWC provision allows for additional water saving funding in the High Plains Aquifer region. Due to the drought, the funding has become available statewide for Fiscal Year 2003 with priority given to practices in the High Plains Aquifer (Ogallala); Belle Fourche and

Angostura Reservoirs; and Big Sioux Aquifer regions.

"I urge South Dakota landowners to contact their local NRCS offices by June 30 to make an application for EQIP GSWC," Oertly said. "Applications for the EQIP GSWC will be continuously accepted," she says, "however, June 30 is the cutoff date for accepting applications to be evaluated for Fiscal Year 2003 funding."

The Natural Resources Conservation Service works with landowners everywhere assisting them in reaching their land use goals while at the same time

achieving the greatest conservation functions and values on every acre enrolled in conservation programs. Farmers and ranchers can learn more about EQIP GSWC and program eligibility from their local NRCS office listed in the telephone book under U.S. Department of Agriculture or on the web. At the South Dakota NRCS homepage, select "Programs," then select "Environmental Quality Incentives Program" and Ground and Surface Water Conservation." The direct address is: <http://www.sd.nrcs.usda.gov/programs/GSWC.html>.

Palisades State Park unveils trail improvements

GARRISON - In celebration

to come.

From the National Recreation

of Palisades, Future interpretive

Sioux River Ethanol ground breaking



Senator Tom Daschle



Senator Tim Johnson



Congressman Bill Janklow

Continued from Page 1 ethanol, which will create higher prices for 16 million bushels of corn, 40 full time jobs - 40 full-time good jobs - here in this area, and a payroll that is going to turn over and over in the local economy," Senator Johnson said. "This is an extraordinary step for South Dakota and the Hudson area. But beyond that, this is part of an overall strategy for American that I think is going to make a huge difference for our nation. It will help improve our balance of trade, which is wildly out of line largely because of our petroleum imports into the United States. It allows us to pursue a foreign policy that is not driven by the need to preserve the oil lanes and to make friends with countries who have nothing that we want other than their oil. It allows us to control our own destiny all over the world to decide for ourselves where we want to have a presence or not.

Senator Johnson spoke of energy policies being worked on in Congress. "If we are successful with energy legislation, and I think that we will be, we will have an energy bill on the President's desk, he will sign it, it will revolutionize the economy in South Dakota and across rural American in general, and it will create a defined market over the coming decades for ethanol. It will double and triple the consumption on ethanol in this country, it will create vast new markets, and we will continue to build new ethanol plants in South Dakota, farmer-owned coops that will increase the price of corn, and increase jobs in the state. "I think that this creates the potential for South Dakota to be a major energy-producing state, a major energy-exporting state. It is going to

change the nature of South Dakotas' economy forever, and I think the people of the Hudson area working with Broin Associates can take great

bring capital return, and that is important to investors, but it is, honest to God, not as important as bringing more emergency independence to America.

SIoux RIVER ETHANOL AT A GLANCE

Location	3 miles south southwest of Hudson, SD
Annual Production Capacity	45 million gallons of ethanol
DDGS Produced Annually	135,000 tons
Total Project Investment	\$60 million (approx.)
Annual Area Expenditures	\$50 to \$60 million
Jobs Created	35 to 40 Full-Time
Annual Payroll	\$1,250,000.
Process Time	60 hours (approx.)
Railroad	Burlington Northern, Santa Fe
Construction Time Period	14 months from start of concrete
<i>*With consideration of a conservative economic impact multiplier of 5x, the potential annual influence of "total" area expenses approaches \$300,000,000.</i>	

Other Plants Managed by Broin:

Michigan Ethanol	Caro, MI
Tall Corn Ethanol	Coon Rapids, IA
Northern Lights Ethanol	Milbank, SD
Dakota Ethanol	Wentworth, SD
Northeast Missouri Grain	Macon, MO
EXOL	Albert Lea, MN
Agri-Energy	Luverne, MN
Pro-Corn	Preston, MN
Ethanol2000	Bingham Lake, MN
Broin Enterprises, Inc.	Scotland, SD
James Valley Ethanol	Groton, SD
Great Plains Ethanol	Chancellor, SD

pride in what they have done to pioneer ethanol production, and what they have done to strengthen the economy of our state. South Dakota is a wonderful place to live and raise a family, but it hasn't always been an easy place to earn a living. What we are doing here is strengthening both on-farm and off-farm incomes and strengthening the quality of life in America all at the same time."

Ward introduced Congressman Bill Janklow as the "junior" congressman from South Dakota, but that "junior" did not apply to his efforts in Washington to work for more ethanol reliance in the country.

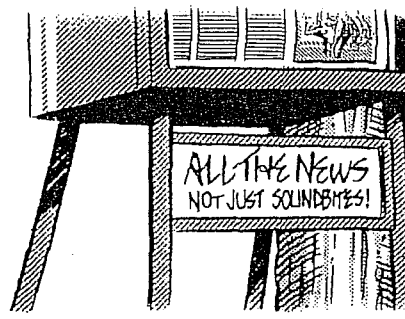
"This plant is going to bring jobs, and that is terribly important, but it is not as important as the production of energy in America," Congressman Janklow said. "This plant is going to

"This plant is going to be involved in paying taxes to the community, and it will contribute to everything from running the schools to plowing the county and township roads, to assisting in the education of the children, to helping the indigent who are needy, to running public libraries, and all of the things that communities do," Janklow said. "But it pales in comparison to assisting us in becoming more energy independent. Why? Because we can no longer continue to move in the direction we have moved. America has to clean up its act. It is plants like this that are the building blocks and the independence and the security and the survival of this country for young people of tomorrow."

The audience also heard from Jaimey Rounds of the Governors Office of Economic Incentives, Trevor Guthmiller of the American Coalition for Ethanol, Lisa Richardson of the South Dakota Corn Growers Association, Jeff Eckhoff of the Lincoln and Minnehaha County Economic Development Association, and Sioux River Ethanol board member Reid Jensen.

A ceremonial ground breaking was held with guests and Broin Company officials.

Sioux River Ethanol will be the sixth ethanol plant the Broin Companies have designed and the 19th plant built by the company. The company has built plants in 5 states and provides turnkey development, design/build, management and product marketing services for their partner facilities.



Governor Rounds to help Ellsworth

PIERRE -- Gov. Mike Rounds has announced that he will commit \$150,000 in Future Funds to the Rapid City Chamber of Commerce Ellsworth Task Force in an effort to ensure that the future of Ellsworth Air Force Base is not in jeopardy.

"I applaud the Ellsworth Task Force for their initiative in doing all they can to ensure that the base remains a viable component to our national defense," said Gov. Rounds on the commitment.

The governor's action is an effort to prepare for the Department of Defense (DOD) Base Realignment and Closure (BRAC) in 2005, when military installations will be reviewed, and

The Alcester-Hudson following businesses:
 2003 After Prom Party memorable party. A special planning and chair

- Alcester Family De
- Alcester Fire Depart
- Alcester-Hudson M
- Alcester-Hudson Sc
- Alcester Medical Ce
- Alcester Steakhouse
- Alcester Union
- Alkota Cleaning Sy
- Alliance Telecomm
- Alpha Sorority
- American Express I
- American Identity
- Back to Health
- Beresford Farmers
- Beresford Motor Co
- Beresford Vet Clini
- Booth Drug
- Boyer Machine
- Buckaroo Bar and G
- Cenex
- Central Catering

Behr Plant To Be Purchased By Adams Thermal Systems

A new era for the Behr Heat Transfer plant in Canton was marked by a Monday morning press conference announcing the upcoming purchase of the plant by Adams Thermal Systems, Inc. Mike Adams, current engineering manager at Behr, is the primary investor in the local buyout and will serve as president and CEO of the newly formed company.

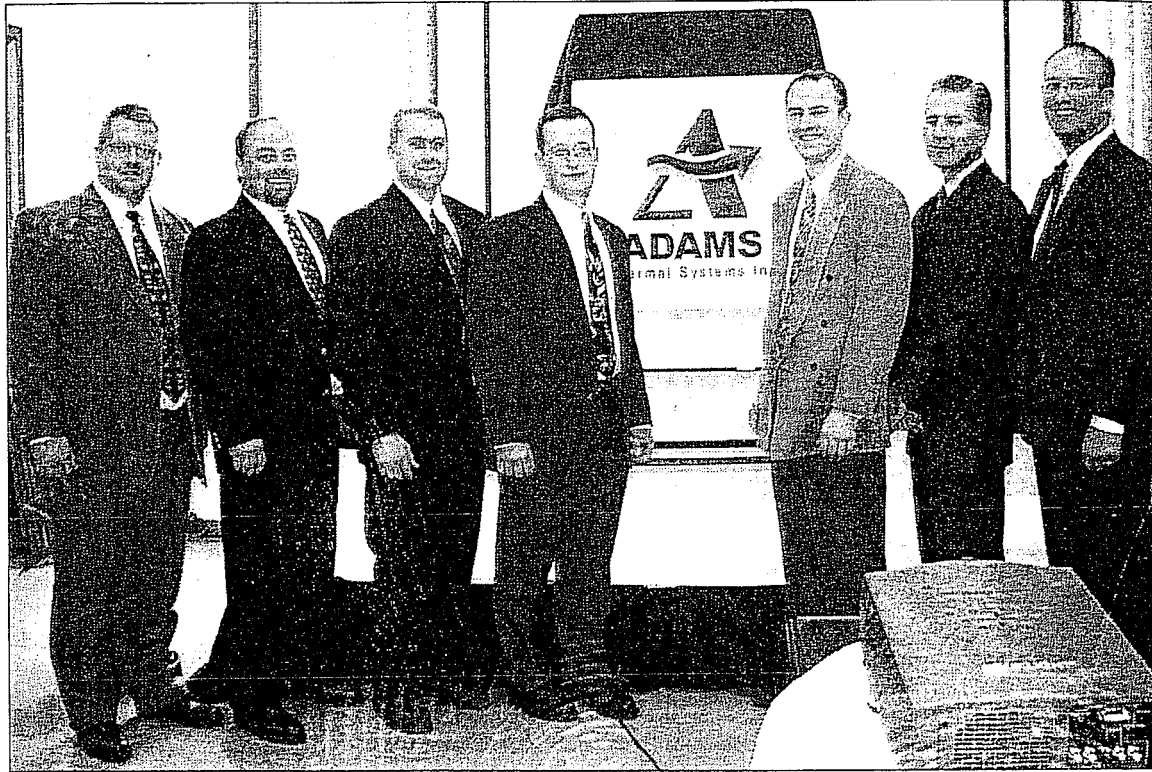
Adams noted current employment will not be affected by the purchase and that the plant's management team will remain in place. According to Adams, uncertainty regarding the Canton plant's future had been in the air for the past few years but the possibility of the plant closing became very real this past spring. This prompted Adams to initiate a proposal to purchase the local plant.

After contacting the State Office of Economic Development regarding concerns for the plant and its employees, Adams was directed to Jeff Eckhoff of the Lincoln County Economic Development Association. Through the combined efforts of the State of South Dakota, the Lincoln County Economic Development Association, the Canton Development Corporation, the City of Canton, and Behr America, Adams' plan became a reality.

Eckhoff commented, "I have never met with a prospective company where I have seen anybody more thoroughly prepared than Mike. It was textbook. He did everything he needed to do and instead of losing 200 jobs, we're saving them."

Adams stated, "I think with some uncertainty, there were a lot of questions on the part of the employees and everyone. Today, really answers those questions in a very positive way." Monday's 10:00 a.m. press conference involved Adams, Behr America, Inc. VP & CFO Frank Mueller, Canton Economic Development Corporation President Bob Lier, Canton Mayor Pete Van Dyke, and the Director of the Governor's Office of Strategic Initiative, Jamison Rounds.

Noting Behr America's growth from



The future owner of the Behr plant in Canton, Mike Adams, is shown above to the right of the sign for the newly formed company, Adams Thermal Systems Inc. The core management team and 200 Behr employees will be retained by the new company. Pictured from left is the core management team: Mike Hagberg, Operations Manager; Mark Donnell, Quality Manager; Todd Hirschhorn, Engineering Manager; Chuck Smith, Materials Manager; Adams, President & CEO; Greg Bertsch, Sales Manager; and Brad Vankalsbeek, CFO/Human Resources Manager.

100 million dollars in sales to approximately 830 million dollars in sales and an increase from three to ten product lines. Mueller indicated the additional development of the automotive market forced Behr to refocus its core business. Mueller said Behr sees a bright future for Adams Thermal System and its employees. "A primary consideration in this transaction has been the job security and welfare of our Canton employees. Under the agreement, Adams Thermal Systems will be able to better dedicate service to our current agricultural and off-highway customers, while allowing Behr to continue focusing on its core business in the automotive industry."

Jamison Rounds pointed out, "There are times when a good company has to do some restructuring. This company, the State and the community came together to keep this business here."

Bob Lier thanked Behr for its commitment and years of support of the Canton community. He stated, "An organization such as ours knows this is our best path to success."

Speaking as both the mayor and a Behr employee, Pete VanWyhe commented, "This is a big day for me for two reasons, because of the City of Canton and because of the fact that I work here. I am looking forward to working with Mike. I think this is going to be a good thing and I thank him

for getting everybody together and pulling this off."

The 121,000-square foot Behr facility produces a variety of engine cooling components, including oil cooler condensers and fuel coolers. The local buyout by Adams Thermal Systems Inc. also includes the purchase of an additional 10,000 square foot warehouse and parts distribution center in Cedar Falls, Iowa. Adams assured, "Behr has agreed to work very close with us to further improve customer satisfaction and the overall efficiency of the plant. We will continue to supply a number of parts to Behr and its customers and in time, we actually hope to increase employment."

Commissioners Examine Water

Reader - Garner P. 1 11/13/03

Mass Marketing Group expands to South Dakota

The North Sioux City Economic Development Corporation (NSCEDC) has announced that Mass Marketing Group of Las Vegas, NV, is expanding its operations to North Sioux City.

According to NSCEDC Executive Director Kory Menken, the company provides outsourced marketing services to a variety of telecommunication companies. The business will be located at 600 North Derby Lane, Suite 120, in space formerly occupied by Regency Recruiting.

Melissa Maaske is the general manager of Mass Marketing Group, which is a part of Mass-Key Marketing, a company operated in Las Vegas by her parents, Will and Terri Maaske. The company began the process of interviewing and hiring 35 full-time employees on Monday, with training sessions scheduled to begin on November 19. Cubicles and other office equipment were scheduled to arrive November 13.

The Maaske family started Mass-Key Marketing in Las Vegas in July of 2002. The company was incorporated in March of this year and added Mass Marketing Group. The company was founded with just three employees and now employees over 100 workers at the Las Vegas facility.

The move to North Sioux City is a homecoming of sorts for Maaske, who is a 1990 graduate of West High School in Sioux City. In addition to the tax and business benefits offered in South Dakota, she has an eight-year-old son she wanted to raise in a Midwestern environment.



Mass Marketing Group General Manager Melissa Maaske works in her office at the new location for the telemarketing company on North Derby Lane.

Maaske said the company expects to expand its workforce to 100 employees over the next year. The initial 35 employees will be involved in daytime, business-to-business operations. A second 35 part-time employees will be making evening residential contacts.

The current location has enough room for 70 workers. Maaske said there is room for further expansion at the leased site when it is needed.

"We are pleased to welcome Mass Marketing Group to the North Sioux City business community and look forward to working with them as they continue to expand," said NSCEDC President Bruce Odson.

This is the second telecommunication/marketing business to locate in North Sioux City in the past month. Trans-Action Teleservices, Inc. started operations in October in the former Direct Transit building on Freedom Drive. That company is starting with 55 employees and hopes to expand to 200 employees over the next one to two years.

North Sioux company expanding

NORTH SIOUX CITY – The North Sioux City Economic Development Corporation announced Friday that Mass Marketing Group of Las Vegas will expand its operations into the Gateway Business Park in North Sioux City. It will be housed at 600 N. Derby Lane and is the second such business to locate in North Sioux City in the past month.

The family-operated Mass Marketing Group provides outsourced marketing services to a variety of telecommunication companies. Its services include the marketing of new telephone company products and services, for example, said Kory Menken, executive director of the NSCEDC.

The company was started in July 2002, under the name Mass-Key Marketing; Mass Marketing Group was added in March this year. Initially the company will employ 35 people in North Sioux City, but plans to expand to 100 workers within the first year, said Melissa Maaske, general manager. The interviewing process will begin Monday in North Sioux City, Maaske said, and operations are planned to start Nov. 19.

Started with only three employees, Mass Marketing Group now has more than 100 employees in its last Vegas operation.

Menken noted that outsourcing is beginning to mean new jobs rather than the loss of jobs in North Sioux City, which has been stung by reductions in manufacturing at its Gateway Inc. plant, some due to outsourcing. "We're finding a lot of companies looking for telemarketing are actually outsourcing to the Midwest. We've got to change our mindset."

Trans-Action Teleservices Inc. began operation of a business-to-business teleservices company last month, also in the Gateway Business Park. The Illinois firm planned to hire 55 people for full-time jobs with benefits, then expand to about 200 in the next 18 months.

Sioux

City

Journal

11/19/03

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Mass Marketing Group
announces move to
North Sioux City

The North Sioux City
Economic Development
Corporation (NSCEDC)
announced today that Mass
Marketing Group of Las Vegas,
Nevada, will be expanding their
operations into North Sioux City,
South Dakota.

According to NSCEDC
Executive Director Kory
Menken, the family-operated
business provides outsourced
marketing services to a variety of
telecommunication companies.

"We started Mass-Key
Marketing in July of 2002 in Las
Vegas, Nevada," explained
General Manager Melissa
Maaske. "In March of 2003, we
incorporated our business and
added Mass Marketing Group,
which we are expanding into
North Sioux City. Our inter-
viewing process for the new
location will begin on November
10, 2003, and our first day of
operation will be November 19,
2003."

Mass Marketing Group's
North Sioux City operation will
be housed at 600 North Derby
Lane. While the company plans
to initially employ approximate-
ly 35 individuals, expansion to
100 plus is expected within the
first year. Started with only three
employees, their Las Vegas oper-
ation currently has over 100
workers.

Two Rivers Times P. 16 11/13/03

Iams sale to Menu Foods becomes official Nov. 1

Procter & Gamble's sale of its Iams Heartland plant in North Sioux City to Toronto-based Menu Food will become official November 1.

The sale of the North Sioux City facility was announced on August 12. The transition to the Menu Foods operation will not result in any supply interruption.

"We are extremely pleased to welcome Menu Foods to our community," said Bruce Odson, president of the North Sioux City Economic Development Corporation (NSCEDC). "The Heartland plant has been a major component of our local economy, and we are confident Menu Foods will continue that trend."

As part of the transaction, Menu Foods signed a long-term exclusive agreement to supply P&G Iams with all of its canned, or wet pet food, in the United States and Canada. Menu Foods produces more than 900 million containers of wet pet food per year, selling its products to supermarket retailers, mass merchandisers, pet specialty retailers and other retail and wholesale outlets. All of the current employees at the Heartland plant have been offered positions with Menu.

NSCEDC Executive Director Kory Menken said Menu Foods has become a proven leader in the pet food industry.

"Menu Foods has been tremendously successful in meeting the challenges of today's marketplace," he said. "The supply agreement with Iams is expected to increase Menu's volume by approximately 20 percent during the first twelve months of the term alone."

More information about Menu Foods can be obtained at www.menufoods.com.

Iams Plant becomes Menu Foods on Saturday

On Aug. 12, Proctor & Gamble announced the sale of its Iams Heartland plant in North Sioux City, South Dakota, to Toronto-based Menu Foods.

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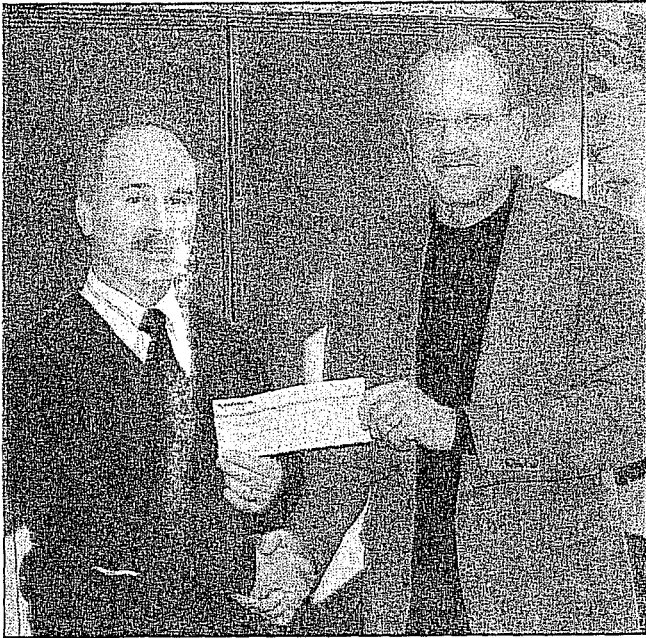
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Additional information about Menu Foods can be located at www.menufoods.com.

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10/30/03
P. 3

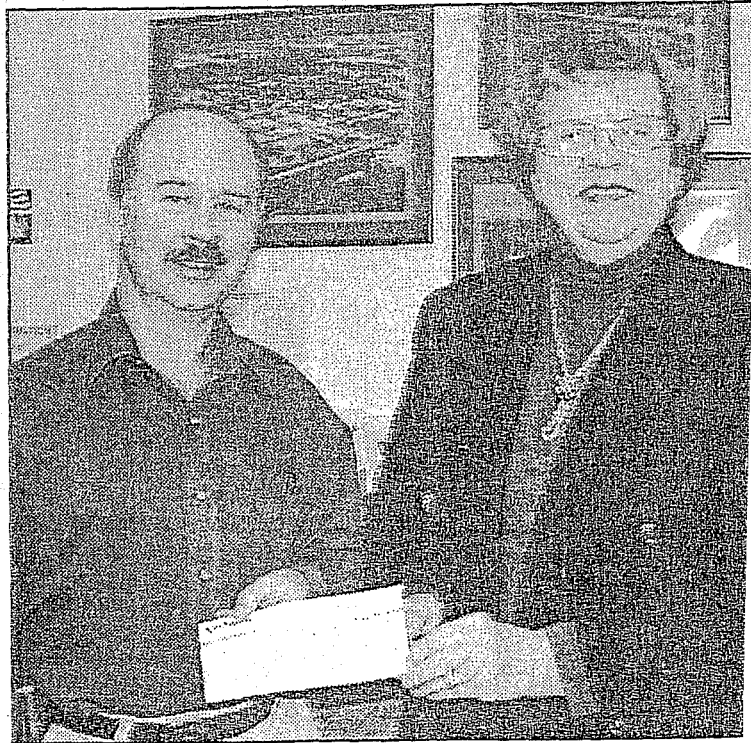
MidAmerican donates to Development Corporation



Mark Rodvold (left), Economic Development Consultant with MidAmerican Energy Company, presented a check Monday afternoon to Gary McKellips of the Alcester Development Corporation for their ongoing efforts to improve the Alcester community and build the local economy.

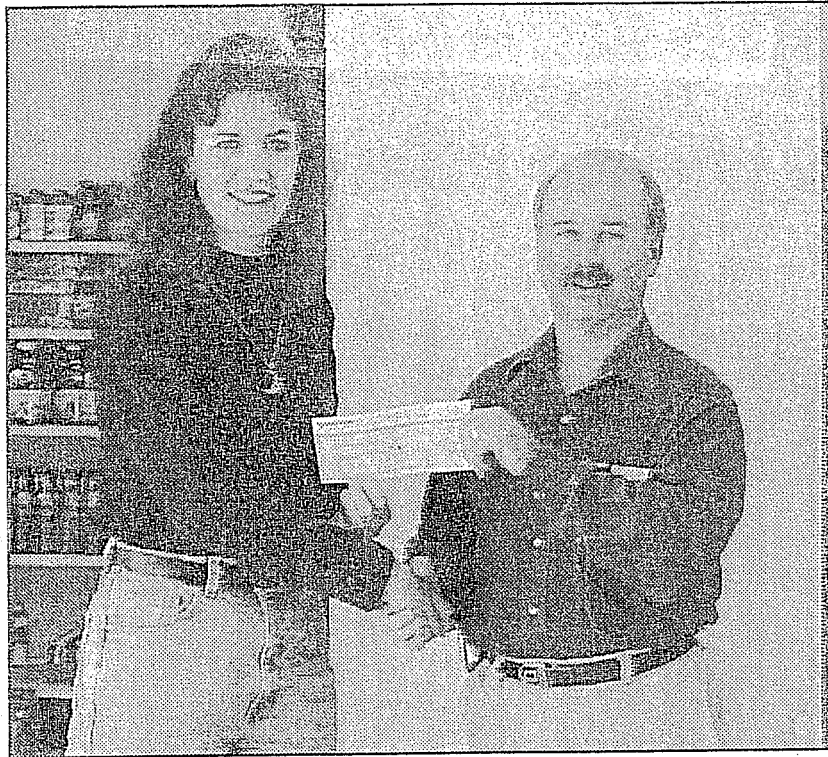
"Local leadership is crucial to attract quality development," Rodvold said. "The Alcester Development Corporation continues to perform the tasks necessary to build the community. Likewise, MidAmerican Energy will continue to provide assistance as their work progresses."

Page 13-Moody Co. Enterprise, Flandreau, SD, Nov. 26, 200

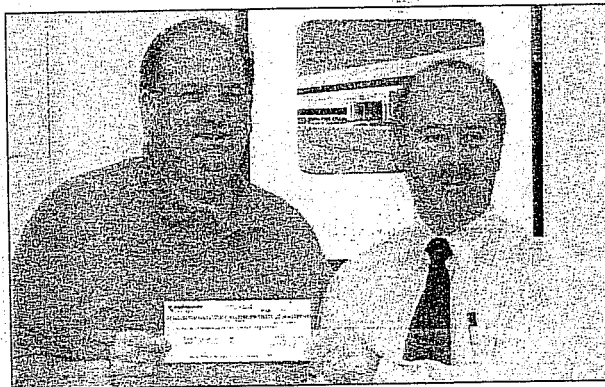


Gift to FIC

Mark Rodvold, left, Economic Development Consultant with MidAmerican Energy Company, presents a check to Arlyc Derald of the Flandreau Improvement Corporation for the ongoing efforts to improve Flandreau and to build the local economy. "Local leadership is crucial to attract quality development," Rodvold said. "The Improvement Corporation continues to perform the tasks necessary to build the community. Likewise, MidAmerican Energy will continue to provide assistance as their work progresses."



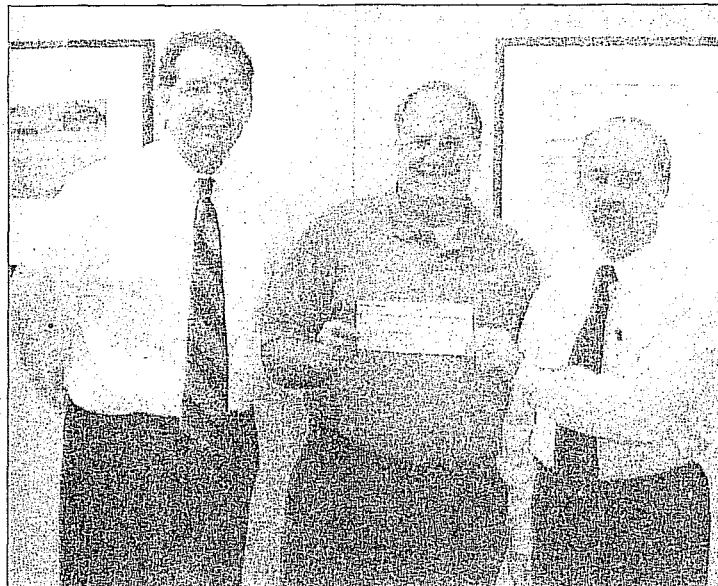
Mark Rodvold, Economic Development Consultant with MidAmerican Energy Company, presents a check to Denise Erickson of the Montrose Development Corporation for their ongoing efforts to improve Montrose and to build the local economy. "Local leadership is crucial to attract quality development," Rodvold said. "The Development Corporation continues to perform the tasks necessary to build the community. Likewise, MidAmerican Energy will continue to provide assistance as their work progresses."



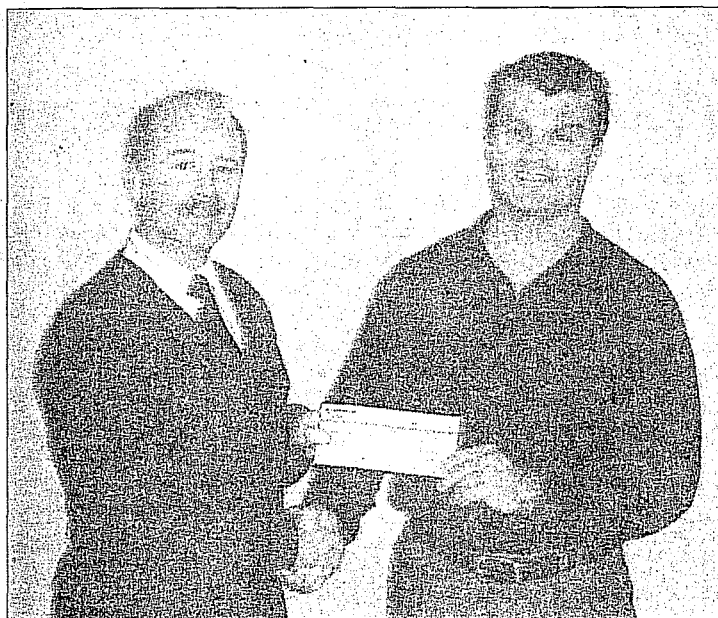
Mark Rodvold (right), Economic Development Consultant with MidAmerican Energy, presents a check to Darwin Gamm of the NSC Economic Development Corp. for ongoing efforts to improve and build the local economy.



SALEM DEVELOPMENT CORPORATION RECEIVES FUNDS: Mark Rodvold, Economic Development Consultant with MidAmerican Energy Company, presents a check to Darwin Miller of the Salem Development Corporation for their ongoing efforts to improve Salem and to build the local economy. "Local leadership is crucial to attract quality development," Rodvold said. "The Development Corporation continues to perform the tasks necessary to build the community. Likewise, MidAmerican Energy will continue to provide assistance as their work progresses."



Mark Rodvold, right, Economic Development Consultant with MidAmerican Energy, presents a donation to Kory Menken, left, executive director, and Darwin Gamm, board member of the North Sioux City Economic Development Corporation.



Rodvold also presented a donation to Brad Fowler, president of the Elk Point Economic Development Corporation, from MidAmerican Energy.

Development funds delivered

MidAmerican Energy Company, recently presented donations of \$200 to economic development organizations in North Sioux City and Elk Point.

The donations were made to the North Sioux City Economic Development Corporation and the Elk Point Economic Development Corporation for their ongoing efforts to improve their communities and build the local economy.

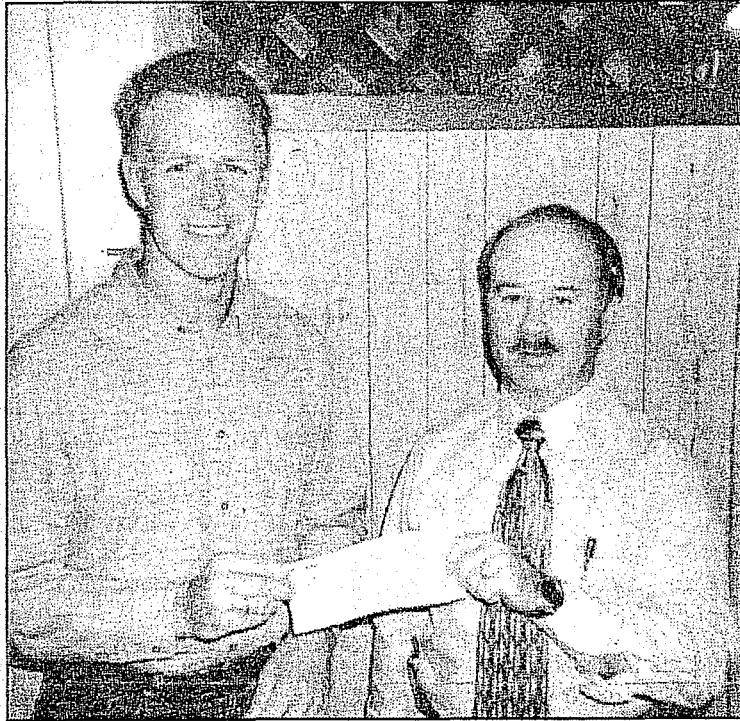
"The two communities continue to perform the tasks necessary to build the community," said

opment Consultant with MidAmerican Energy. "Local leadership is crucial to attract quality development."

Rodvold added that the company will continue to provide assistance to the two agencies as their work progresses.

MidAmerican Energy provides the donations to communities with development agencies that the company serves in the tri-state area. The company provides electrical and natural gas service in North Sioux City and natural gas

Economic Development receives check from MidAmerican Energy

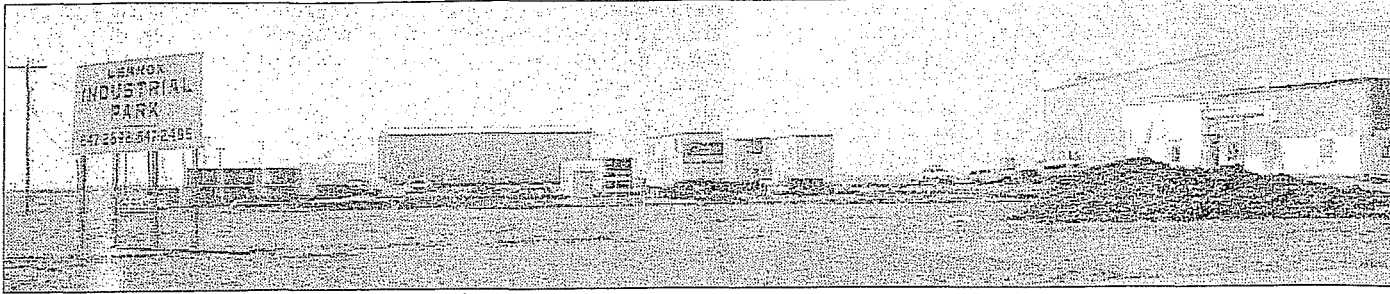


Bill Hansen, Centerville Economic Development and Mark Rodvold of MidAmerican Energy.

Mark Rodvold, Economic Development Consultant with MidAmerican Energy Company, presents a check to Bill Hansen of the Centerville Development Corporation for their ongoing efforts to improve Centerville and to build the local economy. "Local leadership

is crucial to attract quality development," Rodvold said. "The Centerville Development Corporation continues to perform the tasks necessary to build the community. Likewise, MidAmerican Energy will continue to provide assistance as their work progresses."

Virg Musch receives 2003 Excellence in Economic Development Award



Virgil Musch, President of the Lennox Area Development Corporation (LADC), was announced by Governor Mike Rounds as the winner of the 2003 Excellence in Economic Development Award. The award, designed to honor an outstanding volunteer in the area of economic development, was made at the Governor's Economic Development Conference held Apr. 16 in Pierre.

Musch has been active in economic development in Lennox for nearly 20 years. The past 11 years, he has served as president of the LADC. During his tenure, the group secured a 20-acre parcel for an industrial park, brought in utilities and built a 10,000 square foot facility.

Lennox has realized tremendous success this past year. The Development Corporation provided the office for Great Plains Ethanol during their equity drive, contacted investors about leasing vacant space for a Community Fitness Center, helped to keep open the local cafe, helped secure space for Nebraska Harvestore Systems, and spent hundreds of hours bringing Sioux Steel and Ware Manufacturing to town.

"Virg understands long-term economic development in a way many volunteers don't. In addition to encouraging industrial recruitment, Virg has been a strong advocate for service and retail business on Main Street," Rounds said. "Virg has worked hard to get the community involved in economic development and his efforts have really paid-off."

In addition to Musch's individual award, the Lennox Area Development Corporation also received a \$2,000 check to be used for a community project.

Jeff Eckhoff, Director of the Lincoln County Economic Development Association, has been an integral part of the Lennox development efforts and was pleased to see Musch and Lennox recognized.

"Virg and the entire development

corporation and the people in Lennox that have worked for employment and growth in the community are part of this recognition," said Eckhoff. "Their long-term effort has yielded this well-deserved honor."

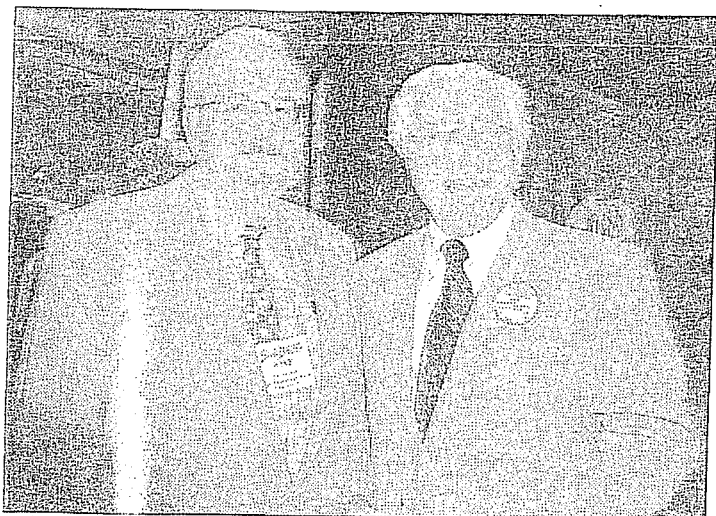
Eckhoff said it was well-known throughout the State and his office that Lennox has had the ability to put together proposals and to do things the right way.

It proved to be a good strategy in the end," said Eckhoff.

Pictured: Above—the Lennox Industrial Park, spec building towards center of picture will be incorporated into Sioux Steel facility, Ware facility at right; Center—Governor Mike Rounds congratulates Virg Musch as he awards him the 2003 Excellence in Economic Development Award; Below—Dick Rasmussen, Rhonda Beach, Dick Hemple, Dennis Weeldreyer, Governor Mike Rounds, Virg Musch, Carole Musch, Arnie Kruse, the award sponsor, and Jeff Eckhoff at the Governor's Economic Development Conference in Pierre on Apr. 16.



Robertson, Musch speak to developers at economic conference



Ware COC and President Dave Robertson and LADC President Virgil Musch were speakers at the 2003 Governor's Economic Development Conference.

Dave Robertson, COO and President of Ware Manufacturing, and Virgil Musch, President of the Lennox Area Development Corporation, were invited to speak at the 2003 Governor's Economic Development Conference on Wednesday, Apr. 16.

Robertson spoke about the importance of manufacturing in economic development and about Ware's decision to come to Lennox.

Ware Manufacturing is presently located in Minnesota near Minneapolis, and will be moving to the Lennox Industrial Park this summer. "You don't make the decision to move a company lightly," said Robertson.

Robertson told the developers that he first considered South Dakota for a location for the company when he received a post card from the Governor's Office of Economic De-

velopment. He advised the group to "be proactive—keep marketing people working."

Robertson started a dialogue with Bruce Lyons of the GOED, and Lyons recommended Lennox because of the spec building.

"It was because of that building that Ware was interested," Robertson said. He recommended that other communities prepare the same way. "If you build it, they will come," he said.

Although Robertson was very excited about coming to South Dakota, his board was not as convinced and encouraged him to look at other areas. Robertson checked out South Dakota, North Dakota, Iowa, and Wisconsin.

"Every time I did the evaluation

Continued on page 10

10

LENNOX INDEPENDENT/THURSDAY, APRIL 24, 2003

Musch, Robertson speak at conference

Continued from page 1
of South Dakota, I kept coming up with more pluses," Robertson said. "Lennox kept falling in there because of the people and their 'can do' attitude."

The second consideration was education. Ware Manufacturing would need 50 employees to begin their operation in Lennox, and they were only bringing 10. Robertson found exactly what they were looking for with Southeast Technical Institute in Sioux Falls. The school readily agreed to begin a class that would fit the company's needs. In fact, 25 people are about ready to graduate with the skills needed to work at Ware.

Lennox's location, close to Interstates 29 and 90; the employee base of farm kids, willing to put in eight hours of work for eight hours of fair pay; and the fact that Ware could become part of the community because Lennox wanted them—all of these things were factors in determining that Lennox would be the new home for the Ware Manufacturing Company, Robertson said.

Musch then told the developers the importance of educating the people in the community on why you're building a spec building. Musch said that after they built the facility, they went from a couple of hosting of potential businesses a year to 11 hostings a year with three full-blown proposals.

But development did not come

quickly and community members soon started complaining about the spec building sitting empty on the industrial park land. The pressure got tough for the LADC members, said Musch. Offers came in from people and businesses that would only employ one or two people. Farmers wanted to rent the building for storage. There was even an offer to buy the building and move it, said Musch. But the LADC stuck to their plan. "Show persistence and you'll find success," Musch told the developers.

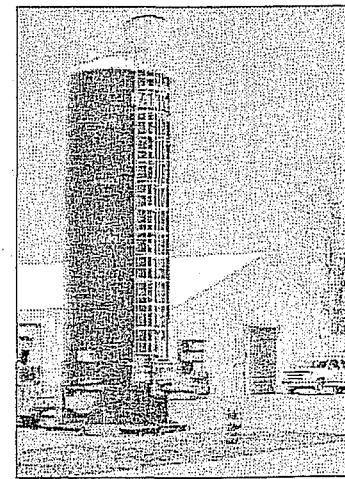
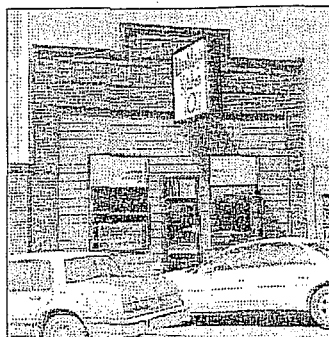
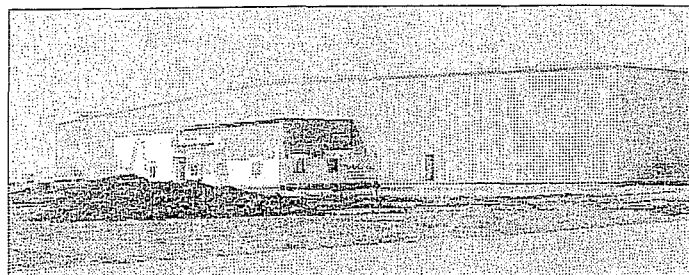
"Making the sale, signing the contract, closing the deal—that's when the work begins," Musch continued.

He told how they counted on people to help them, especially Jeff Eckhoff of the Lincoln County Economic Development Association, and the Governor's Office of Economic Development.

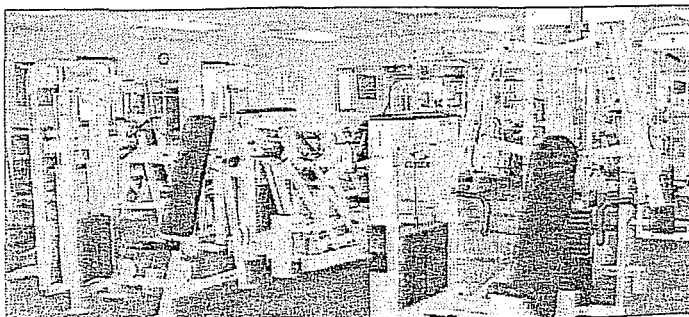
Sioux Steel, of Sioux Falls, was the first to make a commitment to move to Lennox. They will be building this summer, preparing to move into their facility next winter. Sioux Steel will incorporate the spec building into their new facility.

Ware Manufacturing expects to be up and running by July and will employ 52 people. Their goal is to employ 100 people in less than three years and become a \$12 million company, said Robertson.

"If we have manufacturing, we don't need tax cuts," concluded Robertson. "Just let us start building and selling something."



Recent Lennox Development included Ware Manufacturing (top), Sioux Steel (not pictured), LisaMay's Kitchen (above), Harvestore (right), and the Lennox Fitness Center (below).



South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of May 6, 2004 through May 12, 2004

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this report. Phone: 605-773-3201

ELECTRIC

EL04-015 **In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval to Include Certain Renewable Energy Development Fund Costs in the Electric Fuel Clause Adjustment.**

Application by Xcel Energy for approval to include Renewable Development Fund payments directed to projects resulting in new renewable energy production, and associated administrative costs, allocated to South Dakota, in a revised Fuel Clause Rider Tariff for purposes of cost recovery from South Dakota customers. Renewable Development Fund payments by Xcel are required by an Act passed by the Minnesota Legislature in exchange for enabling Xcel to temporarily store spent nuclear fuel at the Prairie Island Nuclear Generating Plant at Red Wing, Minnesota.

Staff Analyst: Steve Wegman/Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 05/07/04
Intervention Deadline: 05/28/04

EL04-016 **In the Matter of the Filing by Superior Renewable Energy LLC et al. against Montana-Dakota Utilities Co. Regarding the Java Wind Project.**

On May 12, 2004, Superior Renewable Energy LLC and its wholly owned subsidiary, Java LLC, filed a petition requesting the Commission to settle a dispute regarding the long term purchase price of electricity generated from a Qualified Facility pursuant to the Public Utility Regulatory Policy Act of 1978.

Staff Analysts: Michele Farris/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 5/12/04
Intervention Deadline: 5/28/04

NATURAL GAS

NG04-002 **In the Matter of the Filing by MidAmerican Energy Company for Approval of its 2003 Economic Development Report and its 2004 Economic Development Plan.**

On May 12, 2004, as part of the Decision and Order approving Settlement Stipulation in NG01-010, MidAmerican Energy Company filed its 2003 economic development report and its proposed 2004 economic development budget for Commission approval.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Filed: 05/12/04
Intervention Deadline: 05/28/04

TELECOMMUNICATIONS

TC04-089 In the Matter of Qwest Corporation's Modification to Exhibit B to the Statement of Generally Available Terms and Conditions.

On May 6, 2004, Qwest Corporation filed an Updated Exhibit B to the Statement of Generally Available Terms and Conditions (SGAT). Qwest modified Exhibit B to include new product reporting or standards or both, association between certain terms in the Performance Indicator Definitions (PIDs) to the Definition of Terms, language clarifications, PID deletion, and PID revisions. Qwest requests that the Commission permit the amended Exhibit B to go into effect in accordance with 47 U.S.C. Section 252(f)(3). Qwest further requests that the Commission deem this revised Exhibit B to modify the SGAT and existing interconnection agreements that currently contain the PIDs as an exhibit.

Staff Analyst: Harlan Best
Staff Attorney: Karen E. Cremer
Date Filed: 05/06/04
Intervention Deadline: 05/28/04

TC04-090 In the Matter of the Application of Sancom, Inc. d/b/a Mitchell Telecom for a Certificate of Authority to Provide Local Exchange Services in the Territory of Qwest Corporation.

On May 7, 2004, Sancom, Inc. d/b/a Mitchell Telecom filed an application for a Certificate of Authority to provide local exchange telecommunications services in Qwest Corporation's service territories. Sancom intends to construct and use its own facilities and may collocate or lease additional facilities as necessary to provide services to residential and business customers.

Staff Analyst: Harlan Best
Staff Attorney: Karen E. Cremer
Date Filed: 05/07/04
Intervention Deadline: 05/28/04

TC04-091 In the Matter of the Filing for Approval of Statement of Generally Available Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunications Services between Qwest Corporation and Comtech 21, LLC (Fourth Revision)

On May 7, 2004, the Commission received a filing for approval of a Statement of Generally Available Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services, and Resale of Telecommunication Services provided by Qwest Corporation in the state of South Dakota, Fourth Revision, between Qwest Corporation and Comtech 21, LLC. According to the parties, the Agreement "is a negotiated agreement which sets forth the terms, conditions and prices under which Qwest will provide services for resale to Comtech for the provision of local exchange services." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the Agreement no later than May 27, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 05/07/04
Initial Comments Due: 05/27/04

TC04-092 In the Matter of the Application of CommPartners, LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services and Local Exchange Services in South Dakota.

On May 10, 2004, CommPartners, LLC filed an application for a Certificate of Authority to provide facilities-based and resold local exchange telecommunications services and interexchange services in South Dakota. CommPartners intends to provide voice telephony services on a wholesale basis to small and medium-sized cable system operators. Specifically, CommPartners will bundle local, long distance, internet access, data transport, web hosting, billing services and back office supports for its partner wholesale customers. CommPartners may also provide these services on a retail basis to small and medium-sized businesses in areas not served by its wholesale customers. CommPartners will initially focus on providing services in Qwest local exchange areas.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Filed: 05/10/04
Intervention Deadline: 05/28/04

TC04-093 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and ICG Telecom Group, Inc.

On May 10, 2004, the Commission received a filing for approval of a Triennial Review Order Amendment to the Interconnection Agreement between Qwest Corporation and ICG Telecom Group, Inc. According to the parties, the Amendment "is made in order to change or add terms, conditions and rates for certain network elements." Any party wishing to comment on the Amendment may do so by filing written comments with the Commission and the parties to the Amendment no later than June 1, 2004. Parties to the Amendment may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 05/10/04
Initial Comments Due: 06/01/04

TC04-094 In the Matter of the Filing by Granite Telecommunications, LLC for Approval of its Intrastate Switched Access Tariff and for an Exemption from Developing Company Specific Cost-Based Switched Access Rates.

On May 10, 2004, Granite Telecommunications, LLC filed a petition asking for exemption from developing company-specific cost-based switched access rates. The Applicant requests waivers of ARSD 20:10:27:07, 20:10:27:12 and 20:10:27:13. Applicant intends to mirror the switched access tariffed rates of Qwest.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 5/10/04
Intervention Deadline: 5/28/04

TC04-095 In the Matter of the Application of United American Technology, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

On May 12, 2004, United American Technology, Inc. filed an application seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant intends to offer resold long distance, toll-free and travel card services to residential and small business customers.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 5/12/04
Intervention Deadline: 5/28/04

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**



MidAmerican Energy
P. O. Box 778
Sioux City, IA 51102-0778

July 19, 2004

BY OVERNIGHT DELIVERY

Ms. Pam Bonrud
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 52502

RECEIVED

JUL 20 2004

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

RE: Docket No. NG⁰⁴⁻⁰⁰²~~01-012~~

Dear Ms. Bonrud:

On May 12, 2004, MidAmerican Energy Company ("MidAmerican") filed its 2003 Economic Development Report along with its 2004 Economic Development Plan. As a result of internal review and review by Commission Staff, it is necessary to modify the Plan to reconcile actual expenditures to the amounts actually reflected in natural gas utility rates.

You will note that (1) labor costs expended increased while (2) certain Development Group Program Support items decreased. These changes are strictly the result of the effort to tie expenditures to the amounts that are in gas rates. You should be aware that there is no change in the total amount proposed to be expended on economic development in South Dakota as a result of these changes.

Enclosed for filing, please find revised 2003 and 2004 proposed expenditures, calling for the approval of the budget amount of \$116,099 in South Dakota in 2004, consisting of \$100,000 new expenditures and \$16,099 carryover from 2003. We respectfully request your approval of the revised amounts.

Please let me know if you have any questions or need additional information.

Very truly yours,

Suzan M. Stewart
Senior Managing Attorney
smstewart@midamerican.com
Voice: (712) 277-7587
Fax: (712) 252-7373

sms/sh
Enc.



SECTION II
Expenditures & Budget

2003 Actual Expenditures (Revised 6-17-04)

	<u>Actual</u>
<u>Development Group Program Support</u>	
Forward Sioux Falls.....	\$13,864
Yankton Area Progressive Growth.....	3,000
Vermillion Development Co.....	750
Sioux Falls Development Foundation.....	850
Siouxland Initiative (South Dakota allocation).....	0
Minnehaha County Economic Development Association (MCEDA).....	2,623
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA).....	2,623
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
Individual Community Development Support:	
Alcester Development Corp.....	\$200
Centerville Development Corp.....	200
Elk Point Gold Program.....	200
Flandreau Improvement Corp.....	200
Montrose Development Corp.....	200
North Sioux City Development Corp.....	200
Salem Development Corp.....	<u>200</u>
Subtotal.....	\$1,400
Program Support Subtotal.....	\$25,110
<u>Economic Assistance Programs</u>	
South Dakota Achievement Awards Program.....	\$1,500
<u>Business Attraction Incentives</u>	
Governor's Golf Classic – South Dakota Business Attraction – and allocation of non-labor costs for MEC personnel working with and/or on behalf of South Dakota communities (including trade shows, marketing assistance, etc.).....	\$8,208
<u>Staffing</u>	
Allocation of direct labor costs (including labor loadings) for MEC personnel working with and/or on behalf of communities in our South Dakota service territory.....	\$49,669
Actual 2003 Expenditures Requested for SDPUC Approval	<u>\$84,487</u>
2003 Proposed Budget Approved By SDPUC	<u>\$100,586</u>
2003 Underspent Expenditures, Carryover to 2004 Budget	\$16,099

2004 Proposed Budget (Revised 6-17-04)

Large Development Group Support

Forward Sioux Falls.....	\$ 18,250
Yankton Area Progressive Growth.....	3,500
Vermillion Development Co.....	1,250
Sioux Falls Development Foundation.....	850
Siouxland Initiative (South Dakota allocation).....	1,125
Minnehaha County Economic Development Association (MCEDA).....	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA).....	3,500
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
Total Large Development Group Support	\$31,975

Individual Community Development Support:

Alcester Development Corp.....	\$250
Centerville Development Corp	250
Elk Point Development Corp.....	250
Flandreau Improvement Corp.....	250
Montrose Development Corp.....	250
North Sioux City Development Corp	200
Salem Development Corp.....	250

Total Individual Community Support

\$1,700

Economic Assistance Programs

Intended for economic development enhancements that help to create new jobs, capital investment and economic benefit to communities within our service territory (GOLD program, industrial site analysis, etc.).....

\$5,000

Business Attraction Incentives

Governor's Golf Classic – South Dakota Business Attraction

\$3,000

Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.)

\$5,425

Proposed Staffing

Allocation of salaries and related expenses for MEC developers working with and/or on behalf of communities in our South Dakota service territory.

\$52,900

SUBTOTAL – Proposed 2004 Expenditures.....

\$100,000

Carryover

Carryover of unspent funds from approved 2003 Economic Development Budget.....
(To be used mainly for LocationOne Online System – LOIS – data assembly)

\$16,099

TOTAL 2004 PROPOSED BUDGET FOR SDPUC APPROVAL

\$116,099

MidAmerican Energy Company
 Economic Development Costs - Account 689302
 South Dakota
 2003
 Name

	South Dakota Charges		Corporate Charges		Total SD Gas
	Total	Gas Allocation	Total	SD Gas Alloc	
<u>Direct Labor</u>					
CARIS, DAVID C			\$ 25,348	\$ 464	\$ 464
KUNERT, KATHRYN M			\$ 15,380	\$ 281	\$ 281
PHILLIPS, MARY TERESA			\$ 3,271	\$ 60	\$ 60
BURNS, MARION J	\$ 458	\$ 343	\$ 617	\$ 11	\$ 355
CALVERT, DEBRA L	\$ 367		\$ 4,648	\$ 85	\$ 85
DASSO, VIRGINIA A	\$ 924	\$ 692	\$ 12,371	\$ 226	\$ 919
GERRING, STEPHEN			\$ 58	\$ 1	\$ 1
HIGGINS, DONNA M			\$ 2,908	\$ 53	\$ 53
RODVOLD, MARK P	\$ 30,613	\$ 22,941	\$ 6,357	\$ 116	\$ 23,057
STENDER, GAIL L			\$ 1,910	\$ 35	\$ 35
THEIS, GREGORY S			\$ 52,608	\$ 963	\$ 963
VANFOSSEN, JAMES K			\$ 21,369	\$ 391	\$ 391
WETZEL, JOHN H	\$ 900	\$ 675	\$ 35,228	\$ 645	\$ 1,319
WUNSCH, KENNETH H			\$ 13,769	\$ 252	\$ 252
IVARSEN, GLENN M	\$ 1,006	\$ 754		\$	\$ 754
					<u>\$ 28,989</u>
<hr/>					
Labor Loadings				\$	20,680
<u>Total</u>	<u>\$ 34,268</u>	<u>\$ 25,405</u>	<u>\$ 195,842</u>	<u>\$ 3,584</u>	<u>\$ 49,669</u>

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY)	ORDER APPROVING 2003
MIDAMERICAN ENERGY COMPANY FOR)	ECONOMIC DEVELOPMENT
APPROVAL OF ITS 2003 ECONOMIC)	REPORT AND 2004
DEVELOPMENT REPORT AND ITS 2004)	ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT PLAN)	PLAN
)	NG04-002

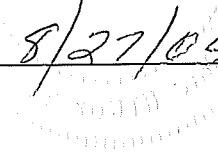
On May 12, 2004, the Public Utilities Commission (Commission) received MidAmerican Energy Company's (MidAmerican) 2003 Economic Development Annual Report and proposed Economic Development Plan for 2004. The proposed plan was filed in accordance with the settlement stipulation in NG01-010. Revised 2003 actual expenditures and a 2004 proposed budget were filed on July 20, 2004.

For 2004, MidAmerican's proposed economic development budget is \$116,099. The actual expenditures for the 2003 Economic Development Plan were \$84,487.

At its regularly scheduled August 17, 2004, meeting, the Commission reviewed MidAmerican's 2003 Economic Development Report and Economic Development Plan for 2004. 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 MidAmerican's 2003 Economic Development Report and Economic Development Plan for 2004 are approved.

Dated at Pierre, South Dakota, this 26th day of August, 2004.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u>Hellaine Kolbo</u>
Date: <u>8/27/04</u>
 (OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner