



February 22, 2006

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57502

Re: Docket No. NG06-_____

Dear Ms. Van Gerpen:

In accordance with the Decision and Order approving Settlement Stipulation NG01-010, enclosed are the original and 11 copies of MidAmerican Energy Company's report on 2005 economic development activities and our 2006 proposed budget. Please file stamp the extra copy and return in the self-addressed stamped envelope enclosed for your convenience. The actual expenditures shown in section 1 are based on the MidAmerican Energy Company 2005 Economic Development Budget, which was approved by the Commission on August 26, 2004.

MidAmerican focuses on our monetary support to local development organizations, 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:

- Board Member--Lincoln County Economic Development Association.
- Member--Minnehaha County Economic Development Association.
- Active coordination--Sioux Falls Development Foundation.
- Advisor--Yankton Area Progressive Growth economic development organization
- Assisted in formulation/initial program--McCook County Development Alliance.
- Assisted in start-up--Elk Point Development Corporation.
- Liaison--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
- Centerville Development Corporation

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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.

Opportunities are continually being sought to more efficiently provide utility services for present and future customers. MidAmerican is working with State offices and local jurisdictions on topics of mutual economic value. For example, at the request of SDDOT, Mark Rodvold served as the private sector representative on task forces to improve highway access and preserve future highway corridors. Since utilities frequently parallel public rights-of-way, these activities are mutually valuable in properly designing and building facilities that minimize service costs. A pilot study was completed for SD Highway 42 east of Sioux Falls, as this area is locally seen for its attractive growth potential. Further studies are anticipated. These cooperative efforts are a positive long-term benefit to all parties.

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

In 2005, we continued to experience the economic upturn that began in late 2003. For instance, MidAmerican participates in major industrial trade shows each year, such as the National Plastics Show and Fabtech, searching for industries interested in expanding in our territory. At both shows, prospects and exhibitors alike expressed their positive economic outlook.

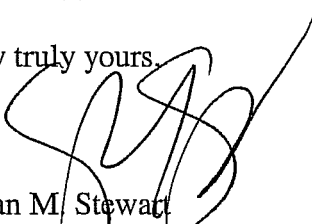
While the moderately growing economy, as well as emerging workforce availability issues, has clearly impacted our entire region, we are very pleased to report continued growth within our South Dakota service territory during 2005. In Section III we provide an overview of economic development highlights 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

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positive impacts on employment, income, and community growth. We respectfully request approval of our 2005 report and our proposed 2006 budget.

Very truly yours,



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enc.

cc: Mark Rodvold
Sara Schillinger
Kathryn Kunert

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

MidAmerican Energy Company

Report on

2005 Economic Development Activities
and Proposed 2006 Budget

to the

South Dakota Public Utilities Commission

February 2006

Prepared by: Mark Rodvold, Economic Development Consultant,
John Wetzel, Vice President Economic Development
and Kathryn Kunert, Vice President Community Relations and
Economic Development

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SECTION I Overview

This report is being submitted in accordance with the Decision and Order approving Settlement Stipulation issued in Docket No. NG01-010 and addresses MidAmerican Energy Company's ("MidAmerican") economic development expenditures.

This report presents MidAmerican's expenditures against approved budget for 2005 and the proposed 2006 spending plan. Also presented is an overview of economic activity in MidAmerican's gas service territory. This activity is presented both in narrative format on accomplishments and statistically in selected key measurements of economic activity.

Generally, 2005 was economically positive in MidAmerican's territory. Our local economic development partners reported several successes, and property valuation continues to grow in Union County in the vicinity of MidAmerican's affiliated Dakota Dunes development area.

These accomplishments are the result of the continuing commitment of local, regional and state visionaries. The heart of MidAmerican's economic development plan is to support these visionaries along with their community practitioners, some of whom are professional staff and others are community volunteers. We believe our 2005 spending plan helped in that regard and that our 2006 plan will do likewise.

In summary, we were approved to spend \$104,538 in 2005 but actually spent \$94,631. The difference occurred primarily due to lower than anticipated expenditures for data assembly of the LocationOne Information System (LOIS). The State's economic development office chose to use its own online system instead of LOIS. In 2006, we will continue focusing on local development groups, especially Yankton and Rural Sioux Falls, to utilize LOIS as offered by MidAmerican.

Our plan submitted herein calls for spending \$109,907 in 2006, which includes a carryover of approved but unspent funds of \$9,907.

SECTION II
Expenditures & Budget

2005 Approved 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).....	1,125
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)	
McCook County Development Alliance	<u>800</u>
Total Large Development Group Support	\$32,775

Individual Community Development Support:

Alcester Development Corp.....	\$250
Centerville Development Corp	250
Elk Point Development Corp	250
Flandreau Improvement Corp	250
North Sioux City Development Corp	<u>200</u>

Total Individual Community Support

\$1,200

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.)

\$5,200

Business Attraction Incentives

Governor's Golf Classic – South Dakota Business Attraction	\$2,500
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 2005 Expenditures.....

\$100,000

Carryover

Carryover of unspent funds from approved 2004 Economic Development Budget.....

\$4,538

(To be used mainly for local economic development group projects)

TOTAL 2005 SDPUC-APPROVED BUDGET

\$104,538

2005 Actual Expenditures

	<u>Actual</u>
<u>Large Development Group Support:</u>	
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)	
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(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
McCook County Development Alliance	<u>800</u>
Total Large Development Group Support	\$32,775
<u>Individual Community Development Support:</u>	
Alcester Development Corp.....	\$250
Centerville Development Corp	250
Elk Point Development Corp.....	250
Flandreau Improvement Corp.....	250
North Sioux City Development Corp	<u>200</u>
Total Individual Community Support	\$1,200
<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, LOIS, etc.)	
	\$1,253
<u>Business Attraction Incentives</u>	
Governor's Golf Classic – South Dakota Business Attraction	\$2,500
Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.)	\$3,259
<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.	
	\$53,644
Actual 2005 Expenditures Requested for SDPUC Approval in this Report	<u>\$ 94,631</u>
2005 Proposed Budget Approved By SDPUC	<u>\$104,538</u>
2005 Underspent Expenditures, Carryover to 2006 Budget	\$ 9,907

2006 Proposed Budget

Large Development Group Support:

Forward Sioux Falls	\$ 18,250
Yankton Area Progressive Growth	3,500
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Alcester Development Corp.....	\$250
Centerville Development Corp	250
Elk Point Development Corp	250
Flandreau Improvement Corp	250
North Sioux City Development Corp	<u>200</u>

Total Individual Community Support \$1,200

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 \$2,500
Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.) \$4,725

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. \$53,800

SUBTOTAL – Proposed 2006 Expenditures..... \$100,000

Carryover

Carryover of unspent funds from approved 2005 Economic Development Budget..... \$9,907
(To be used mainly for local economic development group projects)

TOTAL 2006 PROPOSED BUDGET FOR SDPUC APPROVAL \$109,907

SECTION III
2005 Highlights of Economic Development Activities
MidAmerican Energy Company's South Dakota Service Territory

SIOUX FALLS

Industrial & Warehouse Development:

Bioway Technologies, based in the Netherlands, opened a subsidiary called **Bioway America Air Technologies**. The Sioux Falls plant assembles layers of material that go inside bioreactors that treat polluted or odorous air.

Classic Cookie, a national distributor of cookie dough for fund-raising programs, opened a 2,500 square foot sales office and distribution center in Sioux Falls.

A \$3 million, 32,000 square foot expansion to include manufacturing space, corporate offices and showroom/technology demonstration space at **Crimson Fire's** facility in Brandon was completed this year.

Dakota Fluid Power is leasing 6,600 square feet of additional space to meet the growing demand for its hydraulic systems and service.

Fastenal, a construction and industrial supply company, recently opened a second Sioux Falls facility. The 6,000 square foot facility will allow the company to provide better customer service.

The **Goodin Company**, a plumbing, heating, air conditioning and industrial supply company, purchased 3 acres in Sioux Empire Development Park III. The company is constructing a 37,200 square foot warehouse/distribution center.

Hanson Pipe & Products underwent a \$6.2 million expansion project that added 18,000 square feet to their existing 11,000 square foot facility. The expansion allows the company to increase their product line.

IDS Industries recently began site work for their new \$6 million, 125,000 square foot facility. The new office/warehouse facility, scheduled for completion in 2006, will be located between 57th Street North and 60th Street North, adjacent to Sioux Empire Development Park V.

Groundbreaking ceremonies were held in September for **John Morrell & Co.** The company is investing \$100 million in a new 232,000 square foot addition for a state-of-the-art deli-ham manufacturing system, two pre-cooked bacon lines and a pre-cooked topping line as well as a replacement facility for sausage. The expansion is scheduled for completion in the fall of 2007 and will create 200 new jobs. 2007 is the company's 100th year in business in Sioux Falls.

Magic Makers relocated its corporate headquarters from Nevada to a 6,000 square foot facility in Sioux Empire Development Park III East. The magic supply design, import, sales and distribution company employs six.

Motion Industries, an Alabama-based distributor of industrial parts, opened a distribution center at 404 East 40th Street North.

The **O'Connor Company** is moving to a new \$2.5 million facility on 4 acres in Sioux Empire Development Park V. The facility will provide 35,000 square feet of office and warehouse space for the HVAC and temperature control supply company.

P&M Steel Company's new facility will be ready in April of 2006. The 50,000 square foot building will provide the company with 20,000 square feet of additional production space as well as allow more room for offices and parking. P&M expects to increase employment in 2006.

Schwan's Home Service is investing \$2.3 million in a new 13,200 square foot facility under construction on 6.4 acres in Sioux Empire Development Park IV.

Showplace Wood Products underwent a \$4.2 million expansion to their facility in the Harrisburg Industrial Park. The addition provided 40,000 square feet of manufacturing and warehouse space and 27,000 square feet of finishing space.

Sioux Valley Energy completed construction of a 30,000 square foot service center with office and warehouse space near Brandon.

Swatowski Stone & Tile moved to a new 20,000 square foot facility located on South Grange Avenue. The new showroom/office/warehouse facility allowed the company to expand its product offerings.

A 12,400 square foot building is home to **Tilden's Floor Covering**. The warehouse and retail center is located on Arrowhead Parkway near Wal-Mart East.

Westland Manufacturing underwent Phase I of their expansion plans, which included the addition of two assembly machines and a 7,500 square foot addition.

In 2005, **Xcel Energy** completed the \$37 million expansion of the Angus C. Anson power plant between Sioux Falls and Brandon with the addition of a third combustion turbine generator.

Office, Commercial & Medical Developments:

Ashbury Plaza, at 6th Street and Sycamore Avenue, is a planned seven-building office development. Three buildings have been completed for a total of 13,000 square feet including a new **First PREMIER Bank** branch.

Construction continues on the **Avera McKennan Behavioral Health Hospital**, a new \$32.1 million, 100,000 square foot facility. The 110-bed hospital will employ over 230 and is scheduled for completion in the spring of 2006. Also under construction is the **Avera Doctors Plaza West**. This 38,000 square foot medical office building will house Midwest Psychiatric Medicine, University Psychiatry Associates and the University of South Dakota Psychiatric Residency Program.

Automated Data Processing purchased the 75-acre Sioux Empire Development Park VI located in northwest Sioux Falls. The Fortune 500 company is constructing a \$50 to \$60 million, 185,000 square foot disaster recovery center scheduled for completion in the spring of 2006 that will employ 50.

Footings are in for the **Beakon Centre** that will encompass 60,000 square feet of retail space at the northwest corner of 57th Street and Louise Avenue. The upscale shopping center development will feature up to 15 stores and is scheduled for completion in May of 2006.

Billion Automotive purchased the former Econofoods Store at 41st and Minnesota Avenue and renovated the facility to house their Buick/GMC dealership.

The multi-facility retail and office development **Bridges on 57th**, at 57th and Western, will be home to a number of businesses including **Gunderson's Jewelers**, **Busy Bees Child Care**, **Scooters Java Express** and **Shoes Dioggi**. A 400-seat restaurant named **Bracco** is also planned for the development.

Builders Millwork & Window opened a new retail location on East 10th Street. The 5,800 square foot showroom is located at the former site of Brenda's Pastry.

When completed in February of 2006, **Business Aviation's** new \$3.7 million general aviation facility at Joe Foss Field will include a 14,450 square foot passenger terminal with second floor office space, and an additional 28,800 square foot aircraft hangar.

Located on South Carolyn Avenue, the \$1.9 million **Carnival Brazilian Restaurant** is open for business. The facility seats 250 patrons.

Construction was completed on Corporate Centre III, a 41,243 square foot facility located in Sioux Empire Development Park V. The facility will be home to **L&S TeleServices**, an expanding call center operation that will lease nearly 17,000 square feet. The leased space will provide room for up to 240 work/training stations.

A former Gateway facility, located in the Sioux Empire Development Park, will be home to **CoSentry Inc.** The company is leasing 16,000 square feet of space that will include room for a 200-seat work group recovery center and a 3,000 square foot computer data co-location storage center.

Courthouse Square, a new five-story, 79,000 square foot, \$15 million office complex in downtown Sioux Falls, is nearing completion. The facility will house the US Attorney's Office.

Founded in January of this year, **CSD Contact Services**, a for-profit subsidiary of CSD, created nearly 60 call center jobs. Located downtown, the company expects to grow to 150 employees by the end of 2006. The company provides answering services, online customer service support, video conferencing and website hosting and design.

The downtown **Post Office** will be moving to a new three-story, 45,000 square foot, \$6 million facility currently under construction on the site of the former bus depot.

Esurance, an on-line auto insurance company, has created an additional 150 jobs since moving to their new 40,000 square foot facility in December.

Evergreen Place Office Park, a 52,200 square foot, six-building, 18-unit office condominium development, is located on 4.3 acres near the Empire Mall on 49th Street.

Omaha-based **First National Bank South Dakota** purchased the former Stubbe building and the former Wells Fargo Auto Bank facility, located downtown, to accommodate their growth plans.

Development continues on the 23-acre business park and residential area in southwest Sioux Falls known as **Garden Village**. The development includes four commercial sites, five office buildings and ten twin homes and is home to the **Home Builders Association of the Sioux Empire** and **Journey Mortgage**.

Work continues at **Heather Ridge Village**, a multi-structure business and commercial development near Western Avenue and 69th Street. The 8-acre complex will feature seven buildings housing **Williams Insurance Company**, the **Skyforce** headquarters, **Look's Fine Foods**, a pub and more.

Hematech LLC, purchased by Tokyo-based Kirin Brewery Ltd. in July, will move its corporate offices, currently based in Westport, Connecticut, to Sioux Falls by the end of the year.

The **Holiday Inn City Centre** is undergoing a \$1.8 million renovation project that is scheduled for completion after the first of the year. The project includes an updated color scheme on the facade as well as other exterior improvements and a new lounge in the lobby area.

Linens-N-Things opened in October and **Cost Plus World Market** opened recently in the Riverwood Plaza retail center development on Louise Avenue in the Meadows area.

Meta Payment Systems, providing stored-value and prepaid card solutions, is the first company to graduate from the South Dakota Technology Business Center. In October, the company moved into 9,000 square feet of the **MetaBank** building at 57th and Western. The company started with seven employees when they moved into the SDTBC in June of 2004 and currently employs 30. The company expects to grow to 46 employees within the next year.

Omnicare, a long-term care pharmacy, doubled its pharmacy space this fall when it moved into 9,000 square-foot of leased space on North Kiwanis Avenue.

Ophthalmology Ltd. is building a new 28,000 square foot office facility. The business will be located on the southwest corner of Minnesota Avenue and LaQuinta Street, and will provide additional space and parking for the 62 employees and their patients.

Plains Commerce Bank is opening a branch bank in Sioux Falls on West 49th Street, just south of the Empire Mall. The two-story, 9,630 square foot facility is scheduled for completion in the spring of 2006 and will house 12 to 15 employees.

The new 93-room, \$5.4 million **Quality Inn & Suites** located in the Red Stone Village

Development near I-29 and I-90 recently opened for business.

Qwest recently opened a Customer Loyalty Center in their downtown facility, creating nearly 300 additional jobs in the community.

Located adjacent to the Arena/Convention Center, the **Sheraton Sioux Falls Hotel** completed a 4-story tower addition that added 58 new rooms to the hotel.

The **Sioux Empire Federal Credit Union** opened a 4th location in Sioux Falls. The \$2 million, two-story building includes space for **CU Mortgage Direct**.

A number of **Sioux Valley Hospitals & Health System** building projects are under construction, including a new \$32 million, multi story facility to house 14 operating rooms and a neonatal intensive care unit. Future building plans include the Sanford Children's Hospital. Sioux Valley also leased a former Gateway building to house up to 500 employees in marketing, printing and central services operations.

South Dakota State Medical Association purchased the former 32,000 square foot BankFirst Building on 49th Street. The building will consolidate the association and its entities into one facility.

Spencer Furniture & Flooring moved into their new 14,000 square foot retail store near Minnesota Avenue and I-229 in September.

The Staybridge Suites, a new three-story, 91 room extended-stay hotel, opened for business on South Carolyn Avenue.

Total Card, Inc., currently working out of two locations, is consolidating operations into a 50,000 square foot facility near I-29 on Broadband Lane in **The Edges Corporate Center**, a 42-acre office park development. Construction on the \$5 million facility started in August with a completion date scheduled for March of 2006. The new facility will provide the company room to grow.

The 48,000 square foot **Village on Louise** center near 57th Street and Louise will include up to 20 different businesses/stores. A **Panera Bread** store, **Northern Plains Fitness** and a **J&L Harley Davidson** retail store will open for business in the center.

Development continues on the retail and office development at 69th Street and Minnesota Avenue named **Waterfall Plaza**. New businesses include **Villa Wines & Liquor**, a salon and day spa, and a new 4,000 square foot **US Bank** branch facility.

Well's Fargo Financial Bank completed the addition to their existing facility in Sioux Empire Development Park III. The 85,000 square foot expansion represents a \$10 million investment that will provide room for 800 additional employees.

South Dakota Technology Business Center

The **South Dakota Technology Business Center** (SDTBC) achieved several milestones in 2005. Meta Payment Systems became the Center's first graduate in October, growing from 7 to 30 employees in less than two years. The SDTBC also completed construction of its first two bio-tech lab suites and an additional shared lab equipment room. Four more lab suites are scheduled for completion in early 2006. To date, clients of the SDTBC have created more than 45 new jobs. Below is more information on the activities and progress of these companies.

Avantis Financial provides online consumer lending and services for other online lenders including website hosting, customer service, credit decisions, payment services and collections. Since moving into the SDTBC in February, 2005, Avantis has grown from 5 to 15 employees.

Bio-High Tech is developing rapid diagnostic tests for multiple diseases and currently participates in the SDTBC's virtual office program.

CRESH provides a hosted Oracle and PeopleSoft software solution for education and business. CRESH is a spinoff of Dakota State University and moved into SDTBC in June, 2005.

Dakota Pharmaceuticals, LLC has developed a specialized polymer for DNA testing. Dakota Pharmaceuticals moved into the SDTBC in April 2005 and its product is currently being used for crime scene DNA analysis in the United Kingdom.

Dakota Retail Technologies provides point-of-sale software and hardware solutions for the restaurant industry. Dakota Retail currently participates in the SDTBC's virtual office program.

DocuTAP offers a wireless tablet PC and software system that provides a complete practice management and electronic medical record solution for physicians. DocuTAP moved into the SDTBC in January, 2004 and has grown from 1 to 9 employees.

Hintz Consulting, Inc. specializes in assisting businesses in improving their use of technology from custom software development to network infrastructure. Hintz consulting located in the SDTBC in February, 2005 and has added 5 new employees.

The McGowan Group assists businesses with private equity and debt financing, mergers and acquisitions, and by providing strategic advisory services. The McGowan Group located in the SDTBC in January, 2005 and has grown from 2 to 4 people.

PhotoBioMed is a privately held biotech firm developing innovative medical products based on a platform tissue bonding technology. PhotoBioMed currently participates in the SDTBC's virtual office program and is anticipated to move into the facility in early 2006.

PrairieGold Venture Partners is a new venture capital firm investing in growth opportunities in the Upper Midwest. PrairieGold has raised more than \$8.5 million for its initial fund.

Science Applications International Corporation is an employee-owned research/engineering company for information technology, systems integration and e-solutions to business and public sector customers. The SDTBC is home to their regional office for new business development.

Quality of Life Developments

Allegiant Air began offering non-stop flights to Orlando in November.

Augustana College is developing a \$4.3 million, 24,000 square foot visual arts center.

The Children's Inn will have a \$1.3 million expansion and remodeling with 21 new bedrooms.

The City of Sioux Falls will build a sculpture walk, a \$600,000 bus transfer facility, a café at Falls Park, and a \$2 Million Veteran's Memorial Park.

Colorado Technical University will add a 17,000 square foot, \$1.3 million classroom.

The Evangelical Good Samaritan Society will build a \$22 million senior housing community with 70 apartments and 44 twin homes.

Minnehaha County will build a \$700,000, 25-bed detoxification center.

Northwest Airlines began non-stop flights to Las Vegas in October.

The Sioux Empire Housing Partnership will work on the 49-lot Valley Green affordable housing development.

A new \$1.5 million, 8,000 square foot **Sioux Falls Fire Rescue/Fire Station #10** will be built near West 12th Street and the Tea/Ellis Road.

The Sioux Falls Public School District will add 22,000 square feet to the Instructional Planning Center for \$4.17 million and remodel Lincoln High School for \$2.97 million.

The Siouxland Libraries will add a 14,900 square foot branch at Oak View for \$1.7 million.

Southeast Technical Institute will construct a 26-unit apartment complex for 100 students and a \$6.5 million expansion of the health science building.

StoneyBrook Suites will add a 53-room, 39,000 square foot assisted living center for \$4 million.

The University of Sioux Falls will construct a \$2.9 million 96-unit faith & living center as well as a 30-acre, \$12 million sports complex.

The Volunteers of America will build a \$1.3 Million Wildflower Estates living center.

Wild Water West Waterpark and Adventurepark will invest \$1 million in new attractions.

The YMCA and Sioux Valley Hospital Family Wellness will build a \$10 million, 70,000 square foot joint wellness and fitness center on 12 acres.

Statistics for Growth in Sioux Falls: Sioux Empire Development Parks

Number of Businesses: 110
Employment in the Parks: 12,000
Total Acreage: 1,349

2005 Land Sales

Land Sold: 104 acres
Value of Land Sold: \$3,900,000

(NOTE: The Sioux Falls Development Foundation purchased 185 acres near I-229 and I-90. The new acreage will become part of the Sioux Empire Development Parks with infrastructure improvements planned for the near future.)

Sioux Falls Area Communities:

(Source: Annual Report for the Lincoln County and Minnehaha County development groups)

Lincoln County Economic Development Association (LCEDA)

Beresford

Beresford has seen a strong year of growth. The Bridges at Beresford Championship golf course was completed, along with the development of 24 housing lots adjacent to the course. Showplace Wood Products began construction of an 11,000 square foot warehouse and Starlite Plaza added another 12,000 square feet. Verizon is also building a new cell phone tower to serve the area. Beresford, with a population of 2,150, issued 98 building permits in 2005.

Canton

Canton, with a population of 3,300, saw significant business expansion in 2005, with additions at Adams Thermal Systems and Eastern Farmers Elevators. A new \$1.3 million dental clinic was built, and a new Lincoln County administration building is in the planning stage. Building permits in Canton for 2005 totaled 86.

Harrisburg

This year, 187 single-family homes were built in Harrisburg. The community approved 310 building permits. Included in the construction this year were build-outs for Sports Zone, Total Fitness, Avera McKennan Clinic, Sioux Valley Clinic and Home Federal Bank. Showplace Wood Products also built an addition to its Harrisburg plant. A new car wash, Casey's General Store and the BP Convenience store were added to this community of 1,800.

Lennox

Lennox, with a population over 2,000, experienced 129 projects during 2005. Four four-unit apartment complexes were completed and an addition to City Hall was built. South Main Street is receiving infrastructure upgrades, the new High School is nearing completion and work has begun on a four million gallon water project with two half-million gallon towers, two wells and new distribution and control systems.

Tea

Tea grew again in 2005 with commercial and residential construction. Ground was broken for a new multi-store retail facility and a new Sunshine Supermarket. The school district continues to grow and the outlook for 2005 is excellent for this community of nearly 2,900. The building permit total for 2005 was 141.

Worthing

In Worthing, 2005 saw two business start-ups, one in a remodeled facility and one new construction on Main Street. Another new business is currently remodeling an existing structure, but plans to move into the new Worthing Industrial Park within two years. The population is now 950, and 11 building permits were issued in 2005.

Minnehaha County Economic Development Association (MCEDA)

Baltic

Baltic, with a population of nearly 1,000, completed a sewer interceptor line to Valley View Meadows, a 40-acre housing development. Baltic Heights park upgrades were completed, and the city received title to 37 acres along the river for a wildlife area. Citizens passed a \$5.6 million bond issue to incorporate the high school with the elementary and middle schools. In 2005, 50 building permits were issued.

Brandon

Brandon, with a 2005 population of 7,241, was the Governor's Community of the Year. Sioux Valley Energy and Total Fire Protection had major construction projects during the year, and the city built a new \$1.4 million fire station. Four nine-unit townhouses were completed, a \$2.4 million project. During 2005, 406 building permits were issued.

Colton

Colton, population 675, is preparing to let bids on extensive infrastructure improvement, including a two block street project which includes replacing all water and sewer lines. Another \$300,000 project will make repairs to existing sewage lagoons. Activity for 2005 shows 28 building permits.

Dell Rapids

In Dell Rapids, infrastructure improvements have been approved for major work on the community's historic Main Street. This community of 3,169 continues to grow, with 139 building permits issued in 2005.

Hartford

In Hartford, 114 permits were issued during 2005. This community of 2,000 awarded a bid for the construction of a new 500,000-gallon water tower, to supplement the current 100,000-gallon unit. Three new developments were planned, with over 400 new residential lots. The Professional Centre held a ribbon cutting ceremony welcoming a pharmacy, attorney, realtor and accountant to Hartford.

LINCOLN COUNTY

Sales tax collections are a revealing indicator of business growth and community development. According to the South Dakota Department of Revenue, Lincoln County showed a significant increase in gross sales for the past fiscal year. FY2005 sales increased \$67.4 million or 10.3% over FY2004.

The leading growth communities for increased gross sales include Canton (\$19.8m), Harrisburg (\$21.4M, 39%), Sioux Falls (\$14.3m - Lincoln County portion) and Tea (\$12.1m). Lincoln County population is estimated to have grown 30.2%, or 7,290 people, since the 2000 census. Please note the ongoing growth and development occurring as shown by the increase in building permits on page 19.

MINNEHAHA COUNTY

Minnehaha County also witnessed a major increase in gross sales for the past fiscal year. FY2005 sales increased \$806 million or 9.4% over FY2004. The percentage increase is smaller than Lincoln County due to magnitude of regional commerce found within Minnehaha County.

The leading growth communities for increased gross sales include Brandon (\$36.5m), Garretson (\$13.9m), and Crooks (\$5.2m). The Minnehaha County portion of Sioux Falls increased sales 8.8%, or \$708m. Population is estimated to have grown 6.1%, or 9,101 people, since 2000. Building permit data is also denoted on page 19.

DAKOTA DUNES

(Major investment also served by MEC electric. Note growth in taxable valuation on page 20.)

54 new residential lots were developed.

61 new homes were sold. A total of 130 home sales occurred when sales of existing structures are included.

Siouxland Surgery Center opened 10,000 square feet on its second expansion at the Dunes. Along with other enhancements, this expansion will accommodate new technology and equipment.

Premier Bankcard opened their 50,000 square foot call center, which will eventually include 60 full and part-time positions dealing with collections and credit teleservices.

A **water interconnect project** was completed with the City of Sioux City.

RiverView Corporate Center, a 42,000 square foot office spec building, broke ground.

NORTH SIOUX CITY

(Major investment also served by MEC electric. Note growth in taxable valuation on page 20.)

EZ Drop serves as a middleman between EBAY and sellers, currently has over two dozen employees and occupy over 40,000 square feet.

Frito Lay has a new distribution center in town that occupies over 26,000 square feet. From this location, they service the entire South Dakota, Nebraska and Iowa region.

Portionables specializes in the development, production and co-packing of IQF (Individually Quick Frozen) portion control foods. They will employ approximately 100 people in a 60,000 square foot plant, which will include \$3.9 million in new equipment.

Rudiosophy has developed and is marketing a new High Definition digital radio. They have over a dozen employees, with plans to expand.

Far From Normal, a sign & automotive graphics supply company which distributes their products worldwide, has seven employees.

Interbake Foods, manufacturer of multiple confectionary products, made a \$27 million expansion and hired 255 new employees.

Goode-to-Go Truck Stop completed their \$3 million, 10,400 square-foot facility. Their operation includes a 90-seat family restaurant.

Steck Wholesale Foods opened their baking operations, making English muffins. With over \$5 million investment in facilities, they currently have 14 workers and plan to employ 35 people in three years.

VERMILLION

Masaba completed their new construction along the Highway 50 bypass. The 100,000 square foot building allows the company to manufacture mining equipment.

Wal-Mart is nearing completion on a \$8 million, 55,000 square foot facility. This store will be the new, larger Super Wal-Mart variety.

A new company is now being formed to design additional processes to extract valuable products from corn, minerals, and other commodities. Future operations may include high technology operations and scientists. About five engineers are expected to be employed.

YANKTON

Sales tax receipts are up **3.1%** in FY05 over FY04 (7% increase for the calendar year).

Wal-Mart Supercenter, an \$8m, 230,000 sq. ft. regional retail center, opened in March 2005.

A business supplying **recycled and reprocessed aluminum** for existing industry is nearing operational status in the industrial park.

The **Regional Technical Education Center** (RTEC) is active. Programming has expanded to help meet the needs of local industry. City Commission and other public meetings are also held here.

Highway 52 widening project from the west side of town to Lewis & Clark Lake is almost fully complete. Additional land use development is likely in the immediate area due to this project.

Yankton Area Progressive Growth is working on a third **industrial spec building** along 21st Street on the west side of Yankton. A funding commitment of \$600,000 enables construction in 2006.

Industrial expansion at **Gehl Mfg.** and **Baldwin Filters** have been completed.

TIF District #1 property is currently valued at over \$42m.

Planning continues, with engineering and design underway, for new **US Highway 81 bridge** over the Missouri River into Nebraska. This facility is viewed as enhancing the regional marketing potential for various development activities. Funding has been secured for opening in 2009.

Further land use improvements are planned for the **East Entranceway** into Yankton.

The former **Gurney Building** and associated property was acquired for redevelopment. Marketing studies are underway for the residential component.

The **National Park Service** continues to consider a proposed office site in Yankton.

Local tourism spending rose 17% over 2005.

CENTERVILLE

A **new web site** was established to provide information on the community.

Governor Rounds recognized the **Centerville School District** as a "Distinguished School" under the No Child Left Behind Act.

ELK POINT

Tri-State Chiropractic opened their new offices to service patients in the area.

Country Club Boulevard was extended at a cost of \$1 million to service the large new residential area being constructed by Dunham Homes.

A \$700,000 project to increase treatment capacity at the **water plant** was completed.

ThermoBond increased employment at their facility by adding 16 workers on a second shift.

Improvements were made at the aerated **sewer lagoon**, at a cost of \$900,000.

Amy's Country Cottage opened as a tourist attraction selling crafts.

Recreational enhancements include a new baseball field and a refurbished swimming pool.

Building permits were issued for 15 new houses.

FLANDREAU

Ridgefield Farms announced plans to build a beef fabrication plant in the industrial park on the west edge of town. Headquarters for the company will also be located in Flandreau. They currently occupy three office spaces in the West End Mall. Another company will likely locate in town to assist Ridgefield in their marketing.

A coffee shop, two massage parlors, and a computer repair shop have opened.

A **Dollar Store** has expanded operations.

A **Subway** restaurant has also begun business.

Sources for this section: Various economic development groups and chambers of commerce newsletters, newspaper articles and personal phone interviews.

SECTION IV
Economic Indicators

Building Permit Valuations in MidAmerican Energy Communities: 2003-2005

New residential/non-residential construction & major additions only, excludes fences, sidewalks, etc.

<u>Community</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Total New Valuation</u>
Lincoln County*				
Beresford**	\$ 2,024,180	\$ 3,169,000	\$ 5,509,339	\$ 10,702,519
Canton	1,938,577	3,073,968	2,570,112	7,582,657
Harrisburg	10,659,845	17,653,398	22,818,860	51,132,103
Lennox	5,573,701	13,331,669	1,013,721	19,919,091
Tea	5,815,314	13,780,549	10,614,900	30,210,763
Worthing	2,021,999	2,801,000	1,190,080	6,013,079
Minnehaha County*				
Baltic	\$ 1,356,145	\$ 1,342,320	\$ 731,646	\$ 3,430,111
Brandon	22,657,047	36,842,747	27,085,442	86,585,236
Colton	382,341	156,000	187,900	726,241
Dell Rapids	4,200,728	2,451,058	3,343,949	9,995,735
Hartford	2,944,484	2,849,341	2,084,469	7,878,294
Union County				
Alcester	\$ 100,000	\$ 237,000	\$ 215,000	\$ 552,000
Dakota Dunes	14,120,591	22,065,970	24,754,000	60,940,561
Elk Point	1,517,900	1,424,000	1,969,600	4,911,500
Jefferson	442,000	6,000	704,000	1,152,000
North Sioux City	1,368,300	988,100	11,541,200	13,897,600
Other Communities				
Sioux Falls*	\$351,777,088	\$409,823,573	\$463,105,323	\$1,224,705,984
Centerville (Turner County)	837,504	255,150	598,568	1,691,222
Flandreau (Moody County)	450,000	932,000	1,320,000	2,702,000
Gayville (Yankton County)	130,000	---	140,000	270,000
Montrose (McCook County)	74,360	110,340	212,610	397,310
Ramona (Lake County)	---	---	---	---
Salem (McCook County)	525,000	1,018,900	1,588,750	3,132,650
Vermillion (Clay County)	1,610,000	8,824,626	15,085,802	25,520,428
Yankton (Yankton County)	16,890,322	29,422,390	26,339,865	72,652,577
<u>TOTAL</u>	<u>\$449,417,426</u>	<u>\$572,559,099</u>	<u>\$624,725,136</u>	<u>\$1,646,701,661</u>

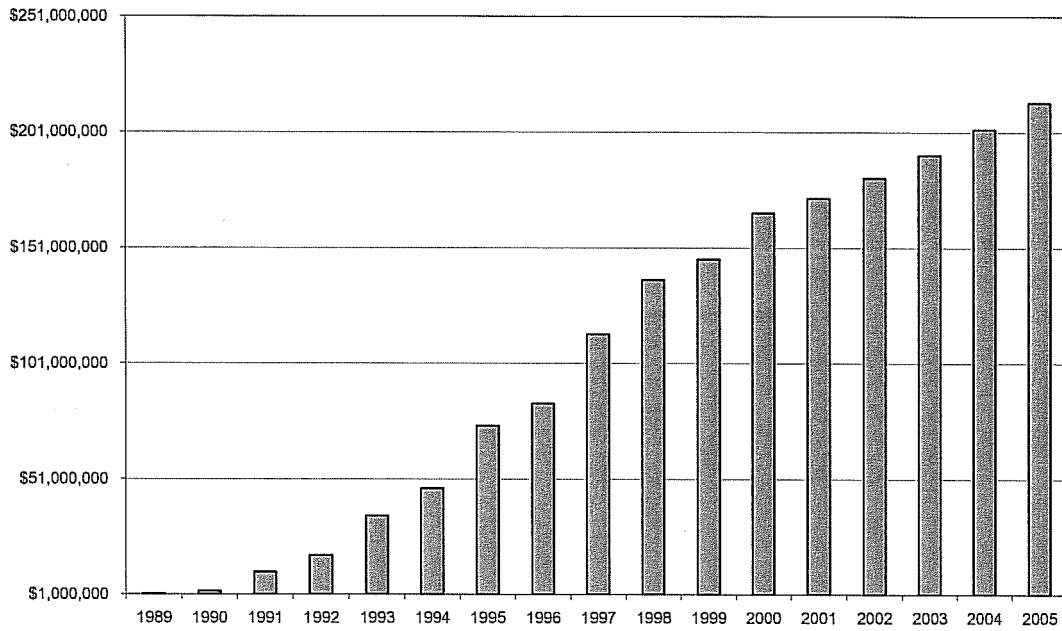
*As Sioux Falls is in both Lincoln and Minnehaha Counties, it is grouped under "Other Communities."

**Beresford is listed in Lincoln County because it is part of that countywide development group.

Source: City Clerks from each of the communities listed.

Taxable Valuation -- Dakota Dunes

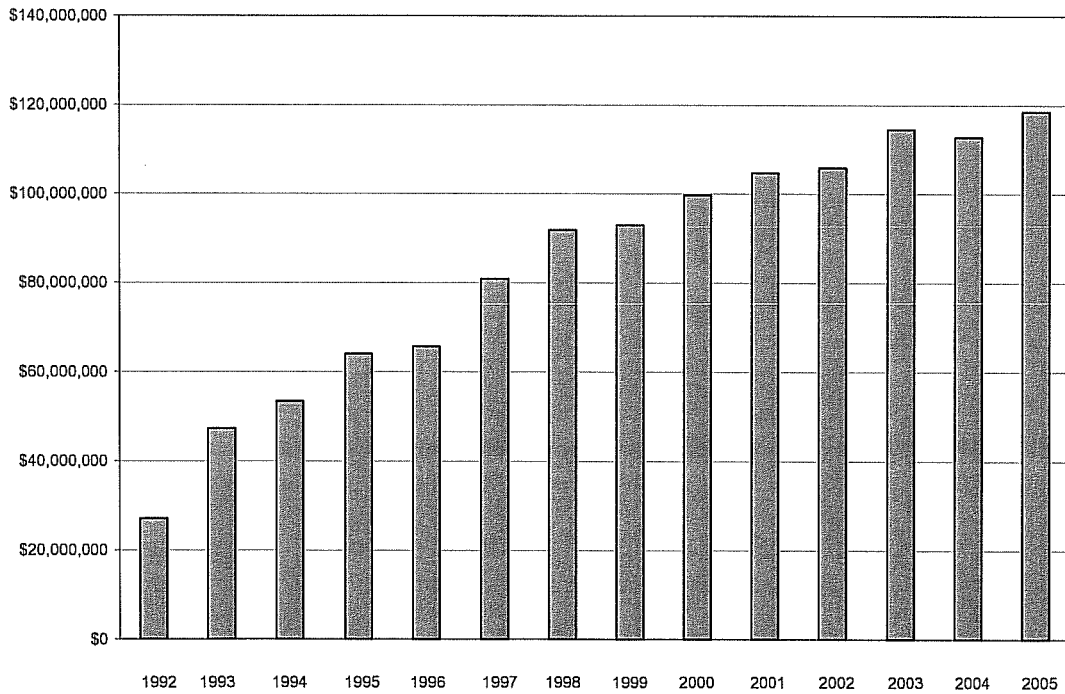
Dakota Dunes: Growth in Taxable Value 1989 - 2005



Source: Assessor's Office, Union County

Taxable Valuation - -North Sioux City

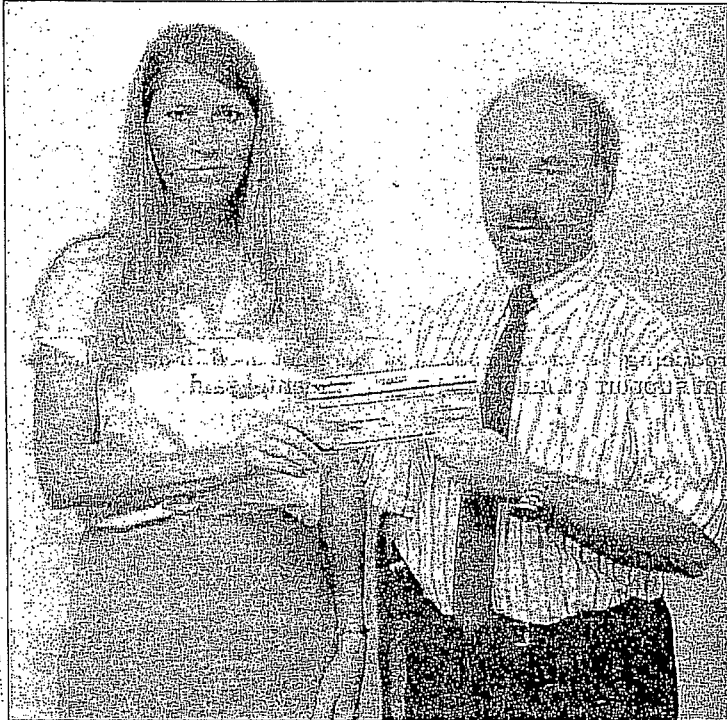
North Sioux City: Growth in Taxable Valuation 1992-2005



POPULATION ESTIMATES FOR MEC-SERVED COUNTIES IN SOUTH DAKOTA

South Dakota Counties with MidAmerican Energy	2000	2004	Total Change	Per Cent Change
Clay	13,587	13,059	-528	-3.8
Lake	11,276	10,913	-363	-3.2
Lincoln	24,131	31,437	7,306	30.3
McCook	5,832	5,886	54	0.9
Minnehaha	148,281	157,366	9,085	6.1
Moody	6,595	6,590	-5	-0.0
Turner	8,849	8,635	-214	-2.4
Union	12,584	13,357	773	6.1
Yankton	21,652	21,521	-131	-0.6
TOTAL MEC COUNTIES	252,787	268,764	15,977	6.3
OTHER SD	502,107	502,119	12	0.0
SD TOTAL	754,844	770,883	15,989	2.1
MEC COUNTIES %/SD	33.5	34.9		
Source: US Census Bureau				

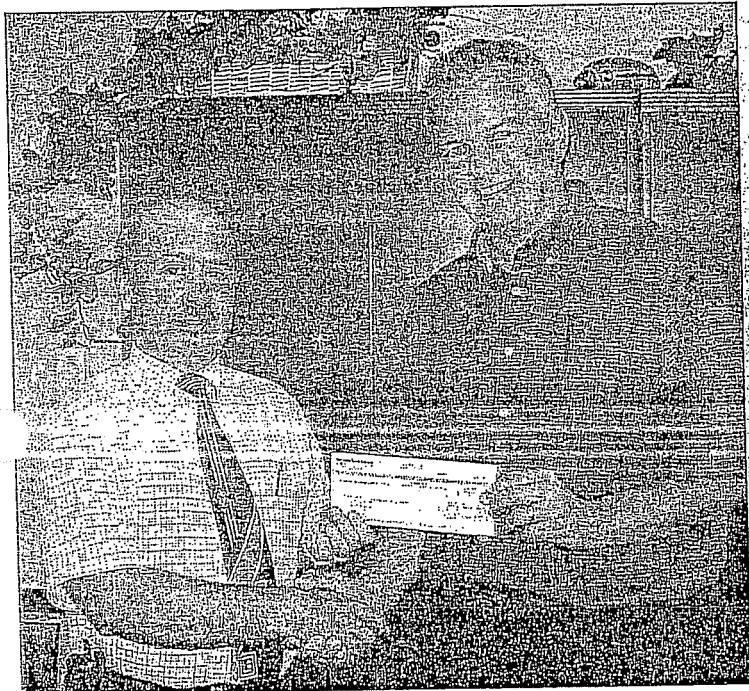
SECTION V
Attachments



Financial support

Mark Rodvold, economic development consultant from MidAmerican Energy, is shown presenting Lisa Ketcham, Vermillion Chamber of Commerce & Development Company, with a check for their annual investment in the local economic development program. "We are happy to make a financial contribution supporting the efforts of the Vermillion Chamber of Commerce & Development Company, in addition to the other support we offer through our Local Partners Program and regional seminars. Vermillion has a great deal of potential, and we are excited to see progress," Rodvold said. John Wetzel, vice president of economic development for MidAmerican Energy says that "Lisa and her board have established an excellent program, one we're proud to once again support." Ketcham added; "We truly value the support and our relationships with Mark and others on the MidAmerican Energy team. Mark has been a great resource for us through his participation with prospective business hostings, the information that he has provided regarding services through MidAmerican Energy, as well as the partnerships that he helps to facilitate throughout the region. On behalf of our organization and the Vermillion community, we thank MidAmerican Energy."

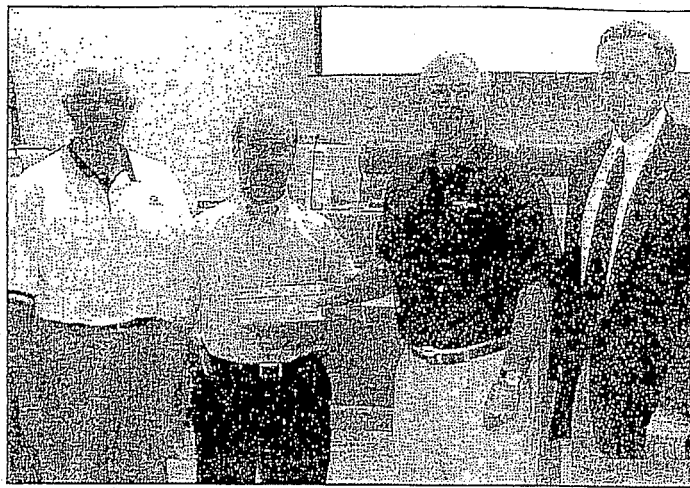
MidAmerican Energy contributes to development fund



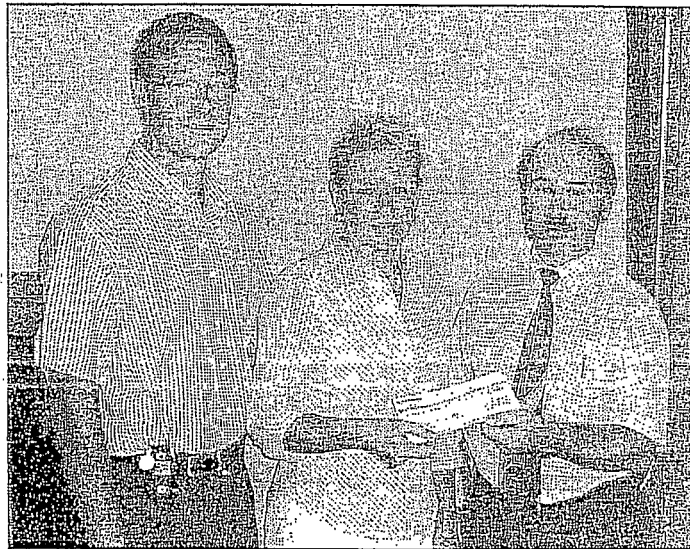
ALCESTER - MidAmerican Energy Company recently made a \$250 contribution for community and economic development in Alcester.

"MidAmerican Energy truly values the leadership for growth in the communities we serve. We want to help build a stronger platform to move Alcester forward, which is the purpose of this contribution. As with any other local business or resident, we appreciate the ongoing efforts to foster job and income growth in Alcester," said Mark Rodvold, Economic Development Consultant for MidAmerican.

Jaimey Schempp (right), treasurer of the Alcester Industrial Park, is shown accepting the contribution from Mr. Rodvold.



Mark Rodvold, an Economic Development Consultant for MidAmerican Energy Company, second from left, presents a contribution to North Sioux City Economic Development Corporation members, from left, Glenn Ivarsen, Rick Hart and Greg Me...



Rodvold presents a donation to Elk Point Economic Development Corporation members Kim McLaury and Jo Bortscheller.

Development donations give

MidAmerican Energy Company recently made their annual contributions for community and economic development in North Sioux City and Elk Point.

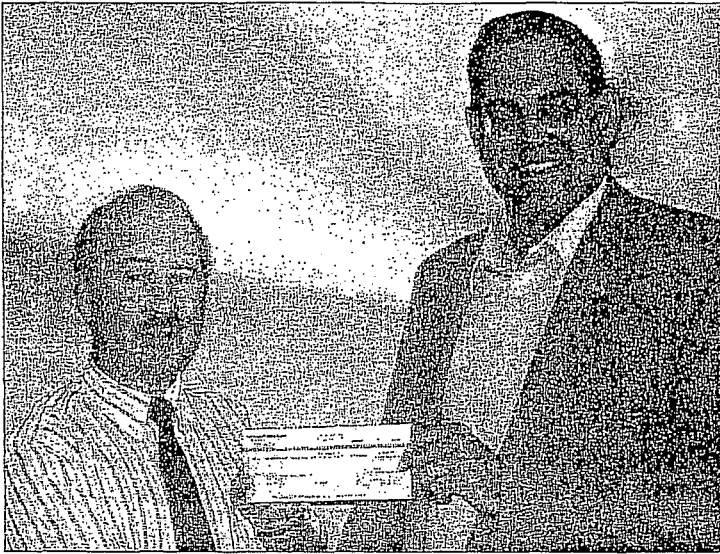
The donations were presented to representatives of the North Sioux City Economic Development Corporation and the Elk Point Economic Development Corporation. They were presented to the organizations by Mark Rodvold, Economic Development Consultant for the company.

"MidAmerican Energy truly values the leadership for growth in the communities we serve," said Rodvold. "We want to build a stronger platform to move North Sioux City and Elk Point forward,

which is the purpose of these contributions. As with any other local business or resident, we appreciate the ongoing effort to foster job and income growth in southern Union County."

The Elk Point organization received \$250 and the North Sioux City organization received \$250. Non-metro economic development organizations receive a slightly higher amount because MidAmerican also supports the Siouxland Initiative. of which North Sioux City is a member. MidAmerican Energy Company provides electric and natural gas service to southeast South Dakota. The company is headquartered in Des Moines, Iowa.

YAPG DONATION



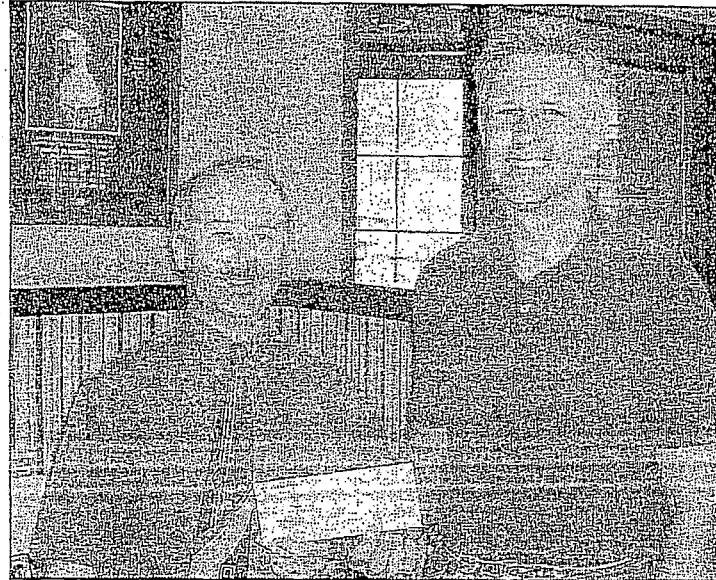
COURTESY PHOTO

MidAmerican Energy Company recently made a \$3,500 contribution to Yankton Area Progressive Growth for community and economic development in Yankton.

"MidAmerican Energy truly values the leadership for growth in the communities we serve. We want to help build a stronger platform to move Yankton forward, which is the purpose of this contribution. As with any other local business or resident, we appreciate the ongoing efforts to foster job and income growth in Yankton," said Mark Rodvold, Economic Development Consultant for MidAmerican.

Kurt Hauser (right), executive director of the Yankton Office of Economic Development, is shown accepting the contribution from Mark Rodvold. Hauser stated that "MidAmerican has been a strong supporter of our economic development programs. In addition to their financial participation, their experienced economic development team has been a fantastic resource for our community."

MidAmerican boosts Economic Development



MidAmerican Energy Company recently made a \$950 contribution for community and economic development in Centerville. "MidAmerican Energy truly values the leadership for growth in the communities we serve. We want to help build a stronger platform to move Centerville forward, which is the purpose of this contribution," said Mark Rodvold, Economic Development Consultant for MidAmerican. Rodvold is pictured with Bill Hansen, Director of Centerville Development Corporation.



\$800 CONTRIBUTION: MidAmerican Energy recently made an \$800 contribution for community and economic development in McCook County. "MidAmerican Energy truly values the leadership for growth in the communities we serve. We want to help build a stronger platform to move McCook County forward, which is the purpose of this contribution," says Mark Rodvold, Economic Development Consultant for MidAmerican. "As with any other local business or resident, we appreciate the McCook Alliance's ongoing efforts to foster job and income growth in McCook County." Mike McCormick of Salem, Chairman of the Greater McCook Development Alliance, Inc., is shown accepting the contribution from Mr. Rodvold. The McCook Alliance exists to facilitate collaborative, innovative and sustainable growth in the greater McCook County community. Contact Joe Bartmann, Executive Director, at 363-3020 with your ideas or questions.

MidAmerican

contributes to city

MidAmerican Energy Company recently made a \$250 contribution for community and economic development in Flandreau.


"MidAmerican Energy truly values the leadership for growth in the communities we serve. We want to help build a stronger platform to move Flandreau forward, which is the purpose of this contribution," said Mark Rodvold, Economic Development Consultant for MidAmerican.

Page 7-Moody Co. Enterprise, Flandreau, SD, Sept. 7, 2005


Senior Blue...

the right choice for
South Dakotans 65 or over!

Ardene
Boysen

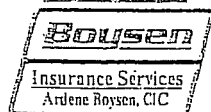


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You Just Can't Beat The Blues



Boysen
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Ardene Roysen, CIC

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