



MidAmerican Energy Company
Attn: Suzan M. Stewart
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March 9, 2007

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

BY ELECTRONIC DELIVERY

Re: Docket No. NG07-_____

Dear Ms. Van Gerpen:

In accordance with the Decision and Order approving Settlement Stipulation NG01-010, attached is MidAmerican Energy Company's report on 2006 economic development activities and its 2007 proposed budget. The actual expenditures shown in section 1 are based on the MidAmerican Energy Company 2006 Economic Development Budget, which was approved by the Commission by order issued April 25, 2006 in Docket No. NG06-002.

MidAmerican provides monetary support to local development organizations, specific project assistance efforts for these groups, and business attraction incentives. We also provide in-kind support through the work of Brad L. Howard, our Economic Development Consultant for an area including our South Dakota natural gas service territory. Mr. Howard is new to this position, replacing Mark Rodvold, and has extensive experience in the State of South Dakota, having previously served the Company as an Energy Consultant and as a manager in our Yankton office.

Brad will continue the work 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 the overall program, as needed, which further extends our relationship and value to our South Dakota communities.

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

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We are very pleased to report continued growth within our South Dakota service territory during 2006. 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 positive impacts on employment, income, and community growth. We respectfully request approval of our 2006 report and our proposed 2007 budget.

Very truly yours,



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cc: Brad Howard
Sara Schillinger
Kathryn Kunert

MidAmerican Energy Company

Report on

2006 Economic Development Activities
and Proposed 2007 Budget

to the

South Dakota Public Utilities Commission

February 2007

Prepared by
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 2006 and the proposed 2007 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, 2006 was economically positive in MidAmerican's territory. Our local economic development partners reported several successes. These accomplishments are the result of the continuing commitment of proactive local, regional and state economic development activity. The heart of MidAmerican's economic development plan is to support these activities along with community practitioners, both professional staff and community volunteers. We believe our 2006 spending plan helped in that regard and that our 2007 plan will do likewise.

In summary, we were approved to spend \$109,907 in 2006 but actually spent \$118,190. In 2007, we will continue focusing on local development groups and supporting events and activities that will help the communities in our service territory be successful.

Our plan submitted herein calls for spending \$106,180 in 2007.

SECTION II
Expenditures & Budget

2006 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.).....

\$5,000

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**

2006 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)	
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
<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.)	
	\$7,849
<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.)	
	\$6,866
<u>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.	
	\$67,000
Actual 2006 Expenditures Requested for SDPUC Approval in this Report	<u>\$118,190</u>
2006 Proposed Budget Approved By SDPUC	<u>\$109,907</u>
2006 Overspent Expenditures	\$8,283

2007 Proposed Budget

Large Development Group Support:

Forward Sioux Falls	\$ 18,500
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	\$33,025

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.)

\$5,000

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.)
 \$3,275 |

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.....
 \$61,000 |

TOTAL – Proposed 2007 Expenditures \$106,180

SECTION III
2006 Highlights of Economic Development Activities
MidAmerican Energy Company's South Dakota Service Territory

SIOUX FALLS

Industrial & Warehouse Development:

Backyard Oaks, a greeting card and personal accessory business, moved into its new 10,000 square foot facility in Sioux Empire Development Park IV.

Bell Inc. purchased and renovated a building in the Airport Industrial Park for expansion. The company's headquarters will move to the facility in 2007 and its existing building will be used for manufacturing and warehouse operations. The company is investing \$32 million in plant and equipment purchases and plans to add about 100 new positions over the next three years.

Doubling the size of the corporate headquarters, **Broin Companies** is in the process of building an additional 76,800 square feet on land in Sioux Empire Development Park V. The expansion represents a \$10.3 million investment and is scheduled for completion in April 2007.

Dakota Digital purchased an additional four acres in Sioux Empire Development Park VII for future expansion plans.

Work was completed this fall on the 50,000 square foot expansion of **Dakota Kitchen & Bath's** facility. Located in Sioux Empire Development Park IV, the expansion provides increased production and warehouse space.

Brookings-based **Daktronics** expanded operations to Sioux Falls and revamped 140,000 square feet of the former Litton manufacturing facility in Sioux Empire Development Park II to manufacture large billboard-type electronic advertising displays. The company will have 100 employees at the Sioux Falls facility by the end of 2006.

Empire Plastics purchased three acres of land in Sioux Empire Development Park IV and recently began construction on a new facility.

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

Graybar Electric is moving its Sioux Falls branch to a new facility recently completed at 2810 North 1st Avenue.

Food service franchiser, **Hot Stuff Foods**, upgraded its Sioux Falls plant earlier this year. The \$1.8 million expansion project includes the creation of up to 60 new jobs.

JDS Industries will move to its new \$6 million, 135,000 square foot facility early next month. The new office/warehouse facility is located between 57th Street North and 60th Street North, adjacent to Sioux Empire Development Park V.

Lambert Heating & Air Conditioning purchased more than two acres in Sioux Empire Development Park III for future expansion plans.

Midwestern Mechanical purchased nearly 8.5 acres of land in Sioux Empire Development Park IV for future growth plans.

Construction recently started on a 24,000 square foot addition to **Midwest Precision Tool & Die's** facility in Sioux Empire Development Park V.

P&M Steel Company's new facility was finished this past spring. The 50,000 square foot building provided the company with 20,000 square feet of additional production space and allows more room for offices and parking.

A 30,000 square foot, \$7.5 million expansion at **Raven Industries** is expected to be completed this month and will provide room for expanded production of engineered films. With the expansion, 15 to 20 new jobs will be created.

Office, Commercial & Medical Development:

Ameri/Star Real Estate has a new facility at 5900 South Western Avenue. The 20,000 square foot building was completed this summer, half of which will be used by the company.

Automatic Data Processing, a *Fortune* 500 company, constructed a \$60 million, 185,000 square foot disaster recovery center. The facility opened this past spring on the 75 acre Sioux Empire Development Park VI located in northwest Sioux Falls.

Avera Health Systems and **SDN Communications** are partnering to create and operate a new data center for Avera's paperless records system. The \$3 million, 3,000 square foot facility is slated for completion in May 2007 next to SDN's facility.

The new **Avera McKennan Behavioral Health Hospital**, more than \$32 million, 100,000 square foot facility, opened earlier this year. The 110-bed hospital employs over 230. Also completed during 2006 was the **Avera Doctors Plaza West** adjacent to the Behavioral Hospital. This 38,000 square foot medical office building houses the **Midwest Psychiatric Medicine, University Psychiatry Associates** and the **University of South Dakota Psychiatric Residency Program**. In addition, **Avera McKennan Hospital** is conducting an \$8 million upgrade to its Emergency Room. When completed in December, the ER will encompass 24,000 square feet. McGreevy Clinic Avera is constructing an 18,500 square foot clinic at 69th and Western.

The recently completed **Beakon Centre** encompasses 60,000 square feet of retail space at the northwest corner of 57th Street and Louise Avenue. The upscale shopping center development features up to 15 store fronts which will include the expanded **French Door Bridal Boutique**.

Bed Bath & Beyond opened in October in the Empire East Mall following construction and remodeling of the former Ultimate Electronics space. The store occupies 18,000 square feet.

Bracco, a new 400-seat restaurant, opened in time to use its large outdoor dining area. It is located in the retail and office complex known as **Bridges at 57th** at 57th and Western.

Business Aviation's new \$3.7 million general aviation facility at Joe Foss Field includes a 14,450 square foot passenger terminal with second floor office space, and an additional 28,800 square foot aircraft hangar. The facility was completed earlier this year.

The steel is going up on **Cherapa Place**, a six-story, office/retail complex on the east side of the river between 6th and 8th Streets on the former Zip Feeds site. The \$23 million, 140,000 square foot facility, with an underground parking garage, will be home to **Howalt-McDowell Insurance, CorTrust Bank, Risk Administration Services**, all partners in the project, as well as **Sioux Valley Health Plans**. Late 2007 is the scheduled completion date.

Courthouse Square, a new five-story, 79,000 square foot, \$15 million office complex in downtown Sioux Falls, has been completed. The facility houses the US Attorney's Office.

Dacotah Bank will open a fourth location in the new **Dacotah Mall** office complex at 57th and Cliff. The bank will occupy 2,200 square feet of this facility, to be complete by the end of 2006.

Dataware will relocate and add 30 jobs over the next three years in its parent company, **Omnitech's**, facility on West 11th Street. The company received a REDI Loan from the State to assist in its expansion providing data storage for businesses.

Ground was broken in October for the **Dawley Farm Village** development along Highway 11 between Arrowhead Parkway and East 26th Street. The 300 acre mixed-use development will include retail, commercial, parks, housing and an elementary school.

Esurance, an online auto insurance company, recently expanded the facility it moved into in late 2004. The \$1.2 million project will increase capacity to 550 employees. The company anticipates hiring 80 new employees by the end of the year.

Ground was broken for the new **First Bank & Trust** branch on West 57th Street. The 18,500 square foot facility will also house **First Mortgage** and **Fishback Financial** corporate staff members and is scheduled to be completed in June 2007.

First National Bank South Dakota purchased the former Stubbe building as well as the former Wells Fargo Auto Bank on Dakota Avenue for its growing business.

The Galleria at River's Bend is a 200 acre commercial development by **PariPassu Companies** located near East Arrowhead Parkway and Six Mile Road. The lifestyle center is currently in the planning stages and could eventually have about one million square feet of retail space.

The former Security Bank building at 9th and Phillips, now called **Great Western Centre**, was remodeled into **Great Western Bank's** corporate headquarters. The Bank plans to consolidate

its Nebraska and Iowa charters to Sioux Falls in early 2007 and 40 to 50 new jobs will be added in Sioux Falls. The bank is also building a branch at 6th and Sycamore.

A former garage on North Main Avenue now houses **Group II Architects**. The firm purchased the building last year and finished renovations this spring.

A new 30,000-square foot bank facility is being built in the **Heather Ridge Village** development at 69th and Western. The multi-million dollar site for **BankFirst** will be completed late in 2006.

A new 81,000 square foot **HyVee Food Store** under construction on South Minnesota Avenue will be completed in early 2007. This \$13.5 million investment also includes a gas station.

Interstate Office Products expanded its distribution operations by adding a second warehouse. The additional 7,000 square feet will add space for the company's growing delivery business.

King's Crossing, a retail/office center located on the northeast corner of 69th and Minnesota Avenue, is home to a new branch of **First PREMIER Bank** and a **Subway Restaurant**.

Lewis Drug purchased the 90,000 square foot former Gateway building in Sioux Empire Development Park II for its distribution/warehouse functions and provides for future growth.

The new \$4.2 million **Lithia Dodge** opened at South Louise Avenue and 69th Street. The 44,000 square foot building on 10 acres provides room to double its inventory to 400 vehicles.

Sioux Falls' first **Lowe's** home improvement store is scheduled to open in the **Lorraine Towne Center** development located near 26th Street and I-29. The home improvement warehouse store will have 117,000 square feet of retail sales space and a 31,000 square foot garden center representing an \$18 million investment by the national retailer. Approximately 175 jobs will be created.

Groundbreaking ceremonies will be held in November 2007 for **Midcontinent Communications'** new \$6 million facility. The 54,000 square foot building is scheduled for completion by July 2007 and is located near I-29 and Benson Road.

A new 115,000 square foot headquarters facility will be home to **Midland National Life Insurance Company**. The facility will be located on 12 acres in the Interstate Crossing Commerce Park near the intersection of I-229 and I-29. Construction will be completed in 2007.

A new 15,000 square foot facility along the banks of the Big Sioux River on South Minnesota Avenue is home to the architectural firm **Miller Sellers Heroux**.

Ground was recently broken for a four-story office complex called **Minnesota Centre**. The facility will be located on the former Kindler site on Minnesota Avenue. The complex will be completed in 18 months and is being developed by **The Dunham Company** which is also developing two 7,000 square foot strip malls on West 12th Street and Lake Avenue.

Ophthalmology Ltd. is scheduled to move into its new 28,000 square foot office/medical facility on the southwest corner of Minnesota Avenue and LaQuinta Street in November.

PetSmart will occupy 20,000 square feet of the 39,000 square foot **Riverwood Plaza** under construction on the former Charter Hospital site on Louise Avenue. **Shoe Carnival** and **Sally Beauty Supply** will also be located in the complex.

Plains Commerce Bank opened a bank in Sioux Falls on West 49th Street, just south of the Empire Mall. The two-story, 9,630 square foot facility employs around 15 people.

A \$5 million renovation of the former Randall Foods store is complete. **Plaza 41** houses **The Original Pancake House** restaurant and **Holz Haus**, an Amish furniture and accessories store.

Ground was broken this past June for **PREMIER Bankcard's** new 140,000 square foot headquarters facility near I-29 and Benson Road. The \$15 million facility will allow the company room to add 300 to 500 new employees within the next three to five years. The facility is scheduled for completion late summer of 2007.

Quail Crest, located just south of 57th and Cliff, is a newly constructed office/service center. The 13,500 square foot facility has room for six businesses and was completed in Fall 2006.

Qwest renovated the 9th floor of its downtown office to expand its customer sales and service center. With the expansion comes an increased employment number of 120 new jobs.

Sioux Valley Hospitals & Health System completed the new \$55 million, multi-story **Sioux Valley Surgical Tower** with 16 new state-of-the-art and minimally invasive surgical suites. The larger surgical suites will accommodate the latest in imaging technology and robotic-assisted surgery. The Sioux Valley Surgical Tower also includes the first phase of **Sanford Children's Hospital**. The new **Boekelheide Neonatal Intensive Care Unit** will care for up to 58 babies in private/personal suites. Under construction is the 36,000 square foot expansion of the **Cancer Center** which includes an entire floor dedicated to the **Breast & Bone Health Institute**. Future building plans include the Sanford Children's Hospital which will break ground in 2007.

The **South Dakota Business Technology Park** is now in the planning stages. Nearly 200 acres next to the South Dakota Business Technology Center/Southeast Technical Institute provides room for growing technology businesses. Developed by the **South Dakota Land Company**, a fully owned subsidiary of **Sioux Falls Construction Company**, the estimated total investment is between \$150 and \$200 million over the next ten years.

Located at 57th Street and Cliff Avenue, the new **Sunshine Foods** opened in October to serve the growing southeast area of town. The \$7 million, 50,000 square foot store will employ 150 to 200 people. The store also features a **Lewis Express** drugstore.

Total Card, Inc's new 50,000 square foot facility near I-29 on Broadband Lane in **The Edges Corporate Center**, a 42-acre office park development, is complete. The new \$5 million facility will allow the company room for additional growth.

The 48,000 square foot **Village on Louise** retail center was completed in early 2006. Located on the southwest corner of 57th Street and Louise, it houses a variety of restaurants and retail shops.

2006 Community of the Year:

Sioux Falls was named the **2006 Community of the Year** by Governor Mike Rounds at the Governor's Economic Development Conference in Pierre earlier this year. According to Governor Rounds, "Sioux Falls has taken proactive steps toward reaching each of the state's 2010 Initiative goals. I am impressed with its innovative leadership. The Sioux Falls business community is making success happen through its dedication to the prosperity of this region and its willingness to work together to make Sioux Falls a great place to live and work."

Quality of Life Developments:

Augustana College - \$4.3 million, 24,000 square foot Center for Visual Arts; \$3.5 million, 28,000 square foot Elmen Center Addition; 14,668 square foot student apartments and townhouses.

Avera Dougherty Hospice House - \$3.6 million, 14,000 square foot hospice facility, 16 private rooms.

City of Sioux Falls - Fire Station #10; SculptureWalk; \$2 million Veteran's Memorial Park; Orpheum Theatre Actor's Studio and Link remodel.

Children's Home Society - \$1.3 million expansion.

Community Health Center - Joint city and county project to convert the former recreation center into a health facility and human services center.

Good Samaritan Village - Rehab expansion, therapy gym, community room, dining room and 21 bed renovation.

Lutheran Social Services Center for Children & Youth - \$5.5 million facility serving 40 children, 39,945 square feet.

Sioux Council Boy Scouts of America's Center for Scouting - 14,000 square foot renovation, office, conference, warehouse and scout shop.

Sioux Empire Housing Partnership - Meadow Green Affordable Housing Development with 77 home sites.

Sioux Falls Public School District - \$7.3 million eastside elementary school.

South Dakota Public Universities and Research Center - \$8 million, 52,000 square foot classroom building; \$6.3 million, 35,000 square foot GEAR Center on 260 acres.

Stoney Brook Suites - \$4 million, 53 rooms, 39,000 square foot assisted living center.

The Banquet - \$1.4 million renovation of the former Parsons Equipment Building.

University of Sioux Falls - 30 acre, \$12 million athletic complex.

Volunteers of America - \$1.3 million Wildflower Estates Living Center.

YMCA/Sioux Valley Hospital Family Wellness - \$10 million, 73,000 square foot joint wellness and fitness center on 12 acres.

YWCA for All Generations - \$3.8 million, room for 300 children and 100 adult day care participants

South Dakota Technology Business Center:

In less than three years of operation, the **South Dakota Technology Business Center** has helped create more than 100 new jobs in the Sioux Falls area. SDTBC client companies have also secured more than \$5.8 million in private investments and grants.

Prairie Gold Venture Partners, a venture capital firm focusing on early stage investments in the upper Midwest, and **CRESH**, an enterprise software hosting company, are the second and third companies to successfully graduate from the Center.

Several new companies have located in the Technology Business Center in 2006. These include **VetMed Laboratories**, **PhotoBioMed**, **Price Consulting Group**, and **Chenega Logistics LLC**. **DataSync** and **Page Technology** are new participants in the Center's Virtual Office program.

In October, four additional wet lab suites were completed, bringing the number of lab suites to six, totaling 3,832 square feet of space. The South Dakota Technology Business Center is currently 97% occupied, with several companies planning to graduate in the upcoming year.

Statistics for Growth in Sioux Falls:

2006 Year to Date

Total Value of Construction: \$441,811,983

Number of Building Permits: 6,419

Capital Investment: \$198,600,000

Jobs Created: 4,000

Sioux Empire Development Parks Statistics

Number of Businesses: 110

Employment in the Parks: 12,000

Total Acreage: 1,400

2006 Land Sales: 57.3 Acres at a Value of \$3.726 Million

(NOTE: The Sioux Falls Development Foundation purchased 185 acres near I-229 and I-90. The new acreage will become Park VIII of the Sioux Empire Development Parks with infrastructure improvements now underway.)

Sioux Falls Area Communities:

(Data is from the Annual Report for the Lincoln and Minnehaha County development groups)

Lincoln County Economic Development Association (LCEDA)

BERESFORD

Beresford has seen a strong year of growth. Construction was begun on a new \$1.3 million, 10,200 square foot community center and clubhouse at The Bridges at Beresford championship golf course. Four new twin homes are under construction, and \$400,000 in infrastructure improvement is underway in the 115 acre Industrial Park. V. Mariotti relocated to the Beresford Industrial Park, and Dollar General opened a new 9,200 square foot store. Beresford, with a population of 2,150, issued 72 building permits valued at over \$4 million in 2006.

CANTON

Canton, with a population of 3,110, saw business and community growth during 2006, with additions at Adams Thermal Systems and a \$3 million addition to E.O. Lawrence School. Building permits in Canton for 2006 totaled 61 at a value of \$3.9 million, and five new single family homes were built this year.

HARRISBURG

This year, 176 single-family homes were built in Harrisburg, now with a population of 2,300. The community approved 316 building permits with a total value of nearly \$30 million. Apartment construction led the way in 2006, with multi-family units built at Horizon Pointe, The Meadows, South Cliff Falls, Hunters Gate and Brooklyn Center. Included in the construction this year were Fox Den Pizza, Verizon Wireless and Harrisburg Dental. Showplace Wood Products built an addition to its Harrisburg plant, and Monsanto completed one research facility and announced construction of a second.

LENNOX

Lennox, with a population over 2,200, experienced \$3.4 million in construction during 2006, spread over 132 projects. The community constructed a new Senior Citizens Center, along with an addition to the middle school and combined city and school libraries into the Lennox Community Library. Two half-million gallon water towers are up and in operation. Three additional wells are being dug to meet the needs of this fast-growing community.

TEA

Tea grew again in 2006 with commercial and residential construction. The Sunshine Food Store opened this year, along with a Pizza Ranch, creating 100 new jobs. The Tea Public Safety Building was completed, housing city offices and fire department. Other businesses opening in this community of over 3,000 were Vision Care Associates, Special Tea Insurance, Service First Federal Credit Union, the Donna Dorothy agency of Farmers Insurance, Tea Veterinary Clinic and Sky Lounge. The building permit total for 2006 was 139, with a valuation of \$11.2 million.

WORTHING

In Worthing, housing continues to be an essential factor of community growth. Worthing has added three new buildings for commercial use, two ready for construction companies and the third positioned for use as an RV detailing and repair shop. The population is now 950, and 27 building permits were issued in 2006, with a valuation of nearly \$1 million.

Minnehaha County Economic Development Association (MCEDA)

BALTIC

Baltic, with a population of 950, completed a new school addition in time for the school year. Baltic Heights has Phase 7 ready for new homes, and Valley View Meadows added seven single family houses. A new commercial storage building is near completion and 38 building permits were issued at a valuation of \$1.2 million during 2006.

BRANDON

Brandon, with a 2006 population of 7,629, issued 432 building permits at a valuation of \$27.5 million. The Holiday Inn Express and Convention Center led the construction valuation at \$3.7 million, with other major projects including the Brandon Valley Middle School, First National Bank, Luverne Truck Equipment, Taco Johns and the Brandon Lutheran Church illustrating the diversity of Brandon's growth.

COLTON

Colton, population 675, completed extensive infrastructure improvements, including a two block street project which replaced existing water and sewer lines. Another \$300,000 project, making repairs to existing sewage lagoons, will soon be completed. Activity for 2006 shows 39 building permits at a valuation of \$170,000.

DELL RAPIDS

In Dell Rapids, infrastructure improvements, which include reconstruction of utilities, street lighting and pavement on the community's historic Main Street, are nearing completion. This community of 3,169 continues to grow, with 129 building permits issued in 2006, for a total value over \$4 million.

HARTFORD

In Hartford, 68 permits were issued, with a valuation of \$9.5 million during 2006. This community of 2,224 constructed a new 500,000 gallon water tower and a 13 mile supply line, increasing the water delivery rate 400%. A total of 18 blocks were rebuilt with curb, gutter and asphalt along with new water, sewer and storm sewer lines. Construction began on a new 16 unit apartment complex, and additions to the middle and elementary schools are currently under construction.

VALLEY SPRINGS

Valley Springs has approved a new housing development with 34 sites for single-family homes. Construction will begin in the southwest corner of town in the near future. During 2006, 20 building permits were issued, with a valuation of \$427,000 in this growing community of 800.

LCEDA and MECEDA projects for 2006

Adams Thermal Systems (Canton) - Will add 89 full-time jobs in the next few years with its expansion into new product lines. The 35,000 square foot addition represents a \$2.9 million investment.

Front Line Chemicals (Brandon) - The chemical cleaning products manufacturer expanded into an existing 12,000 square foot facility. The \$665,000 expansion created 10 new jobs.

Luverne Truck (Brandon) - Ground was broken in September on a 35,000 square foot expansion to provide room to expand product lines into plastic fabrication. The \$2.7 million expansion is scheduled for completion in December and will create 85 new jobs.

Monsanto (Harrisburg) - Completed a 24,000 square foot, \$2.5 million research center to test corn hybrids in the Harrisburg Industrial Park this summer, employing 12. Work is beginning on a \$1.9 million, 17,500 square foot soybean research station that will be completed in July of 2007. The facility is located on 4 acres immediately east of the corn facility and will employ 10.

Showplace Wood Products (Beresford) - An 11,295 square foot, \$1.2 million expansion was completed this year. The new space will immediately add 10 jobs to the cabinet manufacturer.

Sioux Falls Regional Livestock (Rural Canton & Worthing) - The 116,000 square foot state-of-the-art livestock sales facility is open for business. The \$5 million project will be the impetus for an adjoining agricultural complex development. Thirty people are employed at the facility.

Total Fire Protection (Brandon) - A 32,400 square foot expansion is complete, representing a \$1.5 million investment. The expansion creates 30 new jobs as previously outsourced pipe fabrication will be done in Brandon.

Taxable sales illustrate patterns of growth

Sales tax collections can be very revealing in showing business growth in Minnehaha and Lincoln Counties. According to the South Dakota Department of Revenue, Business Tax Division, both counties have shown increases in taxable sales in each of the past fiscal years. For last year, the state has posted Fiscal Year 2006 sales tax collections against 2005 showing a \$7.6 million increase in Lincoln County and a \$10.8 million increase in Minnehaha County.

Leading Lincoln County was Harrisburg, with a 35.8% increase in 2006, while in Minnehaha County Brandon showed a 19.6% increase in sales tax collections last year. Countywide sales tax collections were up 8.8% in Minnehaha County and a respectable 5% in the communities of Lincoln County. These numbers indicate stability in the economic growth of the area that is sustainable and well planned, with retail, commercial and residential growth equally driving economic prosperity.

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. FY2006 sales increased by \$7.6 million or 5%.

Leading Lincoln County for increased gross sales tax was Harrisburg (38% increase). Lincoln County population is estimated to have grown 3.8%, or 9,250 people, since the 2000 census. Another gauge of economic growth in a community is employment numbers; Lincoln County saw employment growth of 525 workers. 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. FY2006 sales increased by \$10.8 million or 8.8% over FY2005.

The leading Minnehaha County growth community for increased gross sales tax was Brandon (19.6% increase). Population is estimated to have grown 7.9%, or 11,806 people, since 2000. Another gauge of economic activity in a community is employment numbers; Minnehaha County saw an increase in employment of 2,655 workers in 2006. 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.)

73 new residential lots were developed.

61 new homes were sold. A total of 126 home sales occurred when sales of existing structures are included for 2006.

Riverview Corporate Centre, a 41,500 square foot flex space building was constructed and is currently available for lease.

Premier Bankcard added approximately 500 employees to its 50,000 square foot call center, which deals with collections and credit teleservices.

The medical outpatient services industry continued strong growth in the Dunes, now employing over 500 people.

NORTH SIOUX CITY

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

Alorica, a leading customer service management provider with locations throughout the world, will add approximately 1,000 new employees within the next two years. This dynamic company has shown a five-year revenue growth of 1,333%.

Portionables specializes in the development, production, and co-packing of Individually Quick Frozen (IQF) portion control foods. The company will be expanding operations in North Sioux City with 100 new jobs.

Dakota Muscle built a 10,000 square foot building on River Drive. It specializes in the refurbishment and customizing of high-end automobiles using high-skilled labor.

Johnson Feed, Inc. is a trucking and distribution company with operations in Sioux Falls and Canton. The company will occupy a 26,800 square foot building on 15 acres of land. Its products will include salt, twine, grain and tires. A total of 55 full-time employees are expected in the next three years.

United Vending will house their its headquarters at the former carwash on River Drive. They provide services to 167 cafeterias in 10 states, including Gateway, Tyson and Hormel. The jobs on-site will be at the executive level.

Gateway announced the creation of its Best Practices Call Center in North Sioux City. The high-end customer service center will employ more than 130 workers.

EZ-Drop has nearly doubled the size of its original operation.

EDGE Teleservices continues to grow at a rapid pace, adding dozens of new employees.

VERMILLION

A **total of 4 acres** was sold to a developer who intends to build approximately 40,000 square feet of commercial space with groundbreaking in the spring of 2007.

An **additional 28.66 acres** was purchased to expand Brooks south industrial park. A total of more than 35 acres will be available for development.

Responses were submitted to over **20 different companies** looking to expand or relocate to this area.

Plans are being developed for **Crawford Road**, a critical future connection between upper and lower Vermillion, as well as the Burbank Road.

YANKTON

(Major investment also served by MEC electric. Note growth in building permit valuation on page 19.)

Again, sales tax collections are a revealing indicator of business growth and community development. The South Dakota Department of Revenue reports the city of Yankton showed a significant increase in gross sales for the past fiscal year. FY2006 total sales tax receipts for 2006 were \$6,330,645 or 4.5% ahead of the same period last year.

Wilson Trailer Co. workforce grew by adding another 20 people.

Kolberg-Pioneer, Inc. had a building project of \$2.7m.

Gehl Power Products expanded operations with an investment of \$1.9m.

Applied Engineering completed new office space.

Yankton Medical completed a \$4m Clinic expansion

Avera Sacred Heart Hospital emergency room addition and medical office addition at a cost of \$9.9m.

Shur-co Inc. added 40,000 square feet.

Home Federal Bank built a new building on Broadway Avenue at a \$900,000 estimated build cost.

Marne Creek Plaza expanded which will be the new location of Plains Marketing

The **State DOT** will begin reconstruction of Hwy. 50 in 2009 (east of Yankton to the Clay County line, 7.5 miles) – \$13M project.

CENTERVILLE

A new **four-plex apartment building** was completed to provide a desirable additional housing selection.

Two new homes were completed and are available to be purchased.

A new **pharmacy** is being constructed by Pioneer Memorial Health Facilities.

A part-time **economic development position** is being considered for 2007.

Mc COOK COUNTY

(Salem & Montrose)

A new **Economic Development Director** was hired to continue the program initiated three years ago.

A new **restaurant and a greenhouse** are being considered in Salem.

Potential projects are being considered for 10 acres of land along I-90 owned by the City of Montrose.

A **USDA rural business enterprise grant of \$11,000** was received to implement a technical assistance program for new and existing businesses.

ELK POINT

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

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

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

Building permits were issued for 15 new houses.

FLANDREAU

West End Mall announced a law office, and an Altel cell shop has opened.

A **Dollar Store** expanded operations and will be completed in spring 2007.

New home construction increased 60 % in 2006.

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: 2003-2006

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>2006</u>	<u>Total New Valuation</u>
Lincoln County*					
Beresford**	\$ 2,024,180	\$ 3,169,000	\$ 5,509,339	\$4,000,000	\$ 14,702,519
Canton	1,938,577	3,073,968	2,570,112	3,900,000	11,482,657
Harrisburg	10,659,845	17,653,398	22,818,860	30,000,000	81,132,103
Lennox	5,573,701	13,331,669	1,013,721	3,400,000	23,319,091
Tea	5,815,314	13,780,549	10,614,900	11,200,000	41,410,763
Worthing	2,021,999	2,801,000	1,190,080	1,000,000	7,013,079
Minnehaha County*					
Baltic	\$ 1,356,145	\$ 1,342,320	\$ 731,646	\$1,200,000	\$ 4,630,111
Brandon	22,657,047	36,842,747	27,085,442	27,500,000	114,085,236
Colton	382,341	156,000	187,900	170,000	896,241
Dell Rapids	4,200,728	2,451,058	3,343,949	4,000,000	13,995,735
Hartford	2,944,484	2,849,341	2,084,469	9,500,000	17,378,294
Union County					
Alcester	\$ 100,000	\$ 237,000	\$ 215,000	\$247,705	\$ 799,705
Dakota Dunes	14,120,591	22,065,970	24,754,000	17,961,076	78,901,637
Elk Point	1,517,900	1,424,000	1,969,600	2,107,676	7,019,176
Jefferson	442,000	6,000	704,000	180,894	1,332,894
North Sioux City	1,368,300	988,100	11,541,200	4,560,034	18,457,634
Other Communities					
Sioux Falls*	\$351,777,088	\$409,823,573	\$463,105,323	\$382,629,518	\$1,607,335,502
Centerville (Turner County)	837,504	255,150	598,568	171,675	1,862,897
Flandreau (Moody County)	450,000	932,000	1,320,000	778,453	3,480,453
Gayville (Yankton County)	130,000	---	140,000	577,580	847,580
Montrose (McCook County)	74,360	110,340	212,610	100,000	497,310
Ramona (Lake County)	---	---	---	117,400	117,400
Salem (McCook County)	525,000	1,018,900	1,588,750	250,000	3,382,650
Vermillion (Clay County)	1,610,000	8,824,626	15,085,802	8,708,857	34,229,285
Yankton (Yankton County)	16,890,322	29,422,390	26,339,865	30,005,023	102,657,600
<u>TOTAL</u>	<u>\$449,417,426</u>	<u>\$572,559,099</u>	<u>\$624,725,136</u>	<u>\$544,265,891</u>	<u>\$2,190,967,552</u>

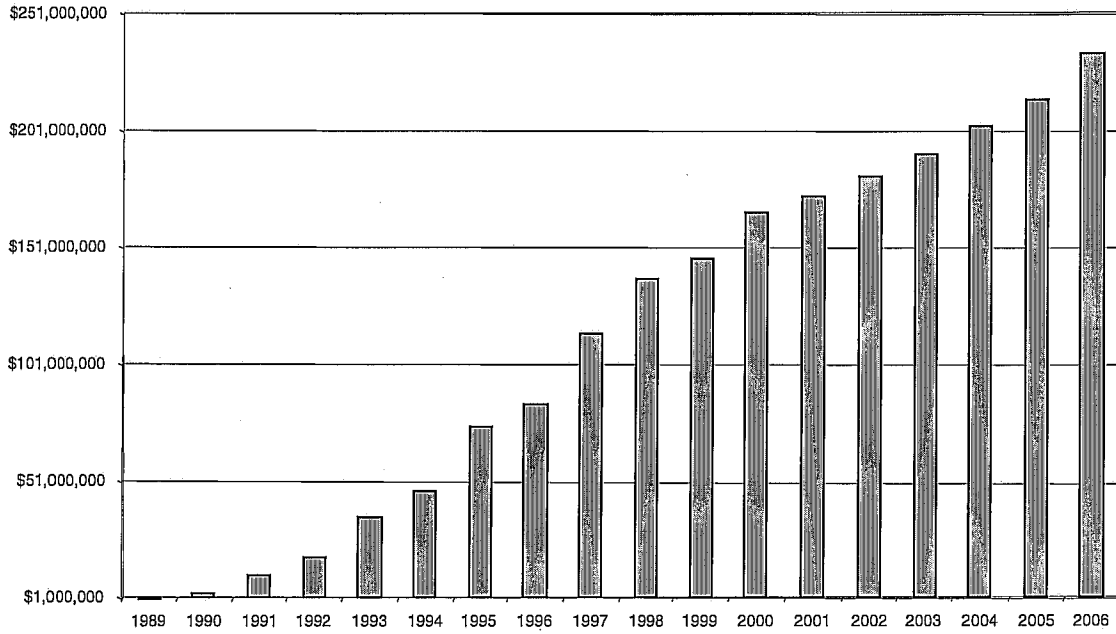
*As Sioux Falls is in both Lincoln and Minnehaha Counties, it is grouped under "Other Communities."

**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**

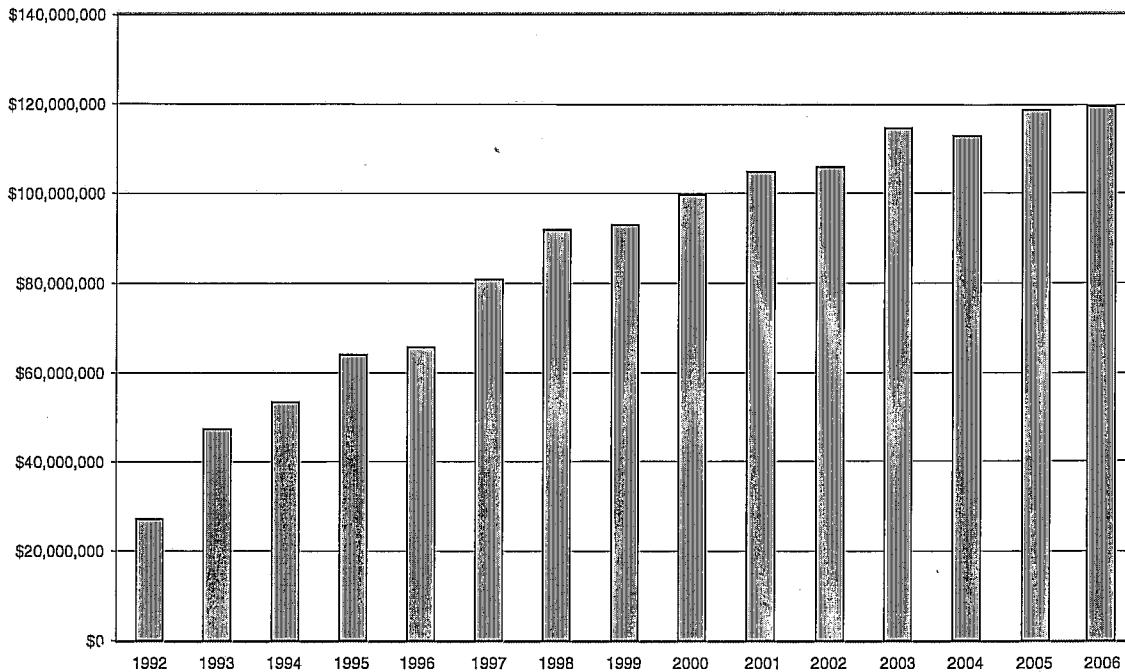
Dakota Dunes: Growth in Taxable Value 1989 - 2006



Source: Assessor's Office, Union County

Taxable Valuation - **North Sioux City**

North Sioux City: Growth in Taxable Valuation 1992 - 2006



POPULATION ESTIMATES FOR MEC-SERVED COUNTIES IN SOUTH DAKOTA

South Dakota Counties with MidAmerican Energy	2000	2005	Total Change	Per Cent Change
Clay	13,587	12,995	-592	-4.0
Lake	11,276	11,039	-237	-2.1
Lincoln	24,131	33,381	9,250	38.3
McCook	5,832	5,930	98	0.16
Minnehaha	148,281	160,087	11,806	7.9
Moody	6,595	6,637	42	0.01
Turner	8,849	8,520	-329	-3.7
Union	12,584	13,462	878	6.9
Yankton	21,652	21,718	-66	-0.3
TOTAL MEC COUNTIES	252,787	273,636	20,850	5.9
OTHER SD	502,107	502,119	12	0.0
SD TOTAL	754,844	769,958	15,114	2.1
MEC COUNTIES %/SD	33.5	34.7		
Source: US Census Bureau				

SECTION V
Attachments



**MidAmerican Energy
contributes to FIC**

MidAmerican Energy Company recently contributed \$250 to the Flandreau Improvement Corporation to advance local economic development and expand opportunities for growth. "MidAmerican Energy is pleased to be a part of Flandreau, and we're committed to continuing our mutually beneficial partnership," said Mark Rodvold, economic development consultant to MidAmerican. "We're also pleased to provide these funds as a resource for encouraging economic development." Rodvold, pictured above right, presents the check to Dan Sutton, president of the FIC. MidAmerican Energy's economic development group assists businesses with expansion plans and provides resources for economic development organizations to assist with crucial business retention, expansion and recruitment efforts.

Notices

6-22-06
Leader-Courier

MidAmerican makes donations

MidAmerican Energy Company recently contributed to economic development corporations in southern Union County to advance local economic development and expand opportunities for growth.

The company donated \$250 to the Elk Point Development Corporation and \$200 to the North Sioux City Economic Development Corporation.

"MidAmerican Energy is pleased to be a part of the Elk Point and North Sioux City areas, and we're committed to continuing our mutually beneficial partnership," said Mark Rodvold, economic development consultant for MidAmerican. "We're also pleased to provide these funds as a resource for encouraging economic development."

The donations are made annually by the company to assist businesses with expansion plans and to provide resources for development organizations.

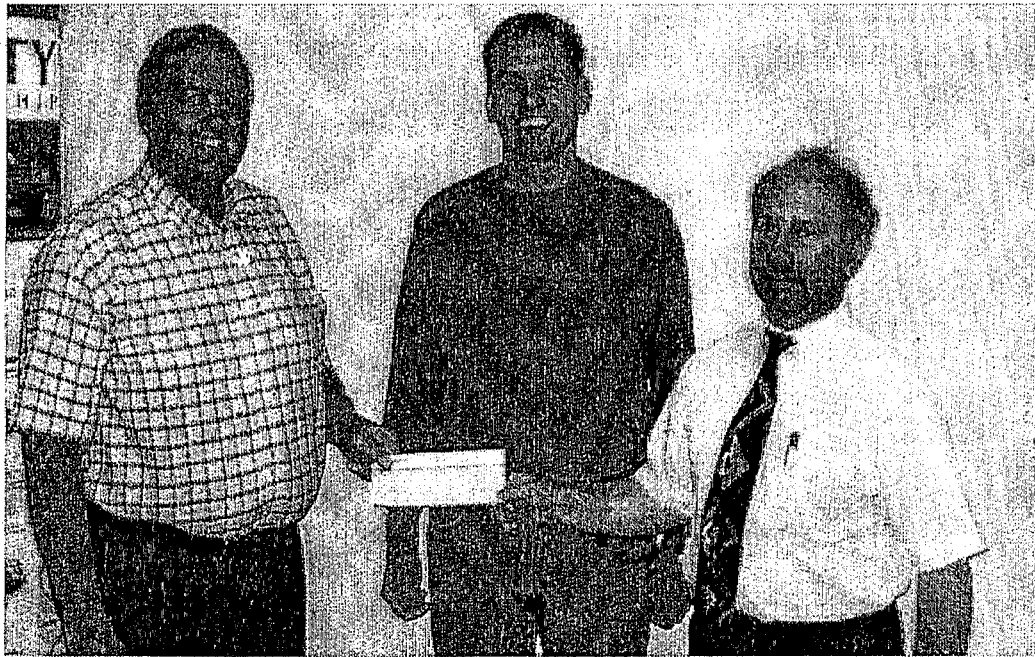
MidAmerican provides electric and natural gas service to North Sioux City and Jefferson and natural gas service to Elk Point.



MidAmerican Energy economic development consultant Mark Rodvold presents MidAmerican Energy's donation to North Sioux City Economic Development Corporation members Glenn Ivarsen, Bruce Odson, Greg Meyer and Mayor Don Fuxa.



At left, Rodvold, right, presents a donation to Elk Point Economic Development Corporation members Kim McLaury, left, and Joyce Bortscheller.



MCCOOK ALLIANCE RECEIVES CHECK: MidAmerican Energy recently contributed \$800 to the Greater McCook Development Alliance to advance local economic development and expand opportunities for growth. "MidAmerican Energy is pleased to be part of McCook County, and we're

committed to continuing our mutually beneficial partnership," said Mark Rodvold, economic development consultant for MidAmerican. Pictured from left to right is Mike McCormick, McCook Alliance Board Member, Joe Bartmann, Alliance Director, and Mark Rodvold of MidAmerican Energy.

MidAmerican Energy Contributes To Economic Development in Yankton

SIOUX FALLS — MidAmerican Energy Company recently contributed \$3,500 to Yankton Area Progressive Growth to advance local economic development and expand opportunities for growth.

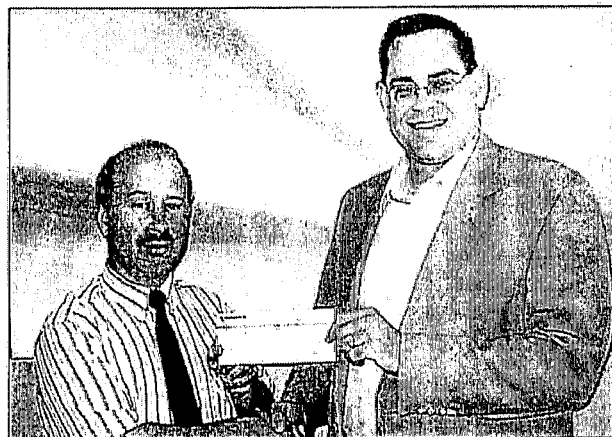
"MidAmerican Energy is pleased to be a part of Yankton, and we're committed to continuing our mutually beneficial partnership," said Mark Rodvold, economic development consultant for MidAmerican. "We're also pleased to provide these funds as a resource for encouraging economic development."

MidAmerican Energy's economic development group assists businesses with expansion plans and provides resources for development organizations to assist with crucial business retention,

expansion and recruitment efforts. The group also helps address pertinent issues during the site selection process.

"Our mission is to partner with the communities we serve and assist with local development priorities," said Kathryn Kunert, vice president of community relations and economic development for MidAmerican. "We look forward to continuing this productive relationship with Yankton."

MidAmerican Energy serves 78,611 natural gas customers in 24 communities and 3,794 electric customers in six communities in South Dakota. MidAmerican Energy Company, Iowa's largest energy company, provides electric service to 706,000 customers and natural gas service to 687,000



SUBMITTED PHOTO

Mark Rodvold, economic development consultant for MidAmerican Energy Company, presents a check for \$3,500 to Kurt Hauser of Yankton Area Progressive Growth "to advance local economic development and expand opportunities for growth."

customers in Iowa, Illinois, Nebraska and South Dakota. It is headquartered in Des Moines, Iowa. Information about MidAmerican is available on the Internet at www.midamericanenergy.com.

MidAmerican contributes \$250 towards Centerville Economic Development



Bill Hansen, Centerville Economic Development, receives a check for \$250 from Mark Rodvold of MidAmerican Energy.

MidAmerican Energy Company recently contributed \$250 to the Centerville Development Corporation to advance local economic development and expand opportunities for growth.

"MidAmerican Energy is pleased to be a part of Centerville, and we're committed to continuing our mutually beneficial partnership," said Mark Rodvold, economic development consultant for MidAmerican. "We're also pleased to provide these funds as a resource for encouraging economic development."

MidAmerican Energy's economic development group assists businesses with crucial business retention, expansion and recruitment efforts. The group also helps address pertinent issues during the site selection process.

"Our mission is to partner

with the communities we serve and assist with local development priorities," said Kathryn Kunert, vice president of community relations and economic development for MidAmerican. "We look forward to continuing this productive relationship with Centerville."

MidAmerican Energy serves 78,611 natural gas customers in 24 communities and 3,794 electric customers in six communities in South Dakota.

MidAmerican Energy Company, Iowa's largest energy company, provides electric service to 706,000 customers and natural gas service to 687,000 customers in Iowa, Illinois, Nebraska and South Dakota. It is headquartered in Des Moines, Iowa. Information about MidAmerican is available on the internet at www.midamericaenergy.com.