

SECTION III
2014 Highlights of Economic Development Activities in
MidAmerican Energy Company's South Dakota Service Territory

(The following summaries were provided by each "Local Partner")

SIOUX FALLS

Industrial & Warehouse Development:

Abilene Machine purchased land near 60th Street North and Cliff Avenue to replace their Iowa operations. Construction wrapped up Fall 2014 on the \$2.1 million, 25,000 square foot warehouse, office and retail showroom facility. Abilene created a dozen new jobs in the community.

Aerionics, a gas detection equipment manufacturer, purchased a facility at 3601 North Saint Paul Avenue. The company relocated from Texas.

Ag Growth International purchased land in the Jansmick Industrial Park for a new **Hi Roller** production facility. The 120,000 square foot facility, scheduled for completion in Spring 2015, will house all production and office operations and represents a nearly \$15 million investment. Approximately 30 new jobs will be added.

ALCOM, LLC, a Maine-based manufacturer of aluminum trailers expanded operations to Sioux Falls Spring 2014. Alcom operates out of a 54,000 square foot building at 501 East 52nd Street North. The company plans to have more than 75 employees by the end of the year and create up to 180 jobs during the next few years.

Beacon Roofing Supply Inc, a national distributor of roofing and building products, opened a **Roof Depot** showroom and distribution center in the former postal service building at 630 South Cliff Avenue. The company employs a dozen people at the facility.

Con-way Freight has a 40,000 square-foot freight terminal on nine acres near 60th Street North and Cliff Avenue and was completed in 2014.

Concrete Materials completed a new \$3 million headquarters facility adjacent to their quarry on West Madison Street. The facility consolidated administrative staff into one facility and provides a training center and fitness center for their employees.

Creative Surfaces completed a \$1 million expansion that included additional warehouse space and a paint shop. The expansion provided room for a dozen new employees.

Operations were consolidated earlier this year when construction wrapped up on **Dakota Beverage Company's** nearly 100,000 square foot warehouse and office facility near 54th Street North and Cliff Avenue. The facility represents a \$7.4 million investment.

Electric Construction Co. moved from East 17th Street to a new shop/warehouse facility located on two acres at 3413 North Potsdam Avenue.

FedEx, located at 4401 East Producer Lane in Sioux Empire Development Park VIII, is expanding with a \$1.2 million, 18,473 square foot addition.

Interstates Companies, an Iowa-based electrical design, construction and control systems firm, expanded their Sioux Falls office with the purchase of the 4701 West Research Drive building owned by the Sioux Falls Development Foundation. The firm expects to create nearly 60 new jobs in the area during the next five years in electrical engineering, computer programming, IT and control system design.

Senproco purchased 6.5 acres in the Jansmick Industrial Park for a new 55,000 square-foot facility. Scheduled for completion in March 2015, the new location represents a \$6.75 million investment and provides capacity to double the size of the building in the future.

Spee-Dee Delivery is the newest tenant in Sioux Empire Development Park VII in northwest Sioux Falls. The company's 30 employees relocated to a newly constructed \$1 million, 18,000 square-foot distribution center earlier this year.

Sprenger Midwest constructed a two-story addition to their facility at 14th Street and Fifth Avenue. The \$1.1 million, 8,000 square foot addition serves as corporate headquarters for the wholesale lumber company.

TJN Enterprises purchased 25 acres from Xcel Energy off of East Rice Street to house their expanding metal recycling facility. The nearly \$15 million project includes an 80,000 square foot processing facility, office building and outdoor storage. The expansion will create up to 20 new jobs.

Westland Manufacturing completed two expansions recently, totaling 20,000 square feet of additional space for the metal fabrication manufacturer.

Xcel Energy will spend \$67 million on upgrades during the next two years including steel transmission structures, a renovated substation at 9th and Kiwanis and the new Falls Substation occupying 15 acres of the historic Stockyards site.

Office, Commercial & Medical Developments:

Construction started on the new \$5 million hotel located at the Sioux Falls Regional Airport. The **AeroStay** will include 79 rooms and is scheduled to open May 2015.

AutoZone built a second store along West 41st Street. The 15,000 square-foot facility opened earlier this year with a mini distribution hub/commercial department to supply area auto repair shops.

Avera McKennan opened a \$2.7 million outpatient dialysis center, hiring 24 people to staff the 11,000 square-foot center located in Plaza 3. **Avera** completed a 47,000 square foot, \$11.5 million clinic on the southwest corner of 69th Street and Cliff Avenue; and broke ground in

October 2013 on the \$21.8 million **Avera Prince of Peace Nursing Home** project. The two-story, 121,000 square foot facility will replace the current facility with private rooms and a wing of assisted living. Completion is slated for spring 2015 at which time the current facility will be converted to provide other services.

A new **Comfort Inn & Suites** opened in April 2014 at 3721 West Avera Drive. The 77 room, four-story hotel employs more than 20 people.

The **Country Club of Sioux Falls**, formerly Westward Ho, broke ground on a new 35,000 square foot clubhouse. The facility is expected to be complete Summer 2015.

Dakota Lodge, the former Brimark Inn on West Russell, underwent more than a \$1m renovation and waterslide and pool addition.

A new office facility near 41st Street and Sycamore Avenue was constructed to house the growing practice of **Dental Comfort Center**. The new \$1.1 million building provides 5,700 square-feet of space on the main floor with additional space in the lower level for the practice.

DocuTAP leased space in the former CNA building in downtown Sioux Falls. The facility, now called The Plaza, underwent over \$5 million worth of renovations and provides additional room for the growing firm.

A multiphase development project is underway on the national campus of the **Evangelical Lutheran Good Samaritan Society**. Phase I includes renovation of the Jerstad Building into office space. An 80,600 square-foot office facility called the Ryan building, scheduled for completion in March 2016 encompasses Phase II.

A new microbrewery is in the process of opening at 1400 East Robur Drive in northeast Sioux Falls. **Fernson Brewing Company** will operate out of a 12,000 square-foot facility that will house a 30-barrel brewing system with seating for 150 in the taproom.

First Dakota Title located at 14th and Main wrapped-up construction. A second level provided an additional 10,000 square-feet for their operation and their shared tenant Hagen, Wilka & Archer law firm.

Work continues on a second location for **First Savings Bank** near 69th Street and Western Avenue. The \$2 million, 7,000 square-foot full-service bank will include room for some of the bank's corporate staff. Construction started Summer 2014 and the facility will open early 2015.

The first floor of The Plaza, the former CNA building, will be home to the downtown offices of **Frontier Bank**. Banking services at Frontier's second location will be provided by a half-dozen staff members.

By the end of 2015, roughly \$20 million will be invested in area golf courses and fitness clubs with the establishment of the **GreatLife Malaska Golf & Fitness Club**. The venture encompasses improvements and renovations at Woodlake Tennis & Fitness Center which is a \$1.5 million, 20,000 square-foot addition; EmBe; Bakker Crossing and a new 16,000 square-foot clubhouse at Willow Run Golf Course.

Development started this on the **Heather Ridge Office Park** at 6320 South Western Avenue. The development will consist of three 10,000 square foot office buildings. **Wells Fargo Advisors** has 20 employees occupying the majority of the first building.

The area's first **LaQuinta Inn & Suites** hotel opened in March 2014 on the site of the former Carmike Theatre. The four-story, limited stay hotel features 89 rooms with a staff of 35.

The **Marketplace at Lake Lorraine**, a 130-acre development, is under construction with **Sioux Falls Lighthouse** and **The SandBar** scheduled to open early 2015. The lighting and home furnishing store and beach-themed restaurant will be the first two retailers in the development and will include national and specialty stores, hotels, offices and housing.

Midcontinent Communications completed a two-story addition to their facility at 3901 North Louise Avenue. The 52,000 square-foot addition provided room to consolidate staff and support continued growth.

Midwest Supply, a Hardware Hank affiliate, opened a 6,000 square-foot hardware store in the Maple Street Mall development at 4110 West Maple Street.

Montgomery's Furniture expanded with a new addition, providing a total of 55,000 square-feet of space at 1725 West 41st Street. The estimated \$5 million project was completed in 2014.

My Place Hotels entered the Sioux Falls market with a three-story, 64-room extended-stay hotel at 3005 South Carolyn Avenue. The facility opened early 2014.

Nyberg's Ace wrapped up an expansion of their store at 41st Street and Minnesota Avenue with the addition of 7,000 square feet and increased staff.

Located near 49th Street and Louise Avenue, **Plains Commerce Bank**, constructed a \$3.5 million, 17,000 square-foot expansion. The project provides room for additional tenants as part of the expansion and was completed earlier this year.

Raven Industries wrapped up construction on the major remodel and renovation of their headquarters facility in downtown Sioux Falls. The LEED Gold certified project includes a rainwater capture system and riverside terrace.

Remington Pointe Retail Center, near 69th Street and Western Avenue, is home to several new retail and service establishments including **Cheese World**, **Pita Pit**, **Beef "O" Brady's**, **Evolve Interior Design**, **20/20 Eye Candy**, **Form Fitness Studio Plus Boutique**, and **Dirt Road Diamond Boutique**.

Sanford Health opened a 24,000 square-foot, \$3.3 million family practice and pediatric clinic adjacent to the Lewis Drug store at 69th and Louise Avenue. They teamed up to build a **Home2 Suites by Hilton** extended-stay hotel near their main campus. The four-story 80-room hotel with kitchenettes opened in October 2014 and connects to the Sanford Heart Hospital via a \$2m skywalk. New offices for **Sanford Behavioral Health** in the Oxbow Center will provide room

to expand services. Construction of the \$25-30 million, 48,000 square-foot **Edith Sanford Breast Center** will take place along 18th Street.

Construction wrapped up in May 2014 on the \$25 million **Scheels** store remodel and 100,000 square-foot expansion at the Western Mall. 100 new jobs were created and the expanded store features a full-service restaurant and entertainment options including a ferris wheel, shooting gallery and bowling alley.

Westridge Mall is home to the new **Shenanigan's Pub**. The developing retail center is located on the southwest corner of 26th Street and Ellis Road. The 9,000 square-foot restaurant and pub opened in September 2014.

The **Shoppes at Dawley Farm Village** development, located near Arrowhead Parkway and Highway 11 features **Christopher & Banks**, **Kidtopia** and **GNC** as new additions to the retail mix with a 50,000 square-foot **Burlington** store under construction. A \$2.5 million, 50,000 square-foot **Ashley Furniture HomeStore & Mattress Mart** opened in early 2014. **Buffalo Wild Wings** purchased land in the development for their third Sioux Falls restaurant.

TownePlace Suites, a 92-room hotel at 6400 South Connie Avenue just south of 69th and Louise, is currently under construction.

Walmart purchased 16.5 acres of commercial land in Sioux Empire Development Park VII, owned by the Sioux Falls Development Foundation. Located near the I-90 and Marion Road Interchange, the 185,000 square foot, \$15 million store opened in August employing 250.

Other Developments:

605 Running Company (Downtown); 9Round Fitness Kickboxing (57th Street); A League of Your Own (Downtown); Antique Market (Marion Road); B & F Fastener Supply (Rice Street); BackYard Grill (Western Avenue); Bad Habit Boutique (Empire Mall); Bed, Bath & Beyond remodel (Empire East); Bloom Sioux Falls (Downtown); The Book Shop new location (Park Ridge Galleria); Breadico (8th & Weber); Buche's Bargain Butcher (West 10th Street); Capital One remodel (Sioux Empire Development Park IV); Caribou Coffee/Bruegger's Bagels (East 10th Street); Destiny Family Medical Clinic expansion (Minnesota Avenue); Dollar General (West 12th Street); Don Dunham III Real Estate (Downtown); The Draft Grill & Bar (74th & Louise Avenue); Eileen's Colossal Cookies (Western Mall); El Jalapeno Mexican Grill (Minnesota Avenue); Elofson (Indiana Avenue); Express Employment Professionals (Kiwanis Avenue); Fiero Pizza (Downtown); Firehouse Subs (East 10th Street); Five Guys Burgers and Fries (49th & Louise); Francesca's Collections (Empire Mall); Freedom Value Center (West 12th Street); Gold Elements (Empire Mall); Graham Automotive office addition (41st Street); Half Baked Cupcake Shop (Downtown); IFM Capital Advisors (Downtown); J&R Auto Sales/Quality Automotive Service (East 34th Street North); Jasper Stone B&B (Phillips Avenue); Jimmy John's (East 10th Street); Jimmy's Seaside Fries (Empire Mall); The Kory Davis Experience (Sharon Avenue); L Couture Boutique (Meadows on the River); LeeAnn Chin Asian (Empire Mall); Lick the Spoon (East 10th Street); Lot 2029 (Downtown); Macho Nacho Mexican Grill (East 10th Street); Man Salon (Arrowhead Parkway); Marco's Pizza (Village on Louise); The Market expansion (Downtown); Mattress Firm (North Minnesota Avenue, Arrowhead Parkway, Western Avenue); Nelson & Nelson (Minnesota Avenue); Noodles & Company (Arrowhead Parkway);

Original Pancake House expansion (41st Street); Panda Express (Arrowhead Parkway); Pickers Flea Market Antique & Collectible Mall (Shirley Avenue); Pizza Man (East 10th Street); PizzaRev (49th Street & Louise Avenue); Plan Administrators Inc (Technology Drive); Potbelly Sandwich Shop (Western Mall); Prairie Berry East Bank (Downtown); Qdoba (East 10th Street); Ragstock (Empire Mall); Raymond's Jewelers relocation/expansion (41st Street); RedRossa Napoli Pizza renovation (Western Avenue); Regus Group Cos. (Downtown); Ride Empowered (Marion Road); Simply Mac (Empire Mall); Sioux Falls Inn renovation (Russell Street); Sleep Number (41st & Louise); Sports Clips (Arrowhead Parkway); Strike Group Security Services; Style Encore (South Louise Avenue); Taco Time (East 26th Street); Taphouse 41 (Western Mall); Thunder Road roller coaster addition (Kiwanis Avenue); Total Drag (Downtown); West 12th Pourhouse Kitchen (West 12th Street); Wheel City Auto (41st Street); Wine & Canvas (Village on Louise); Wingstop (Minnesota Avenue); Workplace I.T. expansion (Downtown); Yogurt City (41st & Western); Zesty's Pizza (26th & Marion); Zoup Fresh Soup Co (41st Street)

Quality of Life Developments:

Augustana College - Froiland Science Complex - \$35 million, 41,000 square foot addition / renovation of the current science center

Carroll Institute –4-story, \$3.5 million, 30,000 square foot facility to replace The Arch

Catholic Diocese of Sioux Falls – \$3.6 million Bishop Dudley Hospitality House

City of Sioux Falls - \$5 million Elmwood Golf Course renovation; \$1.7 million Fire Station No. 11; City Hall remodel; Lyon Park upgrades; preliminary site work for Spellerberg Indoor Aquatic Center; Bike Trail extension & access points

Good Earth State Park at Blood Run – continuing development of the 588-acre state park

Habitat for Humanity – \$1.4 million, 20,000 square foot ReStore expansion

Huether Family Match Pointe Community Tennis Center - \$3.8 million, 50,000 square foot facility at the Sanford Sports Complex

Ice Sports Association's Scheels IcePlex - \$9+ million facility featuring 3 regulation-size sheets of ice at the Sanford Sports Complex

Lutheran Social Services – expanded Center for New Americans

Mary Jo Wegner Arboretum & East Sioux Falls Historical Site - Mabel & Judy Jaspar Educational Center

SculptureWalk - 55 new outdoor sculptures exhibited throughout downtown Sioux Falls

Sioux Falls Catholic School System – addition to St. Katherine Drexel Elementary

Sioux Falls Christian – addition to school

Sioux Falls Area Humane Society - \$1.2 million addition/remodel

Sioux Falls Regional Airport - \$12.8 million project to include elevator/escalators, additional security checkpoint lanes and office relocation

Sioux Falls Schools District - \$23 million George McGovern Middle School; \$8 million Susan B Anthony Elementary; \$5 million Eugene Field A+ Elementary addition; \$6.8 million Memorial Middle School addition; renovations and additions at Whittier Middle School, Garfield, R.F. Pettigrew, Hayward, Axtell Park, Discovery, Robert Frost, Washington High, Roosevelt High, Patrick Henry, Laura B Anderson, Anne Sullivan, Hawthorne and Cleveland; \$11 million Jefferson replacement

Southeast Technical Institute – laboratory building & Ed Wood Center renovation project; \$18 million

State Theater – restoration of frieze artwork

Tea Area School District – elementary school

Trail Ridge Retirement Community - \$10 million, 40-unit assisted living facility to include a wellness center, pool, & kitchen; remodel current assisted living facility into a memory care unit

Veterans Affairs Medical Center – Women’s health center

W.H. Lyons Fairgrounds – \$300,000 Pipestone Discovery Barn

YMCA – \$6.5 million renovation of fitness facilities and conversion to 55 affordable housing units

Construction work wrapped-up on the **Denny Sanford PREMIER Center**. Grand opening and ribbon cutting ceremonies for the four-level, \$115 million, 12,000-seat event center were held in September.

South Dakota Technology Business Center Highlights:

The South Dakota Technology Business Center serves as the resource helping innovators and entrepreneurs as they launch, grow and expand their companies in Sioux Falls. New SDTBC clients during the past twelve months include: Inanovate, Immutrix, Pius Capital Management, MobileStar, Locals Love Us, AMI Inc. and Perio Dynamics. The Center’s graduates increased to 22 companies with **Sidecar COO** and **AVPro Alliance Sales** moving to new locations.

Eight companies participated in the Center’s 2014 Business Launch Boot Camp and Accelerator Program: AMI Inc.; Credentialing USA LLC; Picki; ODIN Hunting Products Inc.; The Weston Group; SPACT (Security Printing and Anti-Counterfeit Technology); 7400 Circuits, and Global Thinking Laboratories. Sponsored by Forward Sioux Falls and GOED through an SBA FAST Grant, the Boot Camp and Accelerator is a six-month entrepreneurial development program helping companies launch and grow sales. Participants competed for a pool of \$92,500 in project funding to help accelerate their growth.

Regional Highlights:

Agile Manufacturing LLC, a Granite, Iowa based manufacturer of material handling equipment for agricultural and industrial applications is in the process of expanding operations to Worthing. The expansion will create ten jobs with the potential of more jobs in the future.

Construction continues on a three-story, 47-room hotel in Hartford, the communities first. The new **AmericInn** is scheduled to open as early as February 2015.

Carl V. Carlson will construct a 20,000 square foot facility near Hartford to accommodate expanded services and the addition of pre-cast concrete pipe manufacturing. The company broke ground in May and plans to be fully operational in 2015. The company will add approximately 20 new positions.

Construction is underway on a \$35 million dairy in Lincoln County west of I-29 and the Viborg Exit. When operational in 2015, **Dakota Plains Dairy** will house 4,250 dairy cows and employ 35.

Canadian-based **Marmen Inc**, a world leader in high-precision machining, fabrication and mechanical assembly, began manufacturing wind towers at their 200,000 square foot Marmen Energy facility in the Brandon/Corson Industrial Park. The company purchased an additional twenty acres to store tower sections. Marmen plans to employ 250 when fully staffed.

Perfect Practice, a 60,000 square foot sports and recreation facility, opened earlier this year near the Harrisburg Industrial Park.

Rosenbauer America is constructing 22,000 square feet of additional space to assist with their growing global fire-truck manufacturing business. The company plans to add thirty new hires over the next three years. The facility and additional equipment represent a \$2.5 million investment in Lyons.

Sanford Canton-Inwood Medical Center underwent a \$6.6 million, 25,000 square foot renovation and 11,000 square foot expansion with a new rehabilitation department, laboratory and lobby. Renovations include a new emergency department and mobile radiology suite, a new foot clinic area and meeting rooms for community education. The project is scheduled for completion December 2014.

Specialized Machine LLC, a CNC machining and prototyping company, moved into a new 10,000 square foot facility at 46935 Cody Trail just north of Tea.

Sioux Falls Area Communities – Lincoln & Minnehaha Counties

*(Source: 2014 Annual Report for the Lincoln and Minnehaha County
Economic Development Associations)*

Please note: LCEDA/MCEDA budgets run from October - September

Sales tax collections recorded by the State of South Dakota during 2014 paint a picture of strength in the retail sector in Minnehaha and Lincoln Counties. According to the Department of Revenue, Business Tax Division, both counties posted excellent growth in taxable sales during the past fiscal year. For the year, the state posted 2014 taxable sales against 2013 showing \$182 million in the LCEDA 2013 communities and \$280m in MCEDA communities.

Leading Lincoln County was Worthing, with a percentage increase of 23.5% in 2014, while in Minnehaha County, Baltic recorded an increase in sales tax collections of 24.2% in taxable sales, with many MCEDA communities in the 10% growth range. Countywide, sales tax collections were up 10.98% in Minnehaha County and 12% in LCEDA member communities. Retail, commercial and residential increases are consistent indicators of the economic growth in our two-county area.

Lincoln County Economic Development Association (LCEDA)

Canton

Canton, with a population of 3,165, saw 64 building permits issued in 2014, with a total valuation of \$5.4m. Four new single-family homes were built this year and the community welcomed Bomgaar's retail operation to town, in addition to a \$3.5m expansion at the local Sanford hospital and a \$560,000, 20,000 square-foot expansion at Johnson Feed.

Harrisburg

In 2014, 59 single-family homes were built in Harrisburg, now with a population of 5,200. Harrisburg approved 271 building permits with a total value of over \$18m of which \$16.5m was for residential construction. Added this year to the community were eight multi-family buildings with 81 dwelling units. The new city hall was completed and occupied and commercial construction included the new Game Changer Restaurant and the completion of Perfect Practice Sports Academy.

Lennox

During 2014, Lennox, with a population of 2,110, issued 106 building permits with a valuation of nearly \$3.7m. Five new single-family homes were constructed, and a Safe Routes to School project was completed. In commercial construction, Dakotaline Snares began operations in the former Main Street lumberyard, Cow Bells Café completed a remodeling project and Sioux Steel announced an expansion adding 20 new jobs. A new community welcome sign was built and an addition is being constructed at the middle school.

Tea

Tea issued 161 building permits for a total valuation of \$4.5m and saw the construction of 21 new single-family homes. With a 2014 population of 4,300, Tea welcomed many newcomers this year, including DeGeest Steel Works, Risen Savior Lutheran Church, Embrace Church, Dakota Grill, Driver Websites, Laurie Belle's Boutique, Uptown Casino, Specialized Machine and Perspective Health Chiropractic and Wellness. The Tea Soukup Addition was declared Certified Ready and is currently under construction with the installation of infrastructure and roads.

Worthing

Worthing, with a population of 1,000 people, issued 29 building permits during 2014. The city also completed a \$327,535 project to add 2,780 feet of sidewalk this year, capping the completion of water, sewer, utilities and sanitary sewer improvement on three blocks around the Worthing Elementary School.

Minnehaha County Economic Development Association

Baltic

Baltic added two new single-family homes, with attractive lots still available for the construction of additional houses in this community of 1,175. Baltic also completed storm sewers and streets in the Valley View addition, preparing for additional residential construction in this growing Minnehaha community. In 2014, 60 building permits were issued with \$715,200 in total construction activity.

Brandon

Brandon, with a 2014 population of 9,248, issued 377 building permits at a valuation of more than \$15 million, with a total of 64 new single-family homes built this year. Planning is underway on a new road for future development of 60 acres still available in the Brandon and Corson Development Parks. The nearly \$1m Building Blocks Child Care and Learning Center addition was completed along with the construction of the new Dollar General store and the Helping Hand Assisted Living addition. Construction continues on the Brandon Valley Intermediate School.

Colton

Colton, population 680, made significant improvements in community amenities during 2014, and continues to maintain essential infrastructure for community growth and attract new residential construction. Activity for 2014 shows 28 building permits, including two new single-family homes, with a total valuation over \$662,000.

Dell Rapids

Dell Rapids, with a population of 3,728, issued 173 building permits at a total valuation of nearly \$5.6m. The city was involved with two major infrastructure projects in 2014, the \$2.3m Garfield Avenue Bridge replacement, construction of a new bridge in the same architectural style as the original and a sewer project to service an 80-acre future development park. This \$1.2m project extends sewer service to the southeast corner of Dell Rapids and opens up potential development for industrial and commercial use as well as future housing.

Hartford

In Hartford, 138 permits were issued during 2014, with a valuation of over \$7.4m, including 19 new single-family homes and six apartments under construction. Community projects include a new sports complex that will be ready next spring, completion of a new access road to accommodate development of 26 acres along I-90 and plans for swimming pool and bike trail expansions. A new event center has opened next to the AmericInn construction project, the elevator completed a new feed mill, the Hartford BP has been remodeled into an expanded Coffee Cup Fuel Stop and the city has approved plans for a new mixed use building with commercial on the ground floor and apartments on two floors above.

VERMILLION

Workforce Development

Housing: In 2014, the Vermillion Area Chamber and Development Company (VCDC) broke ground on Phase 1 of a 46 acre development for a new neighborhood called Bliss Pointe. Bliss Pointe is designed to accommodate new workforce housing and includes single family homes in a variety of price points, transitional rental product (i.e. townhome and duplexes) for new residents and higher-end management level homes overlooking the Missouri River Valley. Phase 1 includes over 70 home lots and 3 commercial lots.

Workforce Training: A partnership was developed between one of Vermillion's newest companies, Builder's Choice, and the school district. Working together, a plan was created to address the lack of construction skills in the community. The plan includes a new facility on the grounds of Vermillion High School to house a shop focusing on modular construction techniques. Construction on the new facility is nearing completion. This plan was made possible with funds from a Governor's Grant for Career and Technical Education as well as funds from the school district and the business community.

2014 marked the first year of an IT Academy offered at the University of South Dakota, and other universities around the state, through a partnership with the Governor's Office of Economic Development, the South Dakota Board of Regents and the University of South Dakota. This IT Academy has proven to attract multiple businesses to South Dakota.

Young Professionals Retainment: Vermillion leadership recognized that the top ten employers in Vermillion had an average of over 45% Young Professionals in their workforce. While nearly half of all employees are between the ages of 21-40, census numbers showed that Vermillion continued to lose this demographic to other cities. The VCDC started the Young Professionals Network, Vermillion NEXT, to enable the VCDC to allow an opportunity for engagement with young professionals to further develop the community into a place where people want to live, work and play. The Vermillion NEXT organization has continued to show success in the first six months of its existence.

Business Park Development

Vermillion has developed nearly 75 acres of ready industrial land in all zoning categories to accommodate future growth.

Vermillion Technology Center: Construction was completed on a 32,000 square-foot professional office complex in Vermillion. This state of the art facility has the ability to house one to six different companies. The office spec building provides a leading opportunity for the community of Vermillion to aggressively recruit companies who are in need of expansion or relocation in a short period of time.

Economic Development

Vermillion NOW! Capital Campaign: In 2014, the VCDC, along with the lead funding partners of the city, county and university, completed a second economic development capital campaign to help fund the community's economic development efforts. Not only does the campaign provide essential funding, it provides an important vehicle on which to center the community's efforts. With funding from local governments, private sector businesses, and area families, the community has rallied together to move the community forward. In 2014, the goal of \$1.65m was surpassed to reach a total of \$1.67m.

Polaris: Polaris continues to grow in its business throughout the United States and their success provided opportunity for their distribution center in Vermillion to embark on an internal operations and facility equipment upgrade of over \$10m. The new and improved conveyor belt system measures out over two miles of state of the art conveyor belt to enable the Vermillion distribution center to equip Polaris' continued growth and success.

YANKTON

Yankton Area Progressive Growth labored diligently in 2014 to address the five areas of need which were identified in the YES2! Campaign. Several Strategic Planning sessions that included many of our partners and investors were held to solicit comments and concerns. In addition, District III assisted us by doing a great deal of research to help us identify community needs and as a result of that research strategic plans were developed to address our YES2! goals. We have summarized our accomplishments and categorized them under the appropriate area of need.

Retention and Expansion:

Retention and expansion is the number one priority for YAPG as it is the basis of our economy. It is important to stay in contact with our primary sector employers and work with them to assure that everything within reason is being done to assist them in their efforts to grow their business. To that extent much was accomplished.

- The Primary Employer Retention and Expansion Initiative was approved to include annual corporate visits and an annual Primary Sector Survey.
- Personal retention visits were made to all of our local major employers in the first quarter with follow up visits being planned throughout the year.
- A plan was developed to visit the corporate headquarters of our major employers. In the past year the following visits were conducted:
 - Baldwin Filters, Inc. - Kearney, NE
 - L & M Radiator- Hibbing, MN

- Wilson Trailer Company in Sioux City, IA
- SAPA Extrusions in Rosemont, IL
- Manitou Corporate leaders in Yankton (early January of 2015)
- Invested in ACT! Software for prospect and customer detail management.
- Local companies' announcements in facilities and jobs:
 - SAPA announced plans for a 54,000 sq. ft. expansion to their facility with an additional 50 jobs being created.
 - Baldwin Filters announced 15 new jobs.
 - Wilson Trailer – 83 new full-time jobs, 35,000 sq. ft. addition

Retail:

A key quality of life issue is to focus on expanding the local retail community. It is essential to understand what the market can support. To that end, the City of Yankton contracted with the S.B. Friedman Company, one of the leading experts in the retail industry, to conduct a comprehensive leakage study. YAPG supported that effort financially and although the results did not show any major leakages it did show areas of opportunity that need to be researched further.

Marketing and Recruitment:

As important as retention and expansion is, it is also just as important to continue efforts to expand the economic base and grow the economy. Creating leads and assuring a good follow-up effort is vitally important. The lead basis at the beginning of the year was not as strong as it should have been. Several major efforts were underway to assist in this effort.

- YAPG has hired Binswanger Midwest of Illinois, Inc. to market the completed Spec Building located in the East Industrial Park. The Spec Building, a 40,000 square-foot shell building in the East Industrial Park, was completed in September 2014.
- YAPG sold approximately 4.5 acres of land to Schwan's for a new distribution center which will bring 15-17 new jobs to Yankton. In addition, YAPG also agreed to contribute \$45,000 to aid in infrastructure improvements. YAPG also sold two acres of land to Dataware Green adjacent to the Schwan property for future expansion.
- Smart Solutions Group was hired for targeted business identification and lead generation.
- YAPG worked diligently to see the development of a rail industry park at Napa Junction. Dakota Plains Ag was the perspective client for the rail park.
- YAPG has hired OmniTech to upgrade the YAPG web site to better market the East Industrial Park.
- In cooperation with the National Field Archery Association (NFAA) and the Governor's Office Of Economic Development's (GOED) Shooting, Hunting and Outdoors division, the City of Yankton continues to build relationships with archery manufacturers and archery-related businesses. The vision is to promote archery as a niche market and

develop an archery related business park including manufacturing, distributing, and product development. Specific strategies have included:

- Participating in Archery Trade Association Show (City of Yankton)
- Participating in the Vegas Shoot (City of Yankton, CVB, YAPG)
- Supporting NFAA 2015 Youth World Championship (City CVB, Chamber, YAPG)

Workforce:

Almost every major company in the Yankton area is in the process of some sort of expansion that includes hiring additional employees. The individual efforts of each company to recruit their own employees is not an efficient method for filling jobs. Other regions are combining the efforts of all of their companies to develop a major workforce program. YAPG has taken on a very similar effort. Top companies have joined in developing the program and assisting in the funding of the program.

- A Primary Sector Survey in April revealed employers expect to hire more than 500 new employees in the next five years.
- District III did a labor study of the nine surrounding county districts. Three focus goals were recognized:
 - To strive to retain the area's high school students
 - Stem outmigration to larger urban areas
 - Attract people from other states (including alumni and veterans to Yankton)
- Workforce Planning Sessions in June and September were held with a follow up survey. A Workforce Committee was formed to address the focused areas of action:
 - development of workforce web site
 - digital marketing
 - hiring a workforce development staff person
 - continued support of CTE and STEM programs and also RTEC.
- District III assisted YAPG with the Application for the Community Incentives Grant for workforce development from the Governor's Office of Economic Development. YAPG requested a total of \$150,000 and received news just recently that we were awarded an amount of \$60,000 which is to be allocated to CTE and STEM programs and also to support RTEC.

Housing:

The YES2! Campaign also identified a critical need for housing. YAPG financially supported the City of Yankton in taking the first major step to conduct a major housing study which was released in the first quarter of 2014. The YAPG primary sector survey showed an additional need of more than 500 more jobs in the next five years which subsequently heightened the need for affordable housing. The housing committee did extensive research which included

discussions with developers locally and in both Sioux Falls and Omaha. Key factors are as follows:

- A Housing Task Force was formed to set goals and objectives in order to curb the shortages as identified in the housing study. Consequently, two sub-committees were formed (Operations Oversight and Finance) to draft strategic plans.
- Developers from Nebraska and South Dakota were approached and options were researched.
- Negotiations on several different sites have begun and actions need to be completed such as land acquisition, securing engineering contracts, and developers' agreements.
- Several financial entities have been consulted for possible financing.
- YAPG will be the land developer in the building of affordable housing which will consist of single family homes, twin homes, townhouses, and apartments.

Additional Highlights:

YAPG also invested time in the following:

- YAPG hosted informational meetings:
 - Informational meeting explaining TIF districts with guest speaker Toby Morris
 - Informational meeting on the importance of a Rail Industry Park with guest speaker Jeffrey Cooley, Project Engineer of Civil Design, Inc. of Brookings.

CENTERVILLE

Nursing Home: The Centerville Development Corporation's biggest success story in 2014 may be the accomplishments of Centerville Care and Rehab. After taking over for The Good Samaritan Society in January of 2013, the Centerville Development Corporation run facility is now operating efficiently and is near its 50 resident capacity and currently employees nearly 50 workers. In 2014, through support from the community and the commitment of several economic development partners Centerville Care and Rehab became debt free. The operating line of credit which was maxed out at \$297,000 was paid off this summer. The \$97,000 fire sprinkler system loan, which was set up on a 20 year amortization, was paid off in only 10 months. The amazing success story of Centerville Care and Rehab really shows what a community can do when they rally around such an important project for their city.

Business Revitalization: The CDC was successful in utilizing the remainder of its \$40,000 grant from the Citi Foundation which was to provide technical assistance to new and existing businesses in Centerville. The Enterprise Development Program assisted local businesses with business plans, marketing plans, developing websites and featuring businesses in the Centerville Journal. Our group partnered with the Small Business Development Center and the Southeast Enterprise Facilitation Project to provide services to more than 40 businesses and assisted with 16 business plans and helped two new business start-ups.

Safe Routes to School (SRTS): The CDC held its annual bike rodeo in September with more than 65 students participating. The event helped to raise awareness for the new safe route sidewalks. The infrastructure portion of the project is currently 90% complete with the remaining 10% to be finished by June 1st. \$12,827 remains to go toward non-infrastructure (encouragement, education, enforcement and evaluation) in 2015.

Bike Path: Cattail Construction and 3-D Digging have begun construction on the bike path and have completed the portion of the bike path connecting to the SRTS sidewalks near Berry Park. They have also begun clearing trees on the Knudson property where a large portion of the bike path will run. This will allow them to complete the construction of the bike path from Peder Larsen Park to North Street by July 1st, 2015.

An additional Transportation Alternatives Program (TAP) grant was applied for which will connect the first phase of the bike path at North Street to Gunderson Park. This grant, if approved, will supplement funding already received in order to minimize the City's match. The latest TAP grant will provide an additional \$78,125.48 in grant money which will also increase the cities required match total to \$14,102.00. If approved, this second phase of the bike path project is expected to be completed in 2016.

ELK POINT

The City of Elk Point adheres to its capital improvement plan. New street lighting was installed through out the Main Street and downtown business area. Old lighting was replaced with new state of the art LED street lights. The City through the budgeting process continues to allocate financial resources for rebuilding, water and sewer improvements to Rose Street. Rose Street is a major truck route leading to several manufacturing companies and the local grain elevator.

The Housing and Rehabilitation Commission is sponsoring a community housing study. The study is currently underway. Completing a housing study was a recommendation of our community assessment study that was completed in 2014. Adequate housing is vital to future economic development recruitment and retention efforts.

Plans are underway to implement the recommendations as delineated in our community assessment. A panel of leaders across the state participated and coordinated this project. We will divide the recommendations through various community organizations based on the topic or issue.

A new start up business relocated to Elk Point. Legacy Post & Beam is a small company that makes building wood frames for barns, homes and cabins.

Work force development is an economic development focus for our community. It is imperative to work with existing local manufacturers and retain our labor force. We have implemented certified welding programs with our local companies to certify and enhance training efforts. Efforts will continue when the need arises.

The Economic Development Corporation with financial/labor support from the Chamber of Commerce, Community Pride, the City and a MidAmerican Energy grant installed a two sided

billboard near Interstate 29. The billboard's purpose is to promote marketing of our industrial park (where the sign is located) and encourage people relocating to consider living in Elk Point

DAKOTA DUNES

(Also served by MEC electric.)

In Dakota Dunes, 29 new homes were built and 29 new residential lots were developed during 2014.

A total of 1,200 home sites have been sold since Dakota Dunes started and 1,053 homes built.

No commercial property was sold during 2014. A total of 214.72 commercial acres have been sold since Dakota Dunes was started.

The total taxable property valuation at Dakota Dunes at the end of year 2014 was \$414.9 million. This is an increase from the prior year of \$20.5 million.

NORTH SIOUX CITY

(Also served by MEC electric.)

Hepar BioScience completed construction and began production at their new 30,000 square-foot advanced biosciences facility in Flynn Business Park (estimated capital investment of \$25-30 million). Hepar has purchased 50 acres in Flynn Business Park, which could lead to the creation of a campus of high-tech biosciences businesses.

Consumers Supply Distributing, a wholesale distributor of agricultural and animal nutrition products, began construction in 2014 on a new state-of-the-art 30,000 square-foot, multi-stage feed production facility (capital investment estimated at approximately \$7-8 million).

Interbake Foods announced an \$11.4m equipment upgrade at their North Sioux City production facility. The project will result in additional training and increased wages for existing employees. The equipment upgrade helps to further ensure Interbake's long-term presence in North Sioux City.

Mars Petcare/Royal Canin - Continued growth at the North Sioux City plant looks promising as they are currently operating at capacity. Mars Inc. acquired approximately 80% of Procter & Gamble Company's pet food business for \$2.9b in cash. The deal will significantly increase the size of the Mars Petcare business unit, which should bode well for the NSC facility.

Lewis Electric purchased approximately 3 acres in Flynn Business Park and completed construction on a new 9100 square-foot building. The full-service electrical company employs approximately 16 FTEs.

GEA PHE Systems moved into a new 11,000 square-foot building in Flynn Business Park. Located in York, Pennsylvania, GEA is one of the leading manufacturers of plate heat exchangers worldwide. The North Sioux City facility services heat exchanger plates for customers throughout the Midwest.

API Distribution moved into their new 11,000 square-foot facility in Flynn Business Park. Based in New Brighton, MN, API is a leading supplier of industrial, commercial and residential insulation products in the Upper Midwest.

Trinity Electrical Services, a full service electrical contractor, opened an office at 600 North Derby Lane in North Sioux City. Started in 2011, the company has grown to 20 employees.

EXPANSIONS/GROWTH AT OTHER EXISTING COMPANIES:

- STECK WHOLESALE FOODS
- VANGUARD SCIENCES
- RTI
- FIMCO
- LINCARE
- 5678!
- MURPHY INSULATION

Source: City Administrators/Economic Development Directors from each of the communities