

EL99-009

EL 99-009

COPIES

EL 99-009

DOCKET NO.

IN THE MATTER OF THE FILING BY
NORTHERN STATES POWER
COMPANY FOR APPROVAL OF ITS
1998 ECONOMIC DEVELOPMENT
REPORT AND 1999 ECONOMIC
DEVELOPMENT PLAN

Public Utilities Commission of the State of South Dakota

MEMORANDA

DATE

5/24/99 Filed and docketed.
5/22/99 Weekly filing.
8/6/99 Affidavit.
8/6/99 Affidavit.
8/6/99 Affidavit.

1999 Economic Development Report and
1998 Economic Development Plan

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Northern States Power Company
South Dakota

500 West Russell
P.O. Box 988
Sioux Falls, SD 57101-0988
Telephone (605) 339-8200

April 29th, 1999

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

RECEIVED

MAY 24 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Mr. Bullard:

In accordance with Docket EL91-004, enclosed please find NSP's report on 1998 economic development activities.

Economic Development efforts like those approved again in 1998 by the South Dakota Public Utilities Commission are contributing to growth in jobs and capital investment in NSP's service territory. With Commission approval NSP plans to continue similar investments in 1999.

The following report is organized in eight sections:

- | | |
|------------|---|
| Tab 1 | Summary of the 1998 economic development investments. |
| Tab 2 | Contains a copy of the 1998 Sioux Falls Economic Development report by the Sioux Falls Development Foundation. Also included are copies of newspaper articles highlighting the recent growth in Sioux Falls and surrounding area. |
| Tab 3 | LCEDA (Lincoln County Economic Development Association) and MCEDA (Minnehaha County Economic Development Association). |
| Tabs 4 - 7 | Detail of economic development investments NSP made within our South Dakota service territory in 1998. |
| Tab 8 | A proposed economic development investment budget for 1999. |

NSP respectfully requests approval of our 1998 report and our 1999 economic development budget.

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

Sincerely,

m Wilcox

c. Kent Larson

NSP-SOUTH DAKOTA 1998 ECONOMIC DEVELOPMENT ACTUAL EXPENDITURES

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

Program Sub Total \$ 50,000

NSP-SD Economic Assistance Program:

SD Foreign Direct Investment Initiative	\$ 20,000
SD Rural Enterprise, Inc. - (\$5,000.00 x 3 years)	\$ 5,000
Economic Development Incentive Fund – Bridgewater Quality Meats	\$ 3,000

Program Sub Total \$ 28,000

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

Baltic	\$ 500
Bridgewater	\$ 500
Canton	\$ 500
Centerville	\$ 500
Dell Rapids	\$ 500
Emery	\$ 500
Garretson	\$ 500
Harrisburg	\$ 500
Lennox	\$ 500
Marion	\$ 500
Salem	\$ 500

GOED Conference G.O.L.D. Program Award Co-Sponsor	\$1,500
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Program Sub Total \$ 7,000

Total 1998 Economic Development Actual Expenses \$ 85,000

SDREI

SOUTH DAKOTA RURAL ENTERPRISE, INC.

P O BOX 1001 • SIOUX FALLS SD 57101-1001

PHONE 605-339-1037 • FAX 605-339-0082

INVOICE

February 12, 1999

**To: Jim Wilcox
NSP
500 West Russell
Sioux Falls SD 5710**

For: South Dakota Rural Enterprise, Inc. (SDREI) Fund Drive

Thank you for your 1996 pledge to support the work of SDREI over a three year period. A record of pledge activity follows. Please make check payable to SDREI at the address above.

Account Information:

Total Pledge	Amount Received	Date Received	Balance
\$15,000.00	\$ 5,000.00	July 7, 1996	\$10,000.00
	\$ 5,000.00	July 30, 1998	\$5,000.00

Total Contribution Outstanding: \$5,000

Thank you for your contribution.
Payable upon Receipt

NSP-South Dakota Economic Assistance Program

- Financial Request Form -

Organization Bridgewater Quality Meats Date 06/10/98

Contact Person Ilan Parente Phone 605 425-2238

Address 301 Main Street
Bridgewater, SD 57319

Amount Requested \$ 3000⁰⁰

Description (product, expansion, startup, transferring into community?)

Bison, lamb, veal processed for export.

Number of New Jobs Created 20 initially
50 within 18 months

Annual Electrical Demand and KW Usage _____

Additional Comments: initial employees from Bridgewater
eventually from surrounding communities

NSP-SD Representative Steve Munson
Bill Kullander

1998

SIOUX FALLS

DEVELOPMENT FOUNDATION

PROGRAMS

Forward
Sioux Falls
Into The Next Century

July 3, 1998

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

Dear Mike:

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

Once again, thank you for your generous support.

Sincerely,

Dan Scott

Dan Scott
President

1998

SIoux FALLS

DEVELOPMENT FOUNDATION

DIRECTIONS

LEADERSHIPS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

January-February, 1999

Volume 23, Number 1

Over fifty volunteers, all graduates of Leadership Sioux Falls, are hitting the streets to carry the Development Foundation story to business leaders throughout the community. The *Strategy for Success* campaign has been designed to dramatize the importance of Development Foundation membership to the future of Sioux Falls—and to individual companies.

"This campaign is very exciting because of the involvement of the Leadership Sioux Falls volunteers," said Linda Barker, Development Foundation membership chair. "They have embraced the vital role this organization plays in the continued success of Sioux Falls—and they are eager to share that story with other business leaders."

The campaign kicks off February 1 and runs for two weeks—fourteen days during which the *Strategy for Success* team will be making face-to-face calls on businesses in the Sioux Empire Development Parks and throughout the community, sharing the Development Foundation story and encouraging local companies to become members.

"We need to let business people know that our main job is to create customers for their companies," said Dan Scott, Development Foundation president. "When we announce that a new business is moving into our area and expects to employ 100 people, we talking about 100 families, some moving in from other areas, others about to experience an increase in their economic situation. Either way, it means new houses and cars and a lot more grocery, hardware and clothing sales."

Current members of the Development Foundation will be contacted to renew their memberships during the same period of time. The *Strategy for Success* campaign is being coordinated by Development Foundation Marketing Director Dan Hindbjorgen. Business leaders with questions about the campaign or about membership may contact Hindbjorgen at 339-0103 or e-mail him at danh@siouxfalls.org.

STRATEGY Success

Executive committee chosen for 1999



Steve Kirby, Bluestem Capital Corp., will lead the board of directors of the Sioux Falls Development Foundation during 1999. Kirby was chosen as Chairman of the Board at the December board meeting. Linda Barker, Business Aviation, is the organization's new Vice Chair, with Dan Murphy, Marquette Bank, as Secretary; Rob Oliver, Norwest Bank, serving as Treasurer, and Tom Everist, L.G. Everist, Inc., Past Chairman.

"This is an exceptional leadership team," Kirby said. "These individuals have proven their complete commitment to Sioux Falls. Each has extensive experience working with the complex interaction of governmental entities and our local business community. Their experience will shape our economic development successes in the coming year."



Recruiting Coop holds website ribboncutting

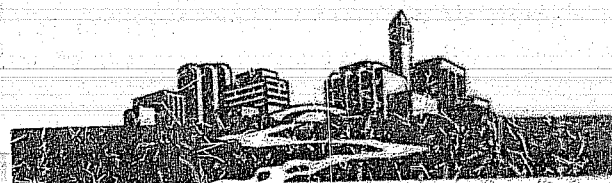
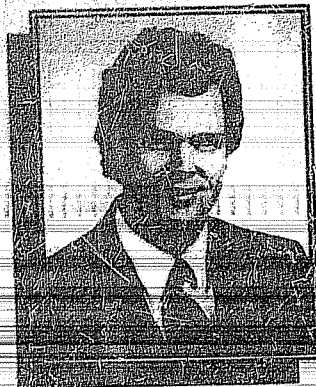
Last month the Sioux Falls Recruiting Cooperative hosted a ribboncutting at the Holiday Inn City Centre in downtown Sioux Falls for the group's new website. The website was projected on a big screen for the audience of business leaders who attended, and the group also had a traveling display booth set up for the event.

The Recruiting Cooperative strives to increase the awareness of job opportunities in high technology fields in Sioux Falls for skilled professionals. The group also shares ideas, job descriptions

and information about recruiting in today's high tech job market, while creating an employment model to set a national standard.



"This website is a major step for SFRC," said Mary Medema, Sioux Falls Workforce Development director. "The website is a state-of-the-art location on the World Wide Web, where many high tech professionals feel right at home. We can reach exactly the kind of people we're targeting with a strong, functional website. And now we've got just that!"



Sioux Falls Development Foundation Chairman's Report

As we start the new year, we are excited about the prospect of building a wider base of support for the Sioux Falls Development Foundation. Our *Strategy for Success* membership campaign gives us the chance to bring our message to a new group of business leaders throughout the community. If you're not already a member, I invite you to join us. The work of the Development Foundation directly impacts your business—no matter what business you're in.

It is my distinct honor to welcome a new group of leaders to our board of directors. Chosen by the membership in balloting late last year were Curt Hage, Home Federal Savings Bank; Jim Wilcox, NSP, and Steve Pate, Western Surety. Returning to the board to complete the unfinished term of Citibank's Tom Jones is Gene Rowenhorst, who has served the Development

Foundation well in earlier board terms. I welcome each of these individuals to the board and look forward to serving with them.

As you are aware, Sioux Falls has just come through two extraordinary years of economic activity, both setting records in a number of categories. Who would have imagined \$2.5 million in land sales! As we begin 1999, we need to be aware of the challenges ahead of us. As always, if you have any questions or ways to improve your Foundation, please call any director or member of our staff.

A handwritten signature in cursive script, reading "Steve Kirby".

Steve Kirby, Chairman

DIRECTIONS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

March-April, 1998

Volume 22, Number 2

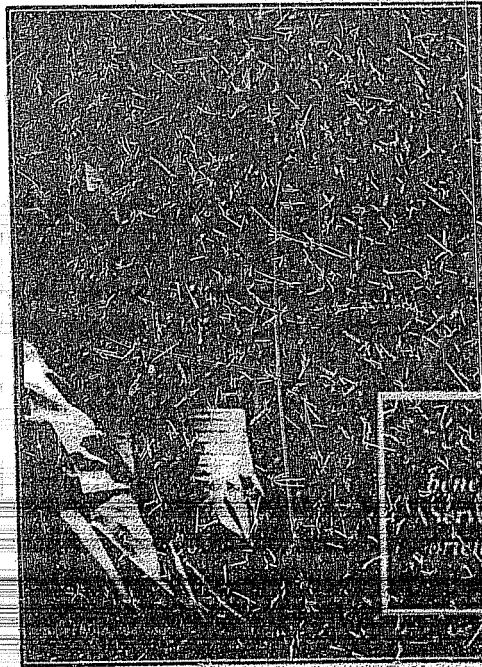
CCC Information Services will be a strong addition to economy

Sioux Falls has been chosen as the site for a new call center for CCC Information Services, Inc., Governor Janklow announced recently. The Chicago-based firm is a technology and service company that automates the processing of primarily auto insurance claims for the entire insurance industry. CCC Information Services employs 1,200 nationwide and will bring 400 new jobs to Sioux Falls, in customer service, technical support, data entry and processing positions, and insurance adjusters and appraisers.

The jobs will be in the \$9 to \$15 per hour range and are expected to help boost wages throughout the market, according to Janklow, who was instrumental in bringing the company to the state. South Dakota has a low 2.2% unemployment rate, but jobs such as those being offered by CCC Information Services will attract new workers to the Sioux Falls area, according to development officials.

"This company is going to have a great deal of positive impact on the community," said Dan Scott, president of the Sioux Falls Development Foundation. "Undoubtedly, they will attract additional people to Sioux Falls, impacting the economy favorably through the real estate industry, retail sales and all the other sectors of the local economy."

CCC Information Services is a
Continued on page 2.

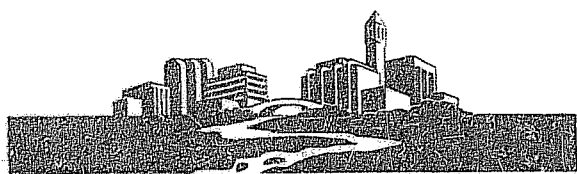


Our association with CCC Information Services is a great benefit to the community and will help bring new jobs and economic growth to the Sioux Falls area.

Sioux Falls declared "fastest growing labor market"

The South Dakota Department of Labor has released its 1997 statewide analysis, and the results confirm that last year was a record-setter for Sioux Falls. In the February, 1998, issue of the *South Dakota Labor Bulletin*, the state labor office notes that the Sioux Falls Metropolitan Statistical Area (MSA) is "the largest and fastest growing labor market area in the state. This MSA posted an annual average employment level of 102,200, an increase of 3,300 workers—70 percent of the total job growth statewide."

The Labor Bulletin also pointed out that the job expansion rate in Sioux Falls was 3.3 percent, more than double the 1.4 percent rate experienced statewide. Also significant is the fact that 1997 was the first year the Sioux Falls MSA reached the 100,000 worker level. By comparison, the second largest labor market in the state, Rapid City, had an annual average employment level of 46,300, up just 700 workers from 1996.



Sioux Falls Development Foundation

Chairman's Report



Once again, partnership has yielded results for Sioux Falls. The recent announcement that CCC Information Services will bring 400 jobs to our community is proof of the teamwork between Governor Janklow, the Development Foundation and site location consultants like Richard McCrossen. We're excited to have provided information and assistance to CCC, and we look forward to working with them as they expand their presence in Sioux Falls.

I've been a supporter of the Development Foundation for a long time, and have applauded, in board meetings and in daily business contacts, the efforts of this organization. But I must tell you that being chairman of the Sioux Falls Development Foundation has given me a new perspective on the level of activity that goes on here. The Development Foundation staff does a tremendous job of dealing with an incredible number of inquiries, requests for information, hostings, communications with people literally around the world—and keeping it all straight. We're working hard, behind the scenes, on a number of expansions and new locations constantly.

Our congratulations to the Lincoln County Economic Development Association (LCEDA) on the completion of their inaugural year. We are proud to be partners in economic development with our neighboring communities to the south and the north, through LCEDA and the Minnehaha County Economic Development Association (MCEDA).

It's a proven fact that this kind of partnership works. As the rural communities of Lincoln and Minnehaha Counties grow, Sioux Falls grows. And as Sioux Falls grows, providing jobs and suppliers, rural communities like Dell Rapids and Beresford grow, too. We are definitely in this economic development business together.

Mike Hanson
Chairman

DIRECTIONS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

May-June, 1998

Volume 22, Number 3

Specialized Card Services brings additional jobs to development park

A fast-growing Sioux Falls credit card company has located in the Sioux Empire Development Park, recognized as one of the world's Top Ten industrial parks. Specialized Card Services will lease a facility constructed on a newly-acquired 40 acre site in Park IV, according to Development Foundation president Dan Scott.

"Specialized Card Services wants to be able to have room to grow," Scott said. "This site will accommodate up to four buildings, with room for as many as 2,000 employees in the future."

The company currently employs 275 in Sioux Falls at two different office spaces, but projects up to 700 new jobs within three years. According to Chuck Ostrowski, president and chief executive officer, the firm is experiencing substantial success, necessitating this expansion.

Specialized Card Services and its bank, United Credit National Bank, are owned by Dallas-based UICI, and issues Visa and MasterCard credit cards to people with past credit problems or no credit. The company currently has about 350,000 accounts, but projects that number will grow to 5 million over several years.

The company does not anticipate any difficulty in meeting its employment needs, Ostrowski said. Specialized Card Services looked at building sites in other communities, but decided to remain here.

"Sioux Falls has the critical mass to attract enough people to meet our employment needs," Ostrowski said.

Specialized Card Services represents a growing sector of the Sioux Falls economy, as many firms locate call centers here, according to Scott.

"With our central location, our well-established lines of high-tech communication and our excellent business climate," he said, "it just makes sense to locate a national customer service center in Sioux Falls."

State ranks high in per capita economic growth

In two separate studies done by national economic development magazines, South Dakota has ranked in the top ten for economic growth proportional to the population of the states.

Site Selection magazine ranked the states in several categories per one million state residents. Using this yardstick, South Dakota places in the top ten for new jobs per one million population and in new or expanded facilities per one million population. North Carolina topped the ten best in both categories, with none of our neighboring states in the top ten.

Plants, Sites and Parks magazine used a slightly different approach, comparing the percentage of manufacturing jobs in each state with the percentage of the US population living in each state. For example, Rhode Island has less than 0.5 of the US population, but is home to 0.8 of the country's manufacturing jobs, for a rating of 172%. Using this method, South Dakota has the third highest rating, 132%, behind Rhode Island and New York (137%). Rounding out the top five are New Jersey (131%) and Massachusetts (130%).

It just makes sense to locate a national customer service center in Sioux Falls.

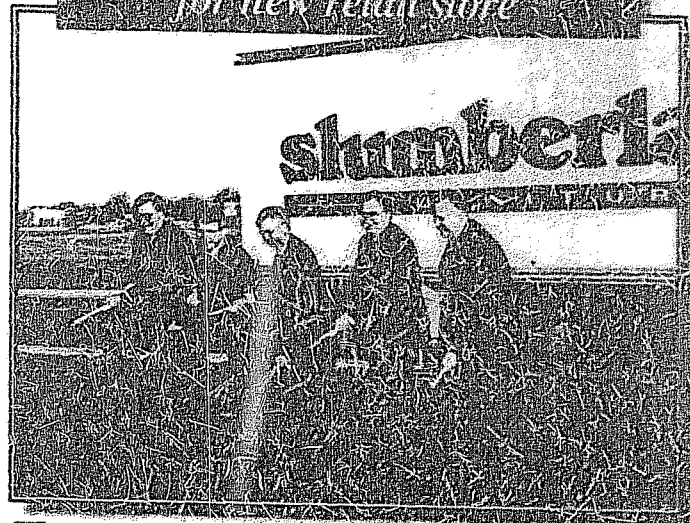
Groundbreaking



Ground broken for Post Office distribution plant

On April 6, the United States Postal Service broke ground in the Sioux Empire Development Park for a new processing and distribution plant which will handle over 550 million pieces of mail annually. The 181,000 square foot building will be constructed during the next year at 4801 North 4th Avenue. Estimated cost of the project is \$10.3 million and the facility, which will serve as the area distribution center for the state of South Dakota, will employ 300 administrative and craft postal employees. These employees will be assisted by state-of-the-art mail processing equipment, including two gantry robots to deal with an average daily flow of over 3,000 fully loaded containers of mail—about 1.5 million pieces of mail daily.

Slumberland breaks ground for new retail store



The Sioux Falls Development Foundation hosted groundbreaking ceremonies on April 10 for Slumberland Furniture, a 46,000 square foot retail store in the fast-growing commercial area near the 26th Street exit off I-29. The retail facility will cost over \$2 million and should be operational by August 15 of this year. According to Ken Larson, president of Slumberland, the store will employ about thirty and will display a wide range of furniture and bedroom options.

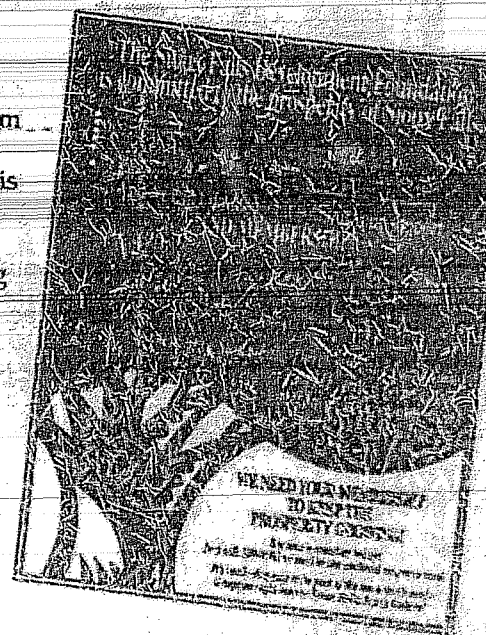
Membership response strong in '98 drive

Sioux Falls Development Foundation membership is climbing, as new and renewing members respond to an innovative new membership mailing—and to the critical role the Development Foundation plays in the continuing momentum of Sioux Falls' economy.

"We wanted to point out just how important the Development Foundation is to the economic strength of Sioux Falls," said Membership Chair Linda Barker. "We want to get the attention not just of our renewing members, but of others who have benefited from the economic prosperity of Sioux Falls without joining in the past."

We need your membership to keep the prosperity growing! is the message of the bold flyer mailed to the business community. So far, over 230 businesses have responded to the initial mailing, with new and renewing member dues totaling \$60,000—over halfway to our goal of \$100,000.

If you have not yet returned your response card, please do so! Your participation is critical to the success of our community's future. If your membership materials have been misplaced, simply call Diane at 339-0103 and a new packet will be mailed to you immediately. Or call and become a member over the phone—it's really that easy to do!



DIRECTIONS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

July-August, 1998

Volume 22, Number 4

Governor William Janklow announced at a press conference July 21 that New Hampshire based Cabletron Systems will locate a facility in Sioux Falls, bringing 135 new high-tech jobs to the city.

Cabletron was founded in 1983 as a part-time venture in a garage by S. Robert Levine and Craig Benson and is today a \$1.5 billion supplier of networking equipment. Ninety percent of the company's domestic revenue is generated by more than 300 direct sales people, backed up with a 2,500 person in-house technical sales and support staff. Cabletron's Smart Networking architecture is used by many Fortune 1000 companies, and has enabled Chase Manhattan Bank, Goodyear Tire and Johns Hopkins Medical facilities to implement secure, fast and reliable networks.

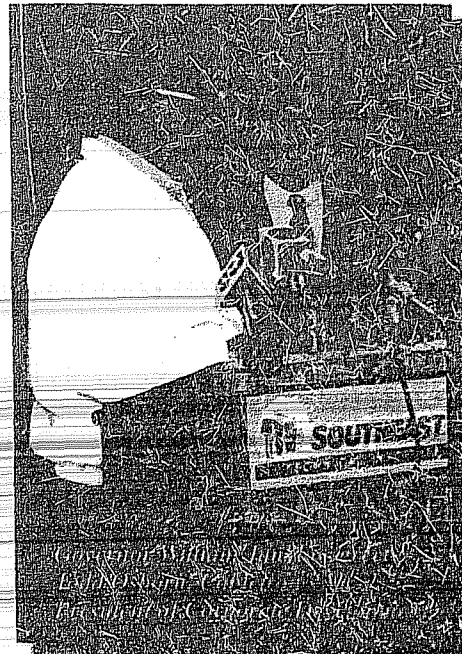
"Cabletron is a world-class technology company," said Governor Janklow. "The high quality technology jobs Cabletron is bringing to South Dakota will provide excellent job opportunities for South Dakotans and boosts our state's future in the exploding technology marketplace."

According to Development Foundation marketing director Dan Hindbjorgen, who worked with Cabletron during the decision-making process, the company will initially lease part of the former NordicTrac building in the Sioux Empire Development Park. The Sioux Falls Cabletron operation should be fully functional by September 1 with as many as 50 employees, expanding to 135 within six months.

"Sioux Falls offers Cabletron a unique area in which to service our Midwest and West Coast customers," said co-founder and CEO Craig Benson. "Drawing upon the area's talent pool, Cabletron's new Sioux Falls office will continue our tradition of employing talented, industry-savvy individuals to support our Fortune 1000 customer base."

The Cabletron jobs will be primarily high-tech sales positions, starting at \$10.50 per hour plus commissions and a full benefit package. The company will lease 15,000 square feet in the industrial park and spend \$1 million on equipment to get the facility operational.

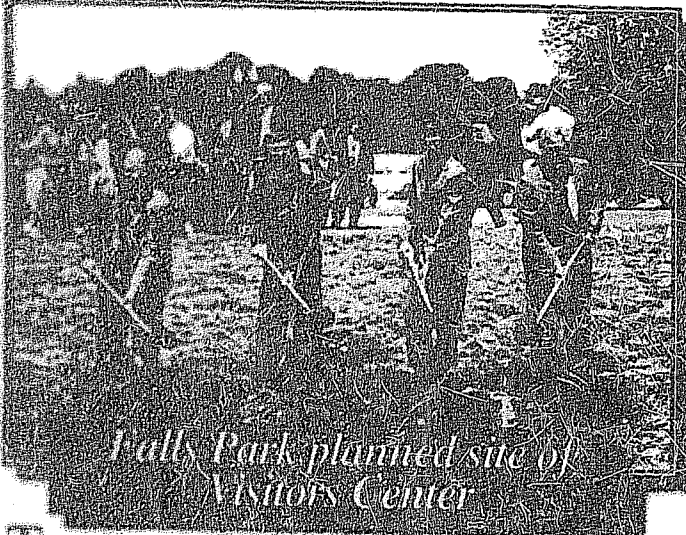
**Cabletron
brings new
high-tech
jobs to
Sioux Falls**



Each year the Sioux Falls Development Foundation publishes the *Sioux Falls Community Profile*, a very popular compilation of facts, numbers, statistics and data about Sioux Falls. Indispensable to companies contemplating a new location here, the *Community Profile* is also helpful to local firms for marketing or expansion purposes.

This year's issue has been honored by the American Economic Development Council as the best of its class. One complimentary copy of this award-winning book is available to Development Foundation members and can be picked up at your convenience at the Development Foundation office at 8th & Phillips. Non-members may purchase a copy of the *Community Profile* for \$5 each.

Groundbreakings



*Falls Park planned site of
Visitors Center*

The Sioux Falls Development Foundation hosted a groundbreaking ceremony for the information center at Falls Park. The facility, part of the ongoing restoration of the community's river landmark park, will have new public restrooms and an attached, 22 x 24 foot observation tower fifty feet high.

"This project reflects our commitment to Falls Park," said Mayor Gary Hanson at the groundbreaking event. "We have seen incredible progress here at the site of our community's namesake in the past few years. The work we begin today in Falls Park will be applauded by our children and our grandchildren in years to come."

The information center will provide visitors with tourist information on local attractions, hotels and restaurants. The view from the new observation tower will include Falls Park, downtown Sioux Falls and the Sioux River valley. The new center should be open by May, 1999.

DIRECTIONS

is published six times yearly by the



Sioux Falls Development Foundation

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

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Karen Ruhland, Editor

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Steve Kirby, Chairman
Rob Oliver, Treasurer
Linda Barker, Secretary
Tom Everist, Past Chair
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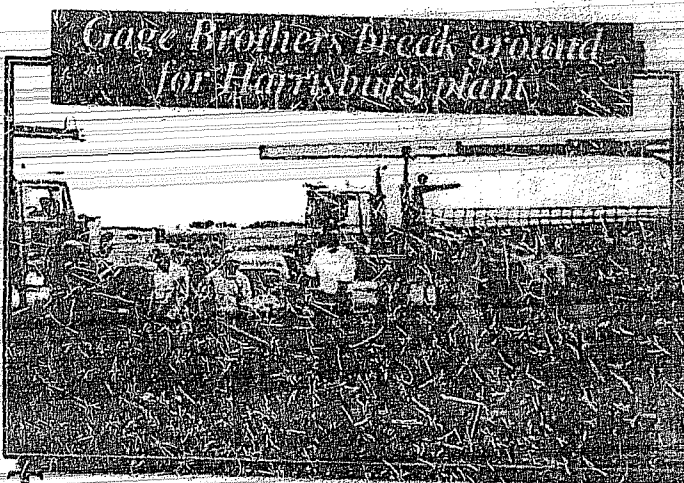
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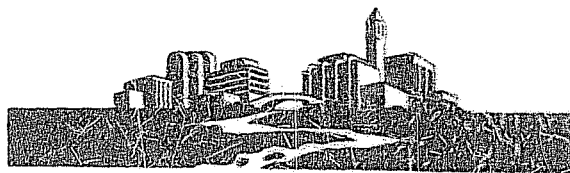
*Argus Leader expands at
downtown site*

Over the next two years, the Sioux Falls Argus Leader will add a 41,200 square foot distribution center and a 4,000 square foot pressroom extension. A groundbreaking for the \$11 million project was held at the paper's downtown location July 16. The first phase of the expansion will be completed by August, 1999, with the installation of equipment for the distribution center. Completion of the entire project will be in August, 2000. The Argus Leader distributes 120,000 papers daily and 160,000 papers on Sunday. The facility in Sioux Falls employs 300.



*Gage Brothers Break ground
for Harrisburg plant*

The Lincoln County Economic Development Association hosted a groundbreaking ceremony for a new concrete block manufacturing plant to be built near Harrisburg by Gage Brothers Concrete. The new 22,400 square foot plant will employ 20 and is located just east of 272 Avenue, just north of the city of Harrisburg. Marshall Drexler, Harrisburg representative on the LCEDA board, was master of ceremonies for the event, which included remarks by Harrisburg mayor Chuck Wheeler, Tom Everist of L.G. Everist, Inc., developer of the site, and Tom Gage, representing Gage Brothers.



Sioux Falls Development Foundation

Chairman's Report

This is my first report to you from this column. The board of directors of the Sioux Falls Development Foundation extends great appreciation to Mike Hanson for his leadership during the first half of this year. We wish him well as he accepts the challenges of the presidency of NW Public Service in Huron.

What a tremendous year this is shaping up to be for Sioux Falls! It will be my pleasure to work closely with the Development Foundation staff, a group of economic development professionals second to none. Already this year, our staff has fielded a record number of inquiries from excellent national companies who have "discovered" the Sioux Falls area.

As you may have read in the news, this year is on track to be another record-setter for construction activity in Sioux Falls. Economic development activity on all fronts is at record levels, and enthusiasm in the business community is high, as existing firms continue to expand, creating new opportunities for everyone.

This level of activity is no accident. It is the result of far-seeing, dedicated people who have led the effort for sustained prosperity for our community and neighboring counties. These men and women are active members of the Development Foundation and enthusiastic supporters of the goals of Forward Sioux Falls. **You can be among them** with your membership in the Development Foundation.

It is with that same enthusiasm that I assume the chairmanship of the Development Foundation board. Together, we will work hard to maintain the momentum of growth and the opportunities of prosperity. Sioux Falls is a model for economic development across the nation—together, we can ensure that our community will continue to lead the way.

Steve Kirby
Chairman

DEFLECTIONS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION

Volume 22, Number 5

October-November, 1998

Specialized Card Services breaks ground for second building

With the first building on the Specialized Card Services campus in Sioux Empire Development Park IV rapidly filling, the company is laying the foundations now for Building Two in a planned four-building campus. According to president and CEO Chuck Ostrowski, the second building will be an 80,000 square foot facility with two stories.

"The first floor will be an equipment-intensive space housing the machinery necessary to service our accounts," Ostrowski said. "In order to have space for the number of people we need in that building, we're adding a second floor. A cafeteria in Building Two will also take up a good deal of space there."

The 38 acre land purchase in Park IV by PAL Services LLC will accommodate the rapid growth of Specialized Card Services. Ostrowski said that the parcel will provide space for a total of four buildings on the campus, with immediate plans to construct Building Two for occupancy in August of 1999.

"I can't say enough good things about this land being available," Ostrowski said. "It's a beautiful area, and convenient and accessible for everything. Without this land being available, our company probably wouldn't be in Sioux Falls. The Development Foundation has done a great job."

Continued on page 2...

STRATEGY

In Success

You're invited!

The Sioux Falls Development Foundation's annual meeting is scheduled for Thursday, November 19, from 4:30 to 6:30 p.m. in the International Rooms of the Holiday Inn City Centre. The meeting features a member appreciation social as well as a brief business meeting, slated for 5:15 p.m. Please mark your calendar now for November 19!

During the meeting, the 1998 winner of the Spirit of Sioux Falls Award will be announced. The Spirit of Sioux Falls Award, created in memory of Roger Hainje, David Birkeland and Angus Anson, leaders of the Sioux Falls Development Foundation who tragically lost their lives in the plane crash which also took the life of Governor George Mickelson, honors exemplary service in the economic development of Sioux Falls.

Port of Entry *continued...*

Crowe works with Linda Barker, Jean Berg and Connie Schiller of Business Aviation to schedule visits with shippers who could profit from the use of the local Port of Entry. Also critical to the process, said Crowe, is the cooperation of Port Director Mike Moran and Vladamir Mirkovich, local representative of the customs brokerage firm of Norman Jensen.

A brochure explaining the advantages of the Port is being printed and a website will soon be on line. The group will work through the US Customs Service deadline of February, 1999, to help increase the amount of material coming through the Port of Entry. After February, Customs may withdraw funding of the Port.

Crowe said that Sioux Falls and SD businesses can benefit through:

- Local control of materials. Increased accountability and familiarity with local officials and procedures means fewer hassles in clearing customs.
- Cost savings over larger border ports. Having materials clear customs closer to home holds down costs.
- Quicker clearing than in busier ports. Your shipment gets more attention and more expeditious service in a port with less traffic.



The Sioux Falls Development Foundation held a very different kind of board meeting recently, with board members embarking upon a bus trip through the growing Sioux Empire Development Parks.

"We wanted all of our board members to see first-hand what \$2 million in land sales means," said Steve Kirby, Development Foundation chairman. "The growth and construction activity in our industrial parks has been just incredible."

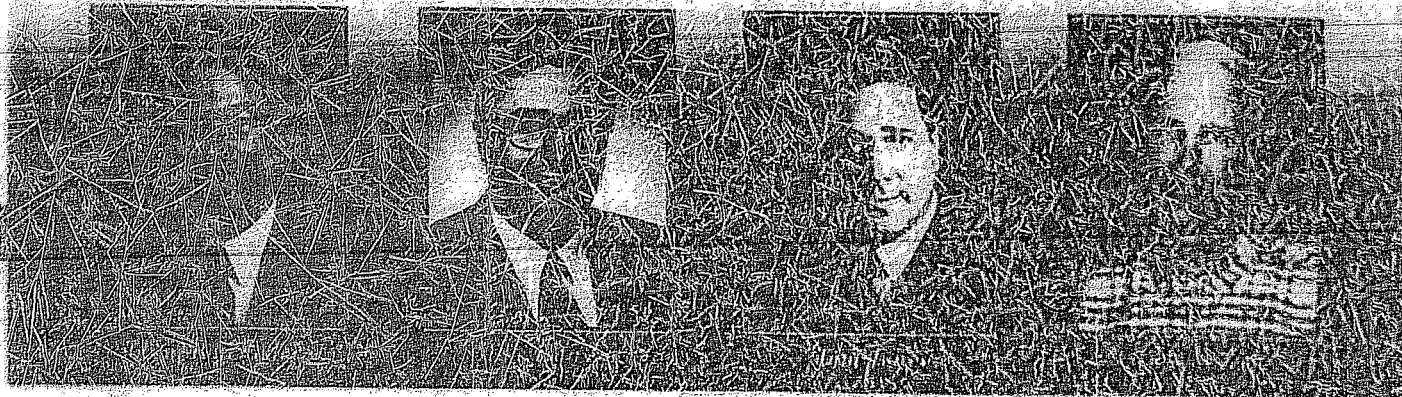
The bus trip included tours of Sioux Empire Development Parks I, II and III, which are virtually filled, Park IV, where recent land sales have taken nearly all available sites, and Parks V and III East, viewing new buildings constructed by Hutchinson Technology and Specialized Card Services. Land suitable for future development was also toured, as was the site of Green Hills Housing Development, part of the Forward Sioux Falls affordable housing effort.

"The board members were very positive about the experience," said Dan Scott, Development Foundation president. "In fact, we have already planned to make the bus tour board meeting an annual event!"

Four conclude Development Foundation board terms

Four active leaders of the Sioux Falls Development Foundation come to the end of their board of directors terms on December 31, 1998. **Tom Batcheller**, former president of Zip Feeds; **Mike Hanson**, president of Northwestern Public Service; **Tom Jones**, president of Citibank (South Dakota) N.A and **Dave Sweet**, president of Ramkota, Inc., will go off the board after years of service to the organization and the community.

"The volunteer leadership of the Development Foundation is second to none," said Dan Scott, SDF president. "These business leaders have given unselfishly of their time and talents to dramatically enhance the prosperity and quality of life of their community. Staff and board join together to thank them for their dedication to the cause of economic development."



DIRECTIONS

A PUBLICATION OF THE SIOUX FALLS DEVELOPMENT FOUNDATION
December, 1998
Volume 22, Number 6

Kearns receives Spirit of Sioux Falls Award



Chairman Steve Kirby, right, shares the podium with award winner Charlie Kearns at the Sioux Falls Development Foundation annual meeting.

Charles A. Kearns, former president of Kearns Machinery Company in Sioux Falls, was selected as the 1998 *Spirit of Sioux Falls Award* recipient. Kearns was presented with the Spirit of Sioux Falls award by Steve Kirby during a special ceremony at the Sioux Falls Development Foundation annual meeting, Thursday, November 19.

Created in memory of Angus Anson, David Birkeland and Roger Hainje, leaders of the Sioux Falls Development Foundation who tragically lost their lives in the plane crash which also took the life of Governor George Mickelson, the award honors exemplary service in the economic development of Sioux Falls. It is presented each year at the Sioux Falls Development Foundation annual meeting.

A native of Herington, Kansas, Kearns is an electrical engineering graduate of Kansas State University. He served with the United States Army in the European Theater of Operations from 1942-46, winning a battlefield commission, the Bronze Star and four battle stars.

"Charlie Kearns is more than just one of the founding fathers of Forward Sioux Falls," said Steve Kirby, Development Foundation chairman. "He has served on the Development Foundation board of directors several times, and has been chairman of our community's economic development organizations when we needed his leadership."

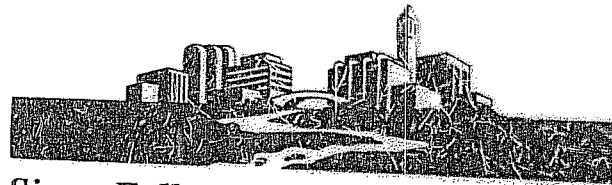
In addition to his service with the Development Foundation and Forward Sioux Falls, Kearns has been a director of US Bank, McKennan Hospital, The Marley Co. of Mission, KS; the Game, Fish & Parks Commission of South Dakota, and currently serves on the boards of Citibank (South Dakota) N.A., the Sioux Falls chapter of the Volunteers of America, South Dakota Minerals and Environment board and the Sioux Falls Area Foundation.

"Charlie Kearns exemplifies commitment and involvement," said Dan Scott, Development Foundation president. "His leadership and his active participation have made a real difference in our organization—and in the growth of Sioux Falls."



SEASON'S GREETINGS!

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



Sioux Falls Development Foundation Chairman's Report

This year's annual meeting was an exciting event. Thanks to those of you who attended and heard about another great year in Sioux Falls. If you haven't already seen it, obtain a copy of the 1998 Annual Report which sets out the many accomplishments of this year. Congratulations to **Charlie Kearns**, this year's Spirit of Sioux Falls Award winner, who has set a leadership example for us all for the past 25 years. I also want to congratulate our new board members: **Curt Hage, Steve Pate, Gene Rowenhorst, and Jim Wilcox**. This is a dedicated group of community leaders, and I and the board look forward to serving with them.

Another group deserving of recognition is the Development Foundation staff. In addition to the leadership of **Dan Scott**, president, your organization benefits from the hard work of our marketing director **Dan Hindbjorgen**, **Diane Andresen**, manager of administrative and membership services; **Karen Ruhland**, director of research and

communication services; **Jennifer Foy**, ShadowED coordinator; **Mary Archer**, administrative assistant and receptionist, and **Jeff Eckhoff**, rural development director for Lincoln and Minnehaha Counties. These people make the Development Foundation strong and successful.

1998 was another record year for our community in job growth, business expansion and capital investment. Thanks to the partnership we have forged with Mayor Gary Hanson and his staff, Governor Janklow and the Governor's Office of Economic Development and business leaders like you, we can anticipate another great year for Sioux Falls in 1999. Best wishes for a joyous holiday season and a prosperous new year!

Steve Kirby
Steve Kirby, Chairman

1998

NEWSPAPER

ARTICLES

Sioux Falls to add large area to west

Three-square-mile annexation to start new growth area

By ROB SWENSON
Argus Leader Staff

Sioux Falls is getting ready for the biggest land annexation in its history.

Nearly 2,100 acres could be added to the city's northwest border next week.

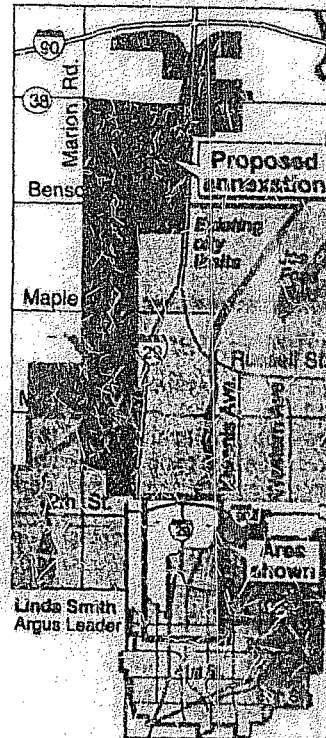
Completion of the proposed annexation would set off a long-expected growth spurt in that area within the next two years, according to city officials and developers.

"There's never been a time that 2,000 acres opened up at one time," said Darrel Viereck, a real estate broker and developer who co-owns land in the area.

"This is the only area of the city that is not growing. Obviously, it's going to grow now," he said.

More than 3 square miles could be added to the city limits Monday with approval by the City Council.

The city, which is about 50 square miles, is extending



lated agricultural area.

Mike Cooper, the city's assistant planning director, reviewed the proposal Wednesday for council members.

"This would be the largest annexation ever undertaken in the history of Sioux Falls," Cooper said.

"This is a big event, a big decision. We're taking on a large area," he said.

City officials have been working on the proposed annexation since last fall, when they were approached by property owners in the area.

State law requires that before annexing the land, the city obtain the support of property owners who control at least 75 percent of the total assessed value of the land. The city also must get the support of 75 percent of the registered voters in the area.

Cooper said 18 of 20 property-owning individuals or groups and four of the five voters have signed on in support of the annexation.

Most of the area is farmland, but there are a few businesses in the thinly popu-

lated agricultural area. sewer service to the annexation area, which also is encouraging development.

Plans have been under way for years for homes and businesses in the thinly popu-

Annexation: Largest in city history

Continued from 1A

businesses, including Holcomb Freightliner Inc. There are about five rural homes.

Rae Lalley and his brother John, both of whom live in Sioux Falls, own a house and 200 acres of cropland earmarked for annexation.

"We're all for it. It's an improvement," Rae Lalley said.

The Lalleys expect their farmland to be developed with houses and perhaps some businesses. They might donate some land for a fire station, Rae Lalley said.

Gov. Bill Janklow is among the other co-owners of land in the area. He is part of a group, headed by Marc Tobias, that owns 160 acres.

The Skyline Heights neighborhood, which is in the vicinity, is not part of the annexation but could be added in the future, Cooper said.

The annexation includes a three-mile gravel stretch of Marion Road, which the city and Minnehaha County plan to pave from Madison Street to Highway 35.

Mayor Gary Hanson said he is thrilled by the prospective addition of 2,000 acres for growth.

"This will actually help provide more affordable housing in Sioux Falls by increasing the land availability for residential lots," he said. "We have increased the supply and eliminated the artificial inflation of residential lots."

Annexations to grow city by 104 acres

Business, housing
developments
need council OK

By ROB SWENSON
Argus Leader Staff

Sioux Falls will grow by 104 acres next week, if the City Council agrees.

Three annexations for housing and business expansions are headed toward approval.

Council members will have the final say Monday night on the proposed boundary additions.

Most of the property is farmland or idle land penciled in for development.

The proposed annexations are:

■ A 57-acre expansion to Bradfelt Park Estates, a single-family housing development south of 57th Street and east of Cliff Avenue. About 150 new homes could be added to the development, which already includes about 100 homes and room for more.

■ A 10-acre expansion to Prairie Hills, a planned commercial and residential development on property south of 69th Street and west of Western Avenue. The owners envision upscale housing units for "empty nesters" 55 and older.

■ Thirty-seven acres in the Highland Park subdivision in an industrial area south of 60th Street North and west of Eleanor Avenue, near Hutchinson Technology's new manufacturing plant. The rural area is nearly encircled by land in the city limits.

The three annexations are all in planned growth areas of



Argus Leader graphi

the community," Mayor Gary Hanson said Wednesday.

Scott Gilbert, developer and co-owner of the Bradfelt Park Estates addition, said construction on homes in the new area would not begin immediately.

"It would probably be a year or so off. We're still going south on the land we've got," he said.

The Prairie Hills development is partly owned by Bob Jamison, a member of the City Council. His son Clayton is a co-owner and developer of the family project.

Clayton Jamison said the overall development would total 37 acres and would include commercial and office space. The owners, who might sell the property, envision the construction of low-maintenance housing units for people who no longer have children at home.

Don Davis is the agent for the partnership that owns most of the Highland Park industrial land.

Mike Cooper, the city's assistant planning director,

Annexations: See 3A

Annexations: With Council's approval on Monday night, city to grow by 104 acres

Continued from 1A

Said other land in the area likely will be annexed in the future.

"This is going to be in the path of future economic development, so it makes sense to bring it into the city limits. That way, they'll have access to city water and sewer and

other services in the future," Cooper said. "It's kind of an island in the city limits, and we want to square off the boundaries."

David and Susan Soukup own a storage building in the industrial area. They store equipment for

their lawn-care and snow-removal business.

They said they don't know much about the proposed annexation and are concerned about the future costs.

The three annexations on the Ninth St.

council agenda follow a 2,080-acre annexation approved in June. That land was northwest of Sioux Falls.

The council meeting begins at 7 p.m. Monday in City Hall, 224 W.

The nonpaying passengers rush to secure airline tickets. Most flights leaving Sioux Falls during the weekend have been sold out for months, said Lori Knuth, an agent at Carlson Wagonlit Travel.

"Pretty much everything is gone," she said. "People need to think ahead."

NSP sets record for usage

SE ARGUS LEADER 07-15-98



Lloyd Cunningham / Argus Leader

Workers at the downtown Washington Pavilion of Arts & Science are starting work earlier in the day and trying to finish by midafternoon to beat the heat. Workers here prepare an opening for new windows for the fine arts area.

As air conditioners hum, some workers start earlier in day to avoid heat, humidity

By CORRINE OLSON
Argus Leader Staff

South Dakotans appear to be doing all they can to fight a heat wave, and a lot of them are relying on electricity to do it.

Northern States Power set an all-time record for electric use Monday in the state as people tried to fight temperatures in the 80s and 90s with humidity that makes it feel worse.

"We thought we might have the same thing today, but it doesn't look like it. I think it's a few degrees cooler," spokesman Jim Wilcox said Tuesday.

With the company's conserva-

tion programs, customers receive a lower rate in exchange for letting NSP turn off some of their appliances, including air conditioners, for temporary periods during the day.

It looks like people might have to live with that practice for the rest of the week. Ron Holmes, a meteorologist with the National Weather Service in Sioux Falls, said the hot weather is expected to last at least through Sunday.

The weather hasn't been warm enough to break any records.

"This is typical. We get hot, humid weather in July," Holmes said.

The pattern doesn't include many storms.

"It's humid just near the surface. As soon as you get above the surface, it's very dry," Holmes said.

But Tuesday night, a line of thunderstorms north of Sioux Falls brought heavy rain, 60 mph winds and hail.

In Deuel County, winds knocked down trees and power lines.

The heat is driving some construction workers, including those renovating the Washington Pavilion of Arts and Science, to an earlier shift to avoid the hottest part of the day.

Wes Engbers of Gil Haug Construction Co. said crews began at 6:30 a.m. and try to finish by midafternoon.

Engbers said the lower levels of the old Washington High School in downtown Sioux Falls are relatively comfortable, but the upper floors are less so. The firm has set up fans and opened windows to try to help workers.

Sioux Valley and McKennan hospitals both had patients in the emergency room Monday who had gotten too hot. The handful of heat victims who showed up were treated and sent home. No one sought medical attention Tuesday.

Hutchinson adds 250 to its payroll

9-15-98

By MICHAEL FIDGEWAY
Argus Leader Staff

Hutchinson Technologies Inc. has begun a hiring spree that will add 250 production workers to its payroll by the end of the year.

In little more than a week, the computer-components manufacturer has hired 70 workers and plans to continue hiring through December.

Hutchinson's latest work-force expansion is driven by a growing worldwide demand for personal computers, Sioux Falls plant manager Dale Ruzicka said. To prepare for this demand, the company recently moved to a new 325,000-square-foot building that more than doubles its production space in Sioux Falls.

If personal-computer sales continue as projected, the hiring spree could lead to as many as 800 new jobs in Sioux Falls within the next two years. The Minnesota-based company expects to employ as many as 2,500 workers at the new plant by the year 2000, making it the city's fourth-largest private employer.

The production jobs will pay wages starting at \$8.25 per hour. Hutchinson also will hire a handful of technicians, with wages ranging from \$10.25 to \$14.20 per hour.

With the city's unemployment rate falling to a record 1.3 percent this summer, Hutchinson's recruiting campaign promises to be a difficult one.

Pulling hundreds of workers from a fiercely competitive labor market will be no easy task for the company's human-resource

department, said Pat Ernst, human-resources manager.

"We hope the people coming to HTI are planning to stay with us," Ernst said. "The opportunities for job advancement are very good."

The company has relied so far on newspaper and radio advertisements to draw prospective employees, but a shallow applicant pool could prompt the company to hold a job fair.

"Sometimes people don't really know what we do," Ernst said. "So a job fair helps people learn about us."

Response to the job openings have been slower than expected, Ruzicka said. Hutchinson has received between 40 and 50 applications each day, down from the 90 applications that have come in daily during previous hiring efforts.

"That's possibly some evidence of the market being tighter," he said.

Hutchinson also is doubling its normal recruiting pace, trying to add 48 new employees to its work force each week. The task is an attempt to keep pace with the skyrocketing demand in the personal-computer market, Ruzicka said.

Just within the last two weeks, Hutchinson's sales have begun to recover from a recent slump.

The demand for computer components had weakened in recent quarters as personal-computer makers slowed production to clear their inventories.

Demand is now rebounding much more quickly than Hutchinson anticipated, spurring the company into a hiring flurry.

9-26-98

NSP turns to nostalgia to keep, gain customers

By KARRIN MILLS
Associated Press

MINNEAPOLIS — In Spain, he was known as Don Kilovatio. In Brazil, he was Zet Kilowatt, and in Belgium, Le Bon Genie de L'Electricite.

To Americans of a certain age, he's Reddy Kilowatt, the instantly recognizable, flashy little fellow made of red lightning bolts, a light bulb nose and electrical socket ears.

And he's back.

Northern States Power Co., the Minneapolis-based electricity provider for South Dakota and four other northern Plains states, has fitted Reddy with a new pair of sneakers as it prepares for the race for customers in the face of electricity deregulation.

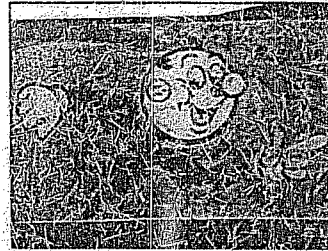
Reddy was used as a corporate symbol by more than 200 utilities around the world from 1942 to 1973.

In Cuba, the cartoon character became so popular that when Fidel Castro nationalized the electric company after the revolution he staged a funeral march down the main street of Havana and buried Reddy.

Reddy appeared in two documentary films about electricity and many television commercials. His image also was used on jewelry, playing cards, potholders, display figures and other promotional items.

But when demand for electricity began to exceed supply, the need for a strong marketing tool faded and many companies ended their contracts to use Reddy. NSP retired Reddy in 1973 after he carried the company's "Electricity is penny cheap" banner for 30 years.

"They made a blanket



Associated Press

Reddy Kilowatt is shown Friday on a billboard in downtown Minneapolis.

assumption that if we don't need to be marketing, then we don't need Reddy," said Ashton Collins Jr., whose father designed Reddy in 1925 while at Alabama Power Co.

"Now, as competition comes in across the industry, there's a tremendous need for effective brand ID. That's where Reddy comes in for NSP," Collins said.

Utilities are preparing for a time when customers shop for and choose their energy provider based on price, service and reputation.

In the past year, states with high electricity prices have moved rapidly toward deregulation, ending the monopolies local utilities have traditionally had on electricity sales.

Nationwide, Congress has debated electricity deregulation but is not expected to pass legislation this year.

In April, NSP bought exclusive rights to Reddy from Collins Capital Corp. in Albuquerque, N.M., and made Reddy Kilowatt Corp. its wholly owned subsidiary.

Reddy has a new sidekick in the NSP campaign: Reddy Flame, who will represent the utility's natural gas operations.

Sioux Falls population surpasses 120,000

12-12-93

By DAVID KRANZ
Argus Leader Staff

Sioux Falls grew by another 2.5 percent this year to 120,250 people, drawing largely from Minnesota, Iowa, Nebraska and elsewhere in South Dakota.

The new figure doesn't put Sioux Falls in an elite category, though, city planner Steve Metli said.

"That happened when we passed 100,000. The next time the bells and whistles will go off is when our Metropolitan Statistical Area, (Minnehaha and Lincoln County) goes over 200,000," he said. That area now has a population of 165,000. Projections say the MSA will reach 210,000 by 2015.

Reasons for the population growth this year haven't changed from recent years, Metli said.

Those reasons include:

■ People coming here with recent high school or vocational degrees looking for first jobs.

■ Transfers to mid-level management positions.

■ Large increases in retirement-age people.

The key factor in recent growth is jobs, Metli said.

"In the last two years, employment increased by 11,000 jobs. We now have 108,000 people employed in the metropolitan area. We are 30 percent of the non-ag employment in the state."

The immigrant population continues to grow, and the city's 3.5 percent minority population will grow beyond 5 percent in 2000.

Losing young people to other states is still a concern, but the improving quality of Sioux Falls jobs has helped slow it. "If we didn't have the kind of solid employment growth we would be suffering out-migration like other states," Metli said.

Builder's magazine ranks city as a top growth market in U.S.

A magazine for the home-building industry has identified Sioux Falls as one of the nation's next, big growth markets.

The December issue of Builder magazine, a publication of the National Association of Home Builders, lists Sioux Falls as one of 10 emerging markets "under the radar" in the United States.

"By marketing an updated image—including a promise to relocating companies that Sioux Falls can get them open for business faster than any city in the nation—planners have attracted big business, like Citibank, as well as smaller companies. Toss these into the existing mix—meatpacking, medical, and education—and out comes a tough-to-topple industry base that can weather a capricious economy," the magazine reports about Sioux Falls.

Other cities mentioned in the cover story are: Pahrump, Nev.; Fort Collins, Colo.; Boise, Idaho; Kokomo, Ind.; Gulfport, Miss.; Nashua, N.H.; Vero Beach, Fla.; Santa Rosa, Calif.; and Port Townsend, Wash.

In compiling the list, the magazine considered factors such as population growth, land availability and politics.

In recent years, Sioux Falls has received flattering attention from a variety of national publications, including Money magazine and the Wall Street Journal.

Steve Metli, the city's planning director, expects the Builder's article to help keep national attention focused here.

"This certainly is going to fuel the desire to invest in a community like Sioux Falls," Metli said.

—By Rob Swenson

Sioux Falls/Lincoln and Minnehaha County EDA

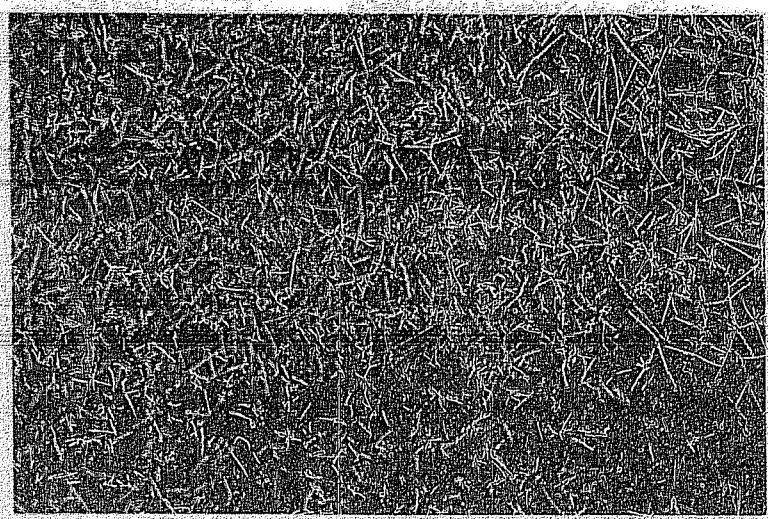
Maximize Your Profit Potential in One of America's Fastest Growing Areas

At A Glance

- NO corporate state income tax
- NO personal state income tax
- NO business inventory tax
- NO personal property tax
- LOW workers compensation and unemployment insurance rates

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LANDSAT satellite view of South Lincoln from EROS Data Center

well-established fiber optic system links any company instantly to customers, markets, and affiliates around the world. The EROS Data Center, site of the NASA program Mission to Planet Earth, has been located in rural Minnehaha County for over 25 years. Your business, like EROS, will be connected to the global marketplace—from Minnehaha County.

Your business can grow in Lincoln or Minnehaha counties. Strong incentives, fast efficient ground, air, and rail transportation links, significant savings in the cost of living and doing business—all these elements make it easy to choose Minnehaha or Lincoln County as a home for your business and your family.

In the center of the United States, at the intersection of interstate highways 29 and 50, lie two counties which comprise one of the fastest growing business locations in the nation for the past decade. Minnehaha and Lincoln County, SD share a pro-business outlook, immediately available industrial and residential property and affordable utilities.

The reason these two counties have the fastest-growing economies in the nation: companies make better profits. You pay no corporate or personal income tax, no business inventory tax, no personal property tax, and very low workers compensation rates.

LINCOLN COUNTY: YOUR COMPETITIVE ADVANTAGE

Lincoln County is noted for clean air, fresh water, and unspoiled landscapes. The state's environmental legislation is designed to protect and preserve this quality environment without imposing excessive restrictions. In Lincoln County, you can find a site that is ideal for your business, whether you are seeking an industrial, commercial, or office operations location. And residential property is a bargain in Lincoln County, too!

MINNEHAHA COUNTY: CONNECTING YOUR BUSINESS TO THE WORLD

Minnehaha County is right at the center of the globe in today's networked business environment. A

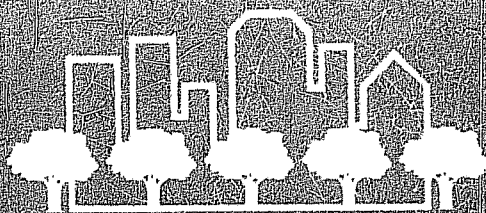
1998

LINCOLN COUNTY

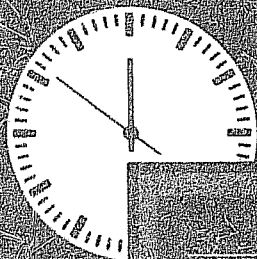
ECONOMIC DEVELOPMENT

ASSOCIATION

(LCEDA)



1998 Annual Report



22% 22% 22%



Adding jobs and income opportunities

It has been a real pleasure to work with such a dedicated group this year. The directors have worked hard to see that the organization meets the needs of the communities. Jeff Eckhoff, our executive director, has been very busy in a demanding job which he handles well. Jeff is a real asset to the communities of Lincoln County. Congratulations to our board of directors and to Jeff on a job well done.

Our investors share in

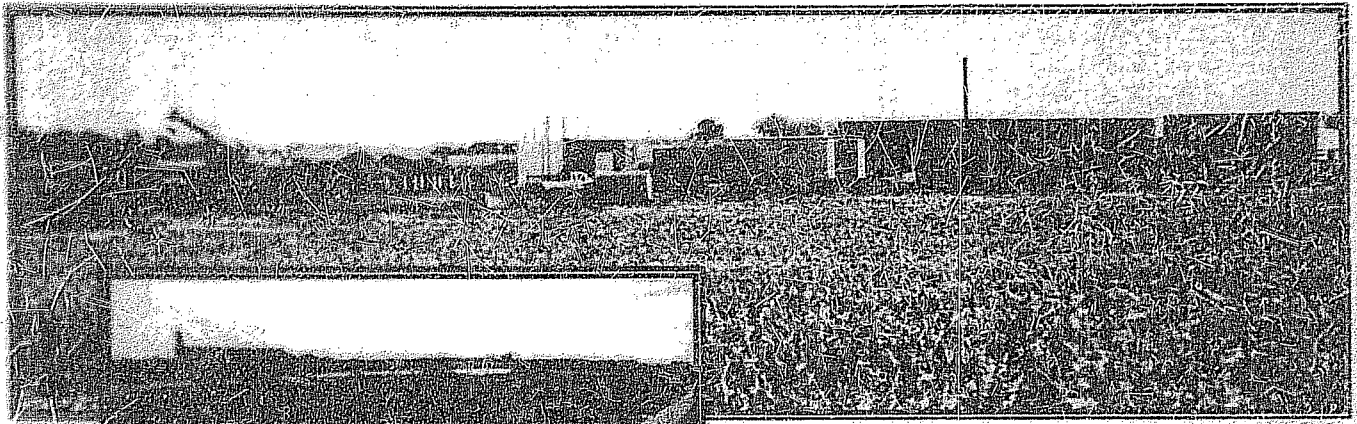
As we look ahead, we can be confident of the success we have achieved. We know that the future holds more challenges and more successes. The challenges will be larger, but the successes will be larger, too, because of our long-term commitment to making Lincoln County a better place to live, work, play and raise a family. That is what LCEDA is all about.

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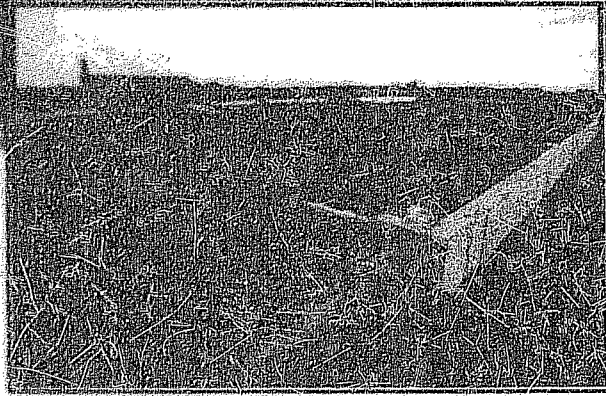
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Quality Park Products in Beresford is an example of the state-of-the-art manufacturing present in Lincoln County.

John Robinson, At-Large, President,
Dick Hempel, City of Lenoir, Vice-President
Mary Thoen, At-Large, Secretary-Treasurer
Sue Albert, City of Tea
Dan Carson, City of Newburg
Marshall Decker, City of Harrisonburg
Dick Hoffman, City of Canaan
Dorovan Ross, Lincoln County Commissioner
Mark Larsen, City of Worthing
Vionda Miller, Dakota Telecommunications, Inc.



Above: Autumn, 1998 saw the construction of the Gage Brothers Concrete Block Plant in the new Harrisburg Industrial Park.



Left: Footings are in place for the Hurco Technologies 12,000 square foot building, also in the Harrisburg Industrial Park.

Director's Report

Commitment to success will make the difference long-term

What a difference a year makes! Last year, at the conclusion of LCEDA's first year in operation, we were still forging the links of partnership and learning first-hand the importance of cooperation in regional economic development. This year, we've made some important strides and really hit our pace as an organization.

One of the most significant events of 1998 was the addition of Beresford to the list of LCEDA members. A vital community with a dynamic and positive leadership, Beresford adds strength to LCEDA and demonstrates the importance of the "all for one, one for all" philosophy which is the cornerstone of our regional economic development policy. Welcome, Beresford, to an exciting group.

The past year was one of settling down to do the work of economic development throughout the LCEDA communities. Receiving 26 inquiries this year, we held a number of hostings and were pleased

by the expansion of a wide variety of businesses in Lincoln County, from Behr Heat Transfer in Canton to DTS, Inc. in Tea. The groundbreaking for the Gage Brothers concrete plant north of Harrisburg signaled a new era, as Sioux Falls business expansion reaches into Lincoln County for the many obvious benefits there.

Most of all, 1998 marked a commitment by the board and membership of LCEDA to the long process of economic development. We know that planned, orderly, intelligent growth of the Lincoln County communities will not come in a blinding flash overnight, but as a result of hard work, good preparation and a dedication to economic development in each of our member communities. Our leadership understands that premise—and that bodes well for the future of Lincoln County!

That long-term commitment will truly

separate the winners in economic development from the losers who can not stay the course. We have made tremendous strides in putting together a team that understands the fundamentals of economic development and is committed to regional cooperation of the most vital kind.

Cooperation between communities and county governments, between economic development groups in each locality and LCEDA, between the Sioux Falls Development Foundation and LCEDA, and bonds created with the Governor's Office of Economic Development are the rails that progress runs on. We are building an infrastructure for success, and regional cooperation is the first critical phase in that construction project. We have achieved that, and we can look forward to great things in the years ahead.



Snapshots of Progress in Lincoln County

Beresford

The newest member community in LCEDA is Beresford, which is recording strong economic growth. During the past year, a new 38 room Super 8 Motel was completed, along with construction of the \$4.3 million Beresford high school. The local economic development corporation was instrumental in the passage of the home rule charter for Beresford, voted in by an overwhelming majority in 1998. Dasco Sales has located on Beresford's Main Street, featuring a combination of hardware, clothing, tools, paint and heating and plumbing supplies. Building permits with a valuation of \$317,000 were issued last year.

Canton

Another year of industrial growth was recorded in Canton. A \$6.2 million construction project built a new high school and added on to the junior high. A major upgrade to the sanitary sewer system was completed, as was the 12 unit Hiawatha Heights assisted living complex. Construction began on a new Casey's convenience store, and there was further expansion of the residential community at Christmas Lake. Building permits in Canton for 1998 totalled 94 at a value of \$2.4 million.

Harrisburg

Harrisburg experienced significant industrial development during 1998. This year, the Harrisburg Industrial Park was opened, with Gage Brothers starting things out with their 22,400 square foot block plant, a \$4 million facility employing 20 people. In addition, Hurco Technologies, makers of ventilation and testing equipment for the water and sewer industry, is constructing a 12,000 square foot

building in the new park for assembly and distribution of their products. Over three million dollars worth of construction activity took place in Harrisburg during 1998.

Lennox

The Lennox spec building was completed on March 1, 1998, and was the site of several hostings during the year. A deteriorated building on Main Street was torn down by the Lennox Area Development Corporation to create an attractive Main Street commercial lot. The ongoing park project continues, with new playground equipment, lighting and electric outlets installed during the past year. A new park on the west side of Lennox was created, featuring an ice rink and warming house/picnic shelter. In 1998, 63 building permits were issued, valued at \$1.33 million.

Tea

Tea grew steadily during 1998, with an addition to the Middle School which includes new classrooms and a gymnasium. The city's sewage lagoons were expanded, with capacity doubled. A new strip mall was constructed in Tea, featuring a daycare center, a dental center, chiropractor's office and additional office space. The building permit total for 1998 was 78, with a valuation of \$3.2 million.

Worthing

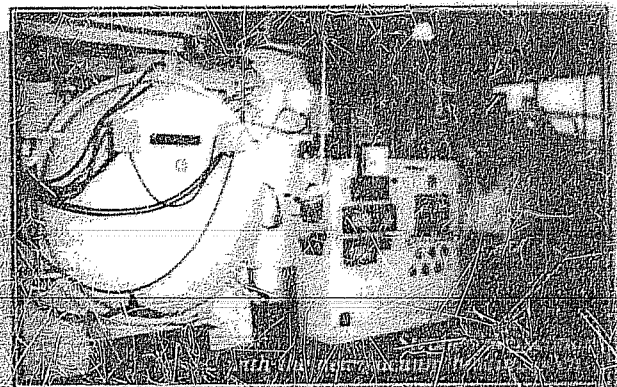
Housing construction is also a driving force in Worthing, with 16 new homes being built during the past year. The community continues to make infrastructure improvements, and the community is being considered for a variety of new commercial ventures. Worthing issued building permits with a total valuation of nearly a quarter million dollars.

Behr plans further expansion

One of the fastest growing companies in Lincoln County is Behr Heat Transfer Systems, HES Division of Canton. A part of the international Behr family, based in Stuttgart, Germany, Behr's Canton facility produces heat transfer services — oil cooling coils, condensers, chiller air coolers and fuel coolers — for major American companies like Cummins Engine Co., John Deere, Case and Freightliner. During 1997, Behr Heat Transfer Systems, HES Division of Canton received ISO 9000 International Standard Registration. Achieving this quality standard — based by only three companies in South Dakota — allows Behr to compete globally with the "Big Three" auto makers, Ford, GM and Chrysler Group.

During the past two years, the company added a 15,000 square foot facility in Cedar Falls, IA, and also had a 100,000 square foot addition to its facility in Canton to accommodate a new manufacturing technology — aluminum vacuum brazing. This process allows for expansion and redesigns developed in Europe and only recently brought to the U.S. The process enables fabrication of heat transfer units which are lighter and more efficient — a critical factor in the heavy equipment manufacturing industry and the core component of industrial engines.

The new facility is doing well and Behr is



already planning an additional 15,000 square foot for the Canton facility, a major stage expansion to the recent addition. That will give the company room to increase production of the new heat transfer units. Behr currently employs about 300 people in the 120,000 square foot Canton plant.

"This new technology is definitely our area of growth," said Stephen Bentelzon, manufacturing manager. "We'll be looking some new design specifications to automotive applications and adding new customers with the aluminum vacuum brazing process."

Behr Heat Transfer, HES Division has annual sales between \$30 and \$35 million. Behr has been manufacturing heat transfer units in the Canton facility since 1994. LCEDA is proud to congratulate Behr on that growth and expansion in Lincoln County.

Celebrating the charter year of combined economic development in Lincoln County, the Lincoln County Economic Development Association (LCEDA) held its first annual meeting Tuesday, Feb. 24 at the Spring Creek Country Club in rural Harrisburg.

Six communities in Lincoln County are members of LCEDA: Lennox, Tea, Worthing, Harrisburg, Canton, and, as of January 1998, Beresford. Additional investors in the countywide development organization include Dakota Telecommunications Group, East River Electric, Farmer's State Bank of Canton, First American Bank of Canton, Lincoln County, Lincoln-Union Electric, Marquette Bank of Harrisburg, MidAmerican Energy Company, North Lincoln Rural Water, Northern States Power Company, South Lincoln Rural Water, and Valley Exchange Bank of Lennox and Tea.

The annual meeting was chaired by LCEDA president John Robinson. Jeff Eckhoff, executive director of the group, gave a summary of economic development progress during the first year, pointing out that interest by expanding and relocating businesses was strong. LCEDA responded to 28 inquiries which resulted in 11 hostings. The number of inquiries was up significantly from pre-organizational business activity in the county.

Mary Thoen, secretary-treasurer, gave the financial report which showed a strong positive balance for the organization.

The Lincoln County Rural Mayors Association was represented on the program by Herman Otten, Tea mayor, who pointed out the value of LCEDA to individual communities in helping to keep taxes down while strengthening the infrastructure throughout the county.



Attending the Lincoln County Economic Development Association (LCEDA) annual meeting were LCEDA Board members (from left to right): Marshall Drexler, from Harrisburg; John Robinson, Lincoln-Union Electric Co.; Dick Hempel, Lennox; Dick Hoffman, Canton; Sue Albert, Tea; Mary Thoen, NSP; and Donovan Kost, Lincoln County Commissioner.

"Economic development is important enough to our county's future to spend a considerable amount of time on it," Otten said. "We have many advantages, with the I-29 corridor, good water supplies and strong citizen involvement. LCEDA does a good job of presenting the advantages of Lincoln County to potential new businesses."

Craig Atkins, Rural Development Specialist with the Governor's Office of Economic Development (GOED), addressed the successful partnership between state government and LCEDA and praised the group's efforts during its first year.

"County development groups like LCEDA serve a vital function for our entire state," Atkins said. "They create private sector partnerships for more effective economic development, and they give us the opportunity to share resources. That's a winning combination."

Atkins said that economic development is very competitive, even within South Dakota, but that groups such as LCEDA help to focus the attention of GOED and business leaders on one area. Along with new spec buildings, good industrial parks and strong community organizations, LCEDA makes a difference for Lincoln County.

"Your annual statistics for company contacts are very impressive," Atkins said, "especially for your first year. With additional marketing efforts and the strong continuation of the cooperation and advantages Lincoln County offers, I know we'll see great things happening in Lincoln County in the years to come!"

Operating in partnership with the Sioux Falls Development Foundation, the LCEDA mission is to promote the responsible economic development of rural Lincoln County.

LCEDA continued on page 3

LCEDA/ continued from page 1

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1998

MINNEHAHA COUNTY

ECONOMIC DEVELOPMENT

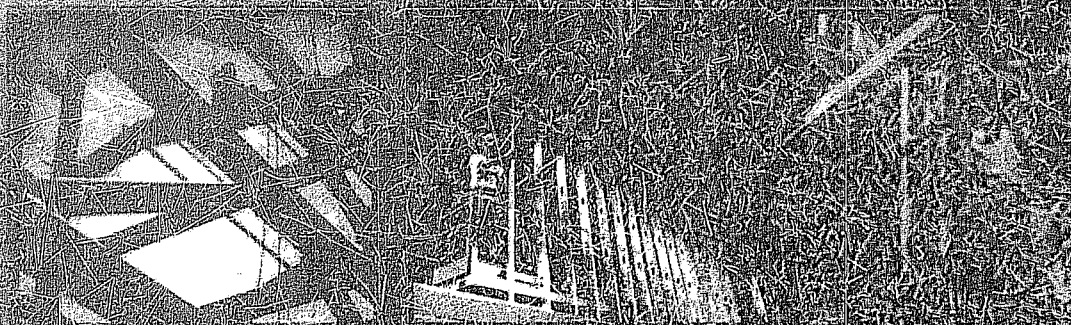
ASSOCIATION

(MCEDA)



Minnehaha County Economic Development Association

1998 Annual Report



Building Success

MICEDA

in cooperation with the

Sioux Falls Development Foundation

Commerce Center, Suite 101, South Dakota Building Center

P.O. Box 507, Sioux Falls, South Dakota 57105

Progress in 1998 measured in bricks, mortar and completed projects



Throughout the history of the Minnehaha County Economic Development Association, each year has been marked by solid achievements throughout the county and in member communities. In 1998, however, those achievements took the form of construction activity and the resultant economic impact in our county.

The MCEDA Revolving Loan Fund (RLF) proved itself this year, with the awarding of the first RLF loan to the Valley Cafe in Valley Springs. Fifteen businesses, representing almost 600 jobs, worked with MCEDA on the possibilities of using RLF. This tells us that our unique financial assistance program, developed to provide that extra measure of support which may be necessary to open a business or start a company in rural Minnehaha County, is understood and well-received in our area. The flexibility

of RLF makes it possible for businesses like the Valley Cafe to become stronger, more vital elements of their communities—and gives MCEDA an extra tool in promoting prosperity for our county.

The past year has seen Minnehaha County's visibility rising. During 1998, 29 companies, representing 1,200 new jobs, made inquiries about locating or expanding in Minnehaha County. Of that number, 16 firms became active prospects, five of which we are still working with today. As you will notice in the Community Snapshot section of this report, housing construction also remains strong throughout the county, both in the communities and in the unincorporated areas.

MCEDA communities are increasingly serving as retail centers for their residents. It is undeniable that people in Minnehaha County drive into Sioux Falls for some of their retail shopping. But as new available stores and services are brought to the MCEDA communities, residents in each are showing their appreciation by shopping at home. Recorded sales tax figures for the year to date are **\$73.7 million** for the ten MCEDA communities—**up \$13.1 million** over last year's January-September numbers. That is healthy retail growth by any yardstick! Projects like the Humboldt Plaza make a difference not only in the daily lives of local citizens, but also in the overall economic health of the county.

Last year I outlined for you the components which combine to drive the continued growth of our county—housing, retail, industrial investment. But this year, as in every year, the work of **individuals** is the critical ingredient. People who are willing to take an economic risk to expand a business interact with other people who are determined to see their community grow. These people work with others—like the MCEDA board—to make programs become prosperity and to make dreams become reality. That's why economic development works in Minnehaha County—because people care.

Residential Construction

The unincorporated areas of Minnehaha County showed continued strong residential growth in 1998. The strength of these areas underscore the vitality of Minnehaha County.

In 1997:

Permits issued.....	243
Total valuation.....	\$14,223,117

1998 (through September):

Permits issued.....	304
Total valuation.....	\$15,034,102

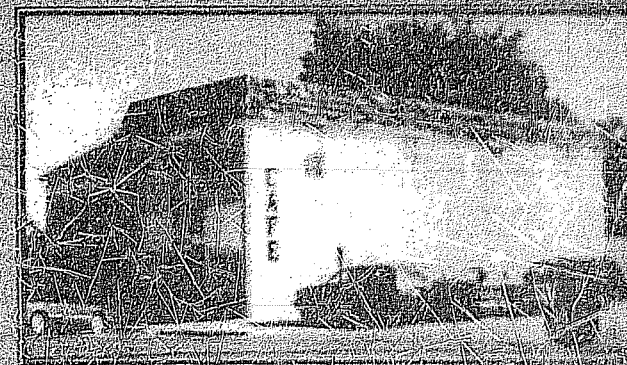
1998 Calendar

January through September
(by thousands of dollars)

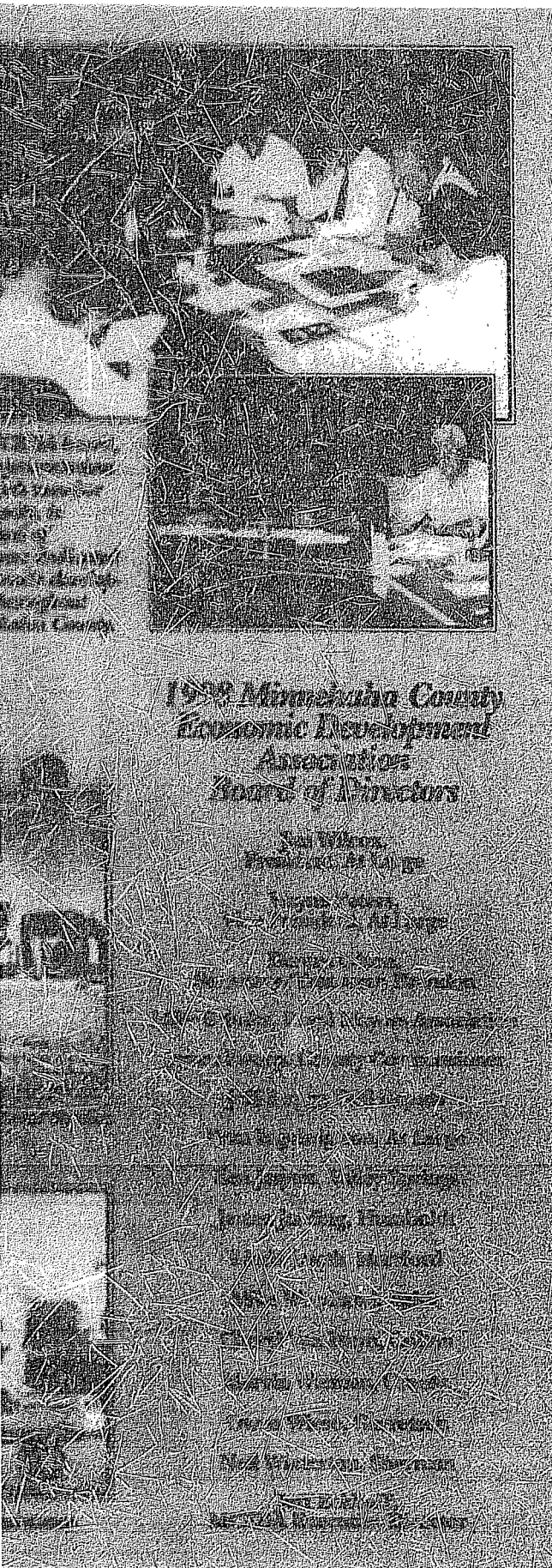
Residential:	
New.....	\$9,078.8
Remodel.....	\$2,407.1
Commercial & Industrial:	
Total.....	\$2,570.5
Agricultural:	
Total.....	\$1,006.5



The Valley Cafe has been a growing store, retail, and service.



The Valley Cafe was the first business of the Valley Cafe.



1998 Minnehaha County Economic Development Association Board of Directors

Sam Wilcox,
President, Dell Rapids

Virginia Wilcox,
Vice President, Dell Rapids

Barbara Wilcox,
Secretary, Dell Rapids

David Wilcox, Vice President, Dell Rapids

John Wilcox, Vice President, Dell Rapids

John Wilcox, Vice President, Dell Rapids

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One of the most exciting elements of the Minnehaha County Economic Development Association's role is hosting groundbreakings for new businesses in our county.

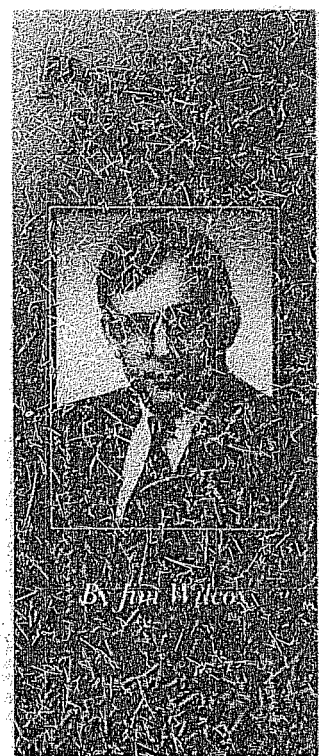
However, even more exciting is seeing those projects, once bare ground with shovels ready for the ceremony, come to fruition. The past year has seen that kind of excitement in Minnehaha County.

Humboldt Plaza is a prime example of this kind of transformation. Not only is the facility now full, with a much-needed grocery store, bank and the U.S. Postal Service facility, but the success of that project has other businesses looking at Humboldt in a new way—and thinking about a location there.

Success could be the theme of 1998 in our county. The Dell Rapids Industrial Park welcomed its first business, and we congratulate the city of Dell Rapids and the local Industrial Development Association. In addition, the past year has demonstrated the success of the MCEDA Revolving Loan Fund. This \$100,000 fund is designed to stimulate economic growth in the county and has shown itself to be flexible enough to assist projects which may not be eligible for industrial-based financial assistance—the state's REDI fund, for example.

The first recipient of the Revolving Loan Fund, the Valley Cafe in Valley Springs, was a textbook example of the importance of this program. Because of the RLF assistance, the Valley Cafe has been able to take the next step in providing services to the community of Valley Springs—and is a stronger business today as a result. The community, the county and the business are all winners in this scenario, and the public-private partnership involving local lending institutions and MCEDA has proven itself again.

Partnership has again shown itself to be the key element in the successful economic development efforts of Minnehaha County. My thanks and congratulations to the MCEDA board and to the hard-working and dedicated individuals in each member community for their commitment.



By Sam Wilcox

The MCEDA Mission

is to promote the responsible economic development of rural Minnehaha County. Economic development is interpreted by MCEDA leadership to mean anything that enhances the economic well-being of the area. Each community must identify the growth which is best for its own citizens, including new businesses, expansion or retention of business, tourism, retail trade or housing. In general, economic well-being can be demonstrated by an increased tax base, valuation of the communities and an increased customer base.



Baltic

During the year, 27 homes have been completed or are under construction in the rapidly-growing Baltic Heights housing development in Baltic. This residential project has an additional 14 sites approved in Phase III of the project. Five sites for commercial property has been approved along Highway 14, and the population of Baltic grew by 9.3% in 1998, the second fastest growing community in Minnehaha County. The year saw the issuance of 61 building permits, with a total valuation of \$1.2 million.

Brandon

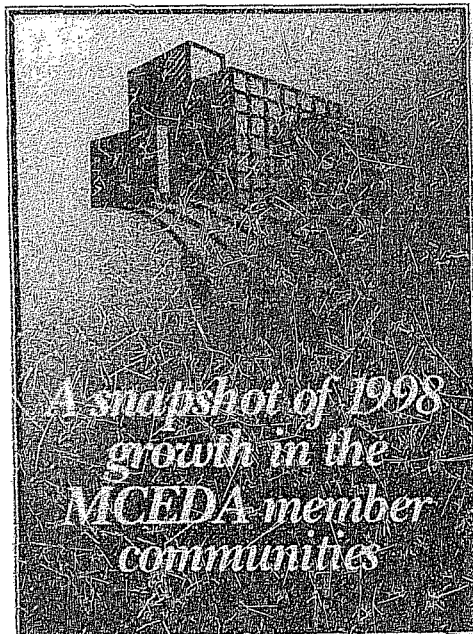
This year saw a major expansion of 44 acres to the Brandon industrial park. The City of Brandon awarded the bid for a new \$2.178 million water treatment plant, and the local school district is constructing a \$4.6 million addition to the high school. \$14.7 million in building permits were issued in 1998, a total of 234 permits in the fastest growing community in the county.

Colton

Colton saw construction this year on the 24-unit Colton Assisted Living facility, which is nearing completion. The community has approved the Pony Hills Development project, which will feature 25 lots for homes in Phase I this year or in early 1999. Activity for 1998 included 20 building permits with a valuation of \$750,000.

Crooks

Crooks approved 20 new housing sites during 1998 for future residential development. During the year, 20 building permits were issued at a valuation of \$1.2 million. Plans are underway for a convenience store, identified as a community need. The Pump N Stuff convenience store is expected to begin construction early in 1999.



*A snapshot of 1998
growth in the
MCEDA member
communities*

Garretson has completed the municipal natural gas project, bringing affordable utility service to the community. Commercial activity is strong, with a solid retail base. Building permits for the year totaled 53 with a valuation of \$992,000—the majority of which was residential construction.

Hartford

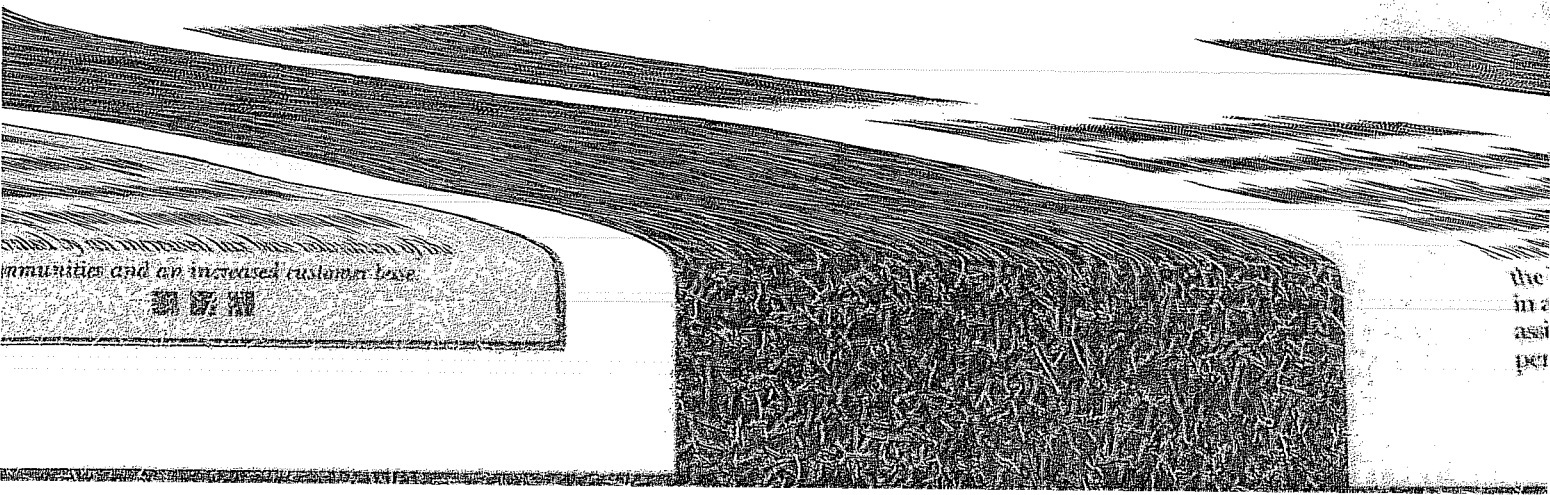
In Hartford, 39 permits were issued, with a valuation of \$1.23 million, in 1998. Listed as one of SD's fastest growing communities, Hartford has acknowledged the need for infrastructure enhancements. A \$500,000 federal grant for the community's \$1.8 million waste water treatment plant has recently received Congressional approval. The project has already received a \$300,000 grant from the SD Department of Environment and Natural Resources.

Humboldt

Humboldt recently celebrated the ribboncutting for the 11,850 square foot Humboldt Plaza, home to Donlan's Foodland and Variety, Farmer's State Bank and the US Postal Service. In addition, J&E Land Development has opened 14 residential lots, expected to fill up quickly. In 1998, 39 building permits were issued, at a valuation of \$433,970.

Sherman

Sherman has seen growth this year, with the expansion of Stateline Seed Company, which has upgraded its storage capacity by renovating a local warehouse to improve efficiency. The residential and commercial base of the community has remained stable during 1998.



communities and an increased customer base.

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1998

NSP-SD

ECONOMIC ASSISTANCE

PROGRAM

APPENDIX A

South Dakota Foreign Direct Investment Initiative (FDI)

The South Dakota International Business Institute (SDIBI), located on the campus of Northern State University in Aberdeen, recently entered into an agreement with the Governor's Office of Economic Development (GOED) to develop and implement an FDI initiative that recruits foreign companies to the State of South Dakota. In order to more effectively recruit in Germany and to leverage the SDIBI's existing resources, the SDIBI invites organizations with an economic development interest (OED) to be part of this initiative and match dollar for dollar the SDIBI's contribution of \$35,000 towards hiring a representative in Frankfurt, Germany. This proposal provides an overview of the SDIBI before it outlines how the SDIBI intends to develop and implement the FDI initiative. Finally, the proposal concludes with an invitation to OED to become part of this innovative economic development opportunity.

SDIBI

The SDIBI came into existence in 1994 and was developed as a cooperative effort between the State of South Dakota and Northern State University in order to support the GOED in their effort to enhance exports from the State of South Dakota. In order to accomplish this goal, the SDIBI developed and implemented an array of services for South Dakota exporters such as company consultations, educational programs, international newsletter, research resources, catalog trade missions, electronic exporters directory, a trade lead generator and more. In 1996, the SDIBI entered into an agreement to assume the GOED's export promotion activities, and recently, the SDIBI signed an additional agreement to develop and implement a FDI initiative for the GOED.

FDI

The objective of this initiative is to develop a structured program that attracts foreign businesses to our state at minimum costs. South Dakota can no longer afford to miss FDI opportunities. For example, U.S. businesses employment increased by almost 9% from 1988-1994. For the same period, U.S. employment supported by FDI increased by more than 26%. Additionally, average monthly wages at FDI-subsidaries are higher in most major industrial sectors-41% higher in agriculture and construction, almost 10% higher in manufacturing, and more than 49% higher in finance, insurance and real estate. In order for South Dakota to capitalize on these opportunities, the SDIBI proposes to implement the following strategic plan:

FOREIGN DIRECT INVESTMENT STRATEGIC PLAN

1) The Message

A) Companies that earn a profit should keep that profit!

- No corporate income tax
- No personal income tax
- No personal property tax
- No business inventory tax
- State & community incentive programs
- Competitive workman's compensation rates
- Third lowest US average unemployment insurance rates
- Low labor, operating and facilities cost

- Free of excessive government regulations and red tape
- Right to work state
- Abundant & competitively priced electricity and natural gas
- Excellent air, rail & highway system border to border and Canada
- B) Available financing programs & employee training grants
 - Economic Development Finance Authority-tax-exempt or taxable development bonds
 - Revolving Economic Development & Initiative Fund (REDI): low interest loan program
 - SBA 504 Loan Program
 - Workforce Development Program
- C) Other South Dakota strengths to be included in the message.
 - Quality of Life: low cost of living, low crime, healthy & clean environment
 - Workforce: well educated, lowest unionization rate of manufacturing workforce in the US (2.34%), no history of work stoppages, attractive labor costs, South Dakota's workforce consists mainly of second or third generation Northern European immigrants who possess solid work ethics.
 - State-of-the-art telecommunication networks: South Dakota has more fiber optic cable than any other state in the US.
- D) Additional advantages for foreign companies
 - Free of excessive government regulations and red tape
 - Eliminate trade barriers, international logistical costs and import duties
 - Attractive labor and facility costs, good work ethics and low unionization.
 - Easy access to South Dakota's port of entry and foreign trade zone.

2) Targeted Countries and Industrial Sectors

- A) Netherlands, Germany and the United Kingdom: the Netherlands and the United Kingdom currently are among the top three largest foreign investors in the USA and Germany is considered to be the fastest growing prospect.
 - Netherlands through direct networking and promotional activities.
 - Germany through a representative in Frankfurt, Germany.
 - United Kingdom will be targeted last based on market requirement.
- B) Industry sectors
 - Value added agri-business, service business, high tech manufacturing, medical manufacturing

3) Prospective Candidates

- A) Exporters which export a large percentage of product or service to the US
 - Eliminate high shipping costs, high import duties, high facility costs, high labor costs and excessive government regulations.
 - Improve serviceability and proximity to market which should result in increased sales.
- B) Foreign companies with US sales offices for which US manufacturing could be the logical next step.
 - Eliminate high shipping costs, high import duties, high facility costs, high labor costs and excessive government regulations.
 - Improve serviceability and proximity to market which should result in increased sales.
- C) Expansions of foreign companies which are already present in the US
- D) Foreign suppliers to large companies located in the US
- E) 75-300 employees and sales > 1.5mm dollars

4) Identifying the Prospects

A) "Buckshot" approach

- Internet: add international dimensions to existing webpage, increase international links and improve registrations with international search engines

- Free of excessive government regulations and red tape
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4) Identifying the Prospects

- A) "Buckshot" approach
 - Internet: add international dimensions to existing webpage, increase international links and improve registrations with international search engines

- Develop awareness of South Dakota with international site selection companies
- B) Target markets (Netherlands, United Kingdom, Germany)
 - Network to uncover prospects and multipliers with: foreign Chambers of Commerce in US*, US Chambers of Commerce abroad, US embassies abroad, foreign embassies in the US*, American/international tax consultants, attorneys and banks abroad
 - Submit articles, promoting South Dakota, in international publications.
- *foreign government agencies typically provide contact information of foreign companies that export to the US.
- C)Advertising in publications will be limited because of budget constraints and limited expected return on investment.
- D)Trade shows will be limited because of budget constraints and limited expected return on investment.

5)Contacting and working with the prospects.

- A)Create a database of prospects.
- B)Pre-qualify the prospects through direct contact.
- C)Mail Governor/Commissioner recruitment letter with informational packet to qualified prospects.
- D)Identify serious prospects and introduce prospects to GOED.
- E)Work in cooperation with prospects, GOED, Economic Development agencies to further create awareness of what South Dakota has to offer, negotiate and anchor a deal if possible.

The SDIBI initially will focus on the Netherlands and Germany. The Netherlands will be targeted directly by the SDIBI with the assistance of the Dutch Chamber of Commerce and the US Department of Commerce which will help identify multipliers and prospective candidates. The SDIBI will then work with these leads as outlined under step 5 of the strategic FDI plan. The SDIBI would like to target Germany in cooperation with a representative named Rick Myatt who resides in Germany and has been successfully representing the State of Louisiana for the last two years. Rick Myatt would identify multipliers and prospective candidates before involving GOED as outlined under step 5 of the strategic FDI plan. A resume of Rick Myatt is attached.

The request for matching funds.

The SDIBI proposes to fund \$35,000 to hire Rick Myatt as the representative for the state of South Dakota. These funds would be paid out in monthly installments for 12 months. An additional \$35,000 would be needed to cover operational expenses for Rick Myatt and to a lesser extent the SDIBI. These expenses would include, but are not limited to the following: travel expenses both nationally and internationally, faxing, phoning, mailing, purchase of directories and other research materials, registrations and fees for third party consultants. The latter \$35,000 would be drawn down by the SDIBI and Rick Myatt on an invoice basis only. The SDIBI would initially enter into a contract with Rick Myatt for three years with a thirty day written cancellation clause. A copy of the proposed contract is attached.

The simultaneous efforts, the SDIBI through direct recruitment in the Netherlands and Rick Myatt as a representative in Germany, would provide South Dakota with a higher probability for success. Therefore, the SDIBI requests OED to match dollar for dollar the SDIBI's contribution of \$35,000 in order to implement the SDIBI's proposed FDI strategic plan as outlined.

1998

**NSP-SD ECONOMIC ASSISTANCE
COMMITMENTS**

SD Rural Enterprise, Inc.

\$ 5,000

May 4, 1999

Mr. Jim Wilcox
Northern States Power
P O Box 998
Sioux Falls SD 57101-0998

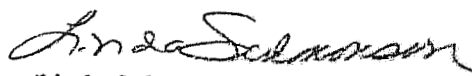
Dear Mr. Wilcox:

Supporting business and community development in rural South Dakota is an essential strategy for sustaining our rural culture and economy. SDREI has succeeded in filling service and geographical gaps through technical assistance and loans to businesses. However, our primary strategy for impacting rural development is to identify, access, and distribute capital to rural development projects through a network of organizational partners (i.e. existing loan funds) as a financial intermediary.

There is much support for SDREI to fulfill that role in South Dakota, both locally and at the federal level. The US Department of the Treasury, Community Development Financial Institutions Fund (CDFI) has granted SDREI \$50,000 for technical assistance to research, develop and implement the appropriate organizational structure, policies and procedures, and to conduct the initial capital fund drive for a statewide financial intermediary.

A recent review of our records indicates that \$5,000.00 of the pledge commitment your organization made in 1996 of \$15,000.00 remains unpaid. I am enclosing an Invoice. If you have any questions regarding this matter, please call Beth Walz, at the number below. She will address any issues that you may have.

Sincerely,



Linda Salmonson
Chairperson

Enclosure
LS:bw

South Dakota Governor's Office of Economic Development
1998 NSP-SD Service Territory G.O.L.D. Program Communities

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



NSP presents check to GOLD Committee

William Kullander, representing the Northern States Power Company, presents a check in the amount of \$500 to Margaret Meyer and Julie Klusmann, members of the Lennox GOLD Park Committee. Kullander said that this is the seventh year that NSP has donated money to the GOLD communities that the utility company serves. The donations are to be used for the betterment of the community. Meyer said the money will be used to help complete the warming house by the city's new ice skating rink.

Lennox 11-5-98

November 5, 1998

Dear Bill

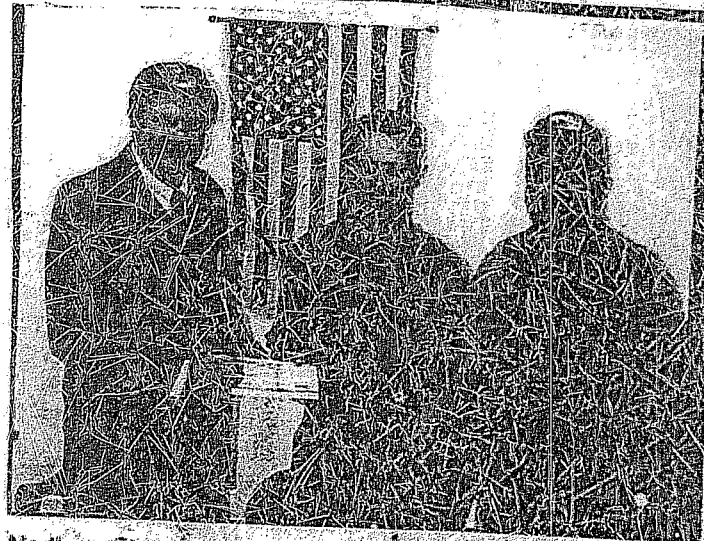
The Lennox Gold Project Committee
would like to thank you and
Northern States Power for your
generous gift. The check will
help make our park project a
success.

Sincerely

Margaret Meyer

Centerville

THURSDAY, NOVEMBER 5, 1998



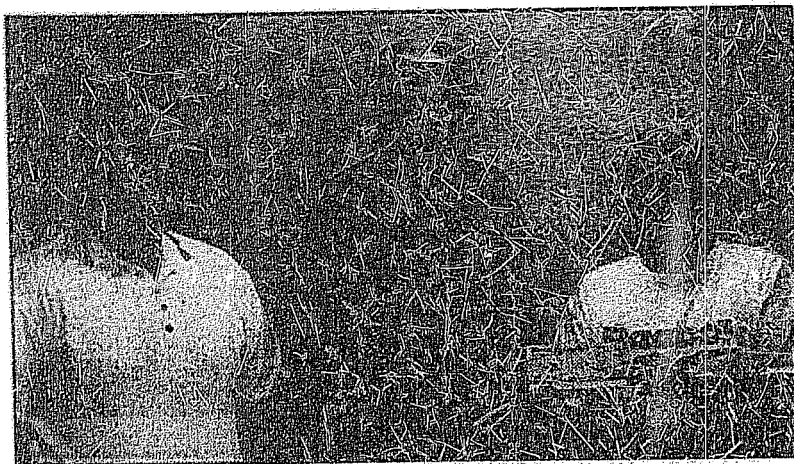
Northern States Power presented a check for \$500 to the City of Centerville for the Governor's SD G.O.L.D. program. Centerville has been a designated G.O.L.D. community for the past 7 years. This means they have done all the background paperwork to qualify for the program. The money can be used for anything that improves Centerville. The Centerville Development Corp. will decide where the money will be spent this year. Past projects include the banners, wiring for the Christmas decorations that decorate the light poles, Tree of Lights, boulevard improvement and the cost of lighting the park. Pictured are Bill Kullander of NSP, Bill Hansen and Centerville Mayor Ben Bjordal.



William E. Kullander, NSP(Northern States Power Company) area relations representative, is presenting a GOLD (Governors Office of Local Development) to Mike Wendland to be used only to benefit the community or to draw business into the community. Pictured from left to right are Jay Feuquay, Mike Wendland, William E. Kullander and Mayor Steve Ollerich. Photo by Tina Guetter



William E. Kuilander presented the \$500 Gold Check to Jay Nebben to be used for the benefit of the community or to draw businesses into the community. Pictured left to right is Mayor Dean Larsen; William E. Kuilander, area relations representative for NSP(Northern States Power Company), and Jay Nebben, co-coordinator for GOLD (Governor's Office of Local Development). Photo by Tina Guetter



Shown here presenting a check to Canton Mayor Dave Gard is William Kullander, Relations Representative for Northern State Power Company. Canton was awarded a \$500 grant from NSP for qualifying as a gold community with the South Dakota office of Economic Development. Pictured left to right are city finance manager Dan Ameri, Kullander and Mayor Gard.

City Receives Gold Community Grant

Northern States Power Company has awarded a \$500 grant to the city of Canton for being a South Dakota gold community.

Grant money is given annually to gold communities serviced by NSP to be used for economic development. William Kullander, who presented the check to the city, commented, "We think it's a good program and that's why we like to support it. There's some paperwork involved, but it is a good way to improve your community."

Canton has earned a gold community status and received the grant from NSP for a number of years. City finance manager Dan Ameri says to qualify the city has to file

necessary documentation and works closely with the local economic development organization. Criteria for the Gold Program is established through the governor's office of Economic Development.

"The money is intended to be used in the community," said Ameri. The money has been used for various purposes over the years. One year the money was used to repaint street lights. This year, the city is looking at other community improvements, such as the possibility of a future bike path.

Lennox receives GOLD Community Achievement Award

Nine South Dakota communities went home with \$10,000 in prizes following the presentation of the GOLD Awards at the Governor's Economic Development Conference held April 8 in Pierre.

The awards program, a friendly competition between South Dakota GOLD communities, focuses on individual project accomplishments for the past year. The cash prizes are donated by the following sponsors: Black Hills Power and Light Company (\$1,500), MidAmerican Energy Company (\$1,500), Northern States Power Company (\$1,500), Northwestern Public Service Company (\$1,500), Otter Tail Power Company (\$1,500), Montana-Dakota Utilities

Company (\$1,500), East River Electric Power Cooperative (\$500), Rushmore Electric Power Cooperative (\$250), and West River Electric Association (\$250).

Communities could compete in three categories. In the first category, "Business, Industrial, & Agriculture Development", Lead took home a \$2,000 award for its work in pulling together to build Bedrock Lanes Bowling Center. Miller was awarded \$650 for the reorganization and return of the Miller Livestock Auction. Clark was awarded \$650 for attracting a community pharmacy after the local pharmacy closed.

In the second category, "Beautification, Enhancement, & Community Promotions," Dell

Rapids captured the \$2,000 prize for its restoration of a historic building and addition of a Dell Rapids Museum. The \$650 prizes went to Lennox for its park improvements and purchase of new playground equipment and Kadoka for the Jackson County Sports Complex Football Field and All-Weather Track.

Under the "Innovative Projects" category, Madison was awarded \$2,000 for its new Gymnastics Center, which was a much needed sports facility for the area. Estelline took home \$650 for its Little Hearts Daycare Center and Midland received \$650 for the creation of a local fund for the Community Foundation, which promotes local projects.

Dear Jim,

We would like to thank you for NSP's contribution and involvement at the Governor's Ec. Development Conference. We are excited about the award we received under Beautification, Enhancement and Community Promotions. The prize dollars will be added to the GOLD committee ongoing park project.

Thanks also for dinner after the awards. We look forward to working with you in the near future.

Lennox Area Devel. Corp.
Rhonda Beach, secretary

NORTHERN STATES POWER COMPANY

Economic Development Incentive Program

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

Program

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

Eligibility

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

Funds

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

1998

**ECONOMIC DEVELOPMENT
ACTIVITIES**

IN

NSP-SD COMMUNITIES

■ CANTON

8-19-98

Modern new high school includes something old

By RANDY HASCALL
Argus Leader Staff

Construction workers building a new high school in Canton have been able to incorporate two historic landmarks from the old school.

When students return for classes next week, they'll walk under a 76-year-old statue of two children that has been preserved and placed on the roof of the new building.

Over the decades, students managed to climb onto the roof of the old school and pour paint over the statue, said Neil Chaon, director of buildings and grounds. So when the cast-concrete statue was removed last spring, it was taken to a sandblaster who was able to restore it close to its original look.

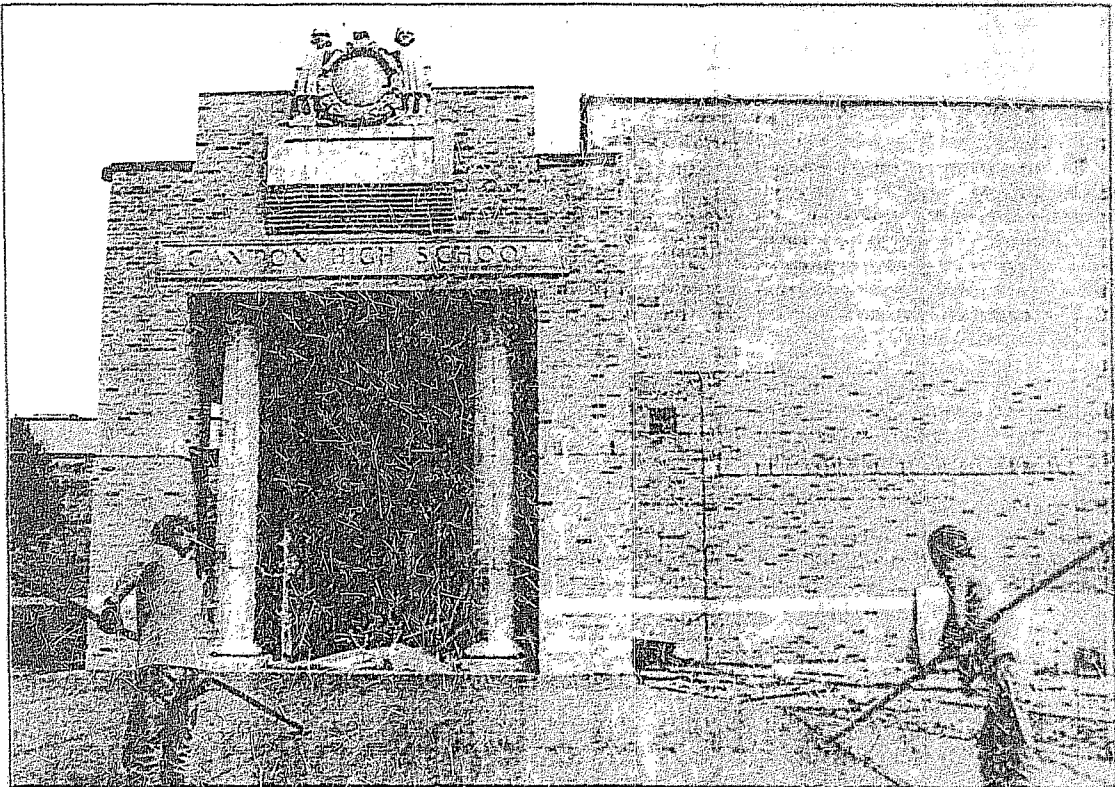
Workers also removed a stone "Canton High School" sign from the original school and incorporated it above the new entry. Moving the columns would have been too expensive, so replicas were built.

The first phase of the \$6.1 million project was completed last spring, allowing students and staff to move in over Easter weekend.

Included were 14 high school classrooms, a media center, three computer rooms, a guidance-counselor office, a commons with a stage, a faculty lounge and rooms for art, consumer economics, industrial education and agriculture.

After the deteriorating old high school was vacated, it was demolished to make space.

The second phase, to be completed by mid-November, includes a main lobby, auxiliary gym with wrestling room, four junior high



Danien Perryman/Argus Leader

Joe (left) and Tom Lynde of Lynde Construction do cement work on the new entrance to the Canton High School while two "kids" watch from above.

classrooms and a hallway.

Construction is on schedule, said Arnie Kelderman of Hoogendoorn Construction, the general contractor. The lobby and sidewalks will be done by Aug. 27, when school begins. A bus and staff parking lot should be done by Oct. 1.

"They got a lot of school for the

money," Kelderman said. "It's really practical here. The architect did a good job."

Rather than add many frills, the district focused on technology. Chaon said. Nineteen miles of computer lines were installed, 100 computers are being added and the heating and cooling system are

computerized.

In addition, the existing gym was renovated, with new bleachers and a wood floor.

Freshman LaDawn Myers said she'll miss the old school and its three levels. But she looks forward to the new computers and gym.

"That will be nice," she said.

Economic Development Gaining Steam, Hope

Meeting on Wednesday, May 6

by Craig Steensland

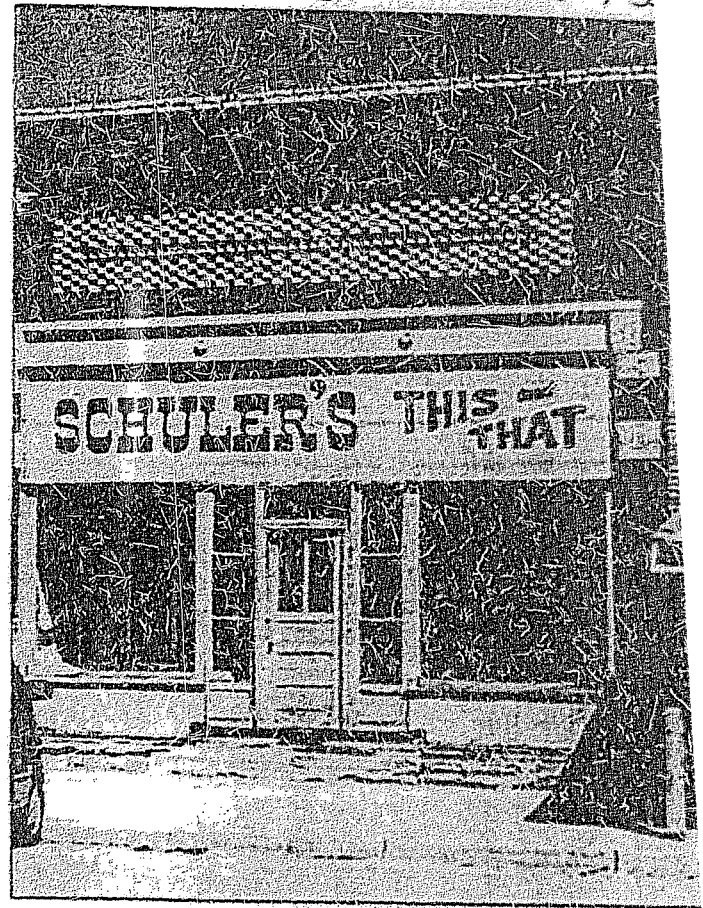
After months of discussion and meetings, a new focus of economic development will be presented at 8:00 p.m., Wednesday, May 6, 1998, at a meeting sponsored by the Centerville Economic Development Board at the Senior Citizens Center.

"The proposed changes include increasing the size of the Economic Development Board from five to seven members, adopting guidelines for the creation of a low-interest revolving loan fund, and developing new organizational bylaws," said Bill Hansen, an officer of the local Economic Development Board.

Hansen explained that the revolving loan fund consists of monies from the Centerville Chamber of Commerce, City of Centerville and private donations to the organization. Currently, the City of Centerville funds are loaned on an existing project, but the organization has approximately \$32,000 of loan monies that could be available for new or expanded Centerville businesses. Future expenditure of city loan monies would need to be approved by the Centerville Economic Development Board and the City Council.

Bill Hansen sees positive steps being made to further the goals of economic development in Centerville.

"With the proposed changes, we are getting on track



Downtown Centerville storefront.

with the creation of the revolving loan fund. The Board should see more action to help existing and new business expand in Centerville," explained Hansen.

He went on to say that the Economic Development Board could provide "gap financing" along with owner's equity and bank loans to assist businesses to expand in Centerville.

Another emphasis accord-

ing to Hansen is the need to strengthen the physical appearance of downtown Centerville. He explained that the Board may look at cleaning up some of the vacant buildings downtown by purchasing the dilapidated structures for possible reuse.

Bonnie DeBoadt, Chairwoman of the Centerville ABC Committee, confirmed the desire to upgrade the physical appear-

Dells' economic vitality turns heads

Innovative moves help fill downtown, fuel building boom

By DAVID KRANZ
Argus Leader Staff

DELL RAPIDS — Take a snapshot of downtown Dell Rapids and you'll capture a historic Main Street, accented by the pink tint of quartzite rock.

And you'll notice only one "For Sale" sign.

This town of 2,779, 20 miles north of Sioux Falls, is succeeding where many small South Dakota cities have fallen short. It's six-block main street with 46 businesses is a bustling collage of gift and antique shops; the Rose Stone Inn and Ace Park's Meat Market — even a credit-card processor.

As the agricultural economy falters, the economic vitality of this Minnehaha County town is turning heads across the state.

"It has the distinction that it holds the old community of ingredients that is missing in new communities. You have an older population and a traditional Main Street. It provides more of a bridge reaching out from an urban community to a traditional community," said Randall Stuefen, assistant professor of the University of South Dakota School of Business.

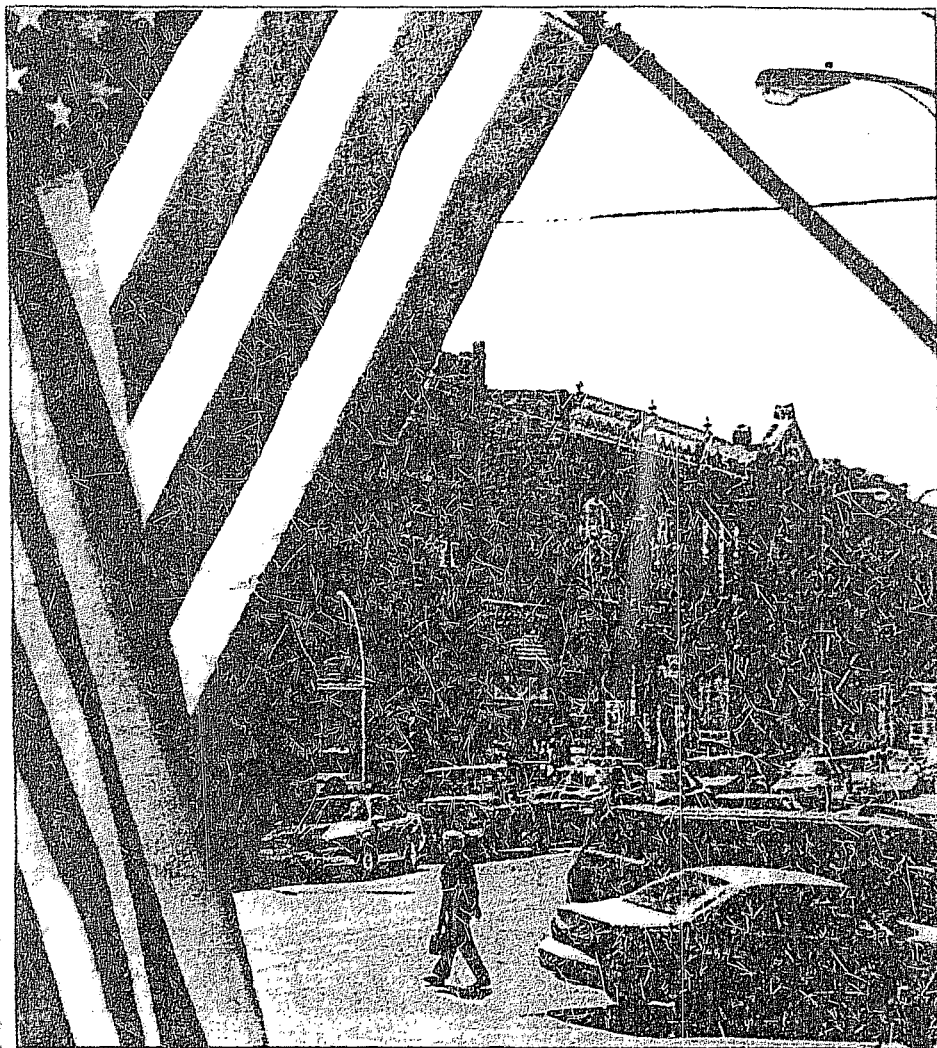
Dell Rapids built its economic foundation on a historic past. Some downtown buildings carry a turn-of-the-century feel courtesy of the Sioux quartzite, mined at nearby L.G. Everist Inc. quarry, a strong economic base here.

But it is Dell Rapids' innovation that seems to have catapulted the town's economy in the past few years. Mayor Dean Larsen said there's only one vacant building on Main Street, and two more in transition.

Several specialty and antique shops have found a business niche downtown. Premier Bankcard set up a processing center in a vacant Main Street storefront last year and already has expanded to 32 employees.

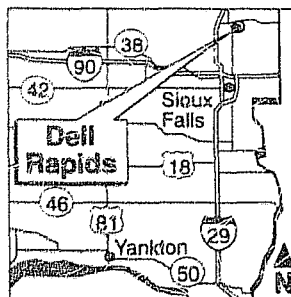
A Mitchell theater owner restored the town's vacant movie house, lighting up the east end of Main.

This August, restoration work on the Old Opera



A shopper crosses a busy main street in downtown Dell Rapids.

Val Hoepfner / Argus Leader

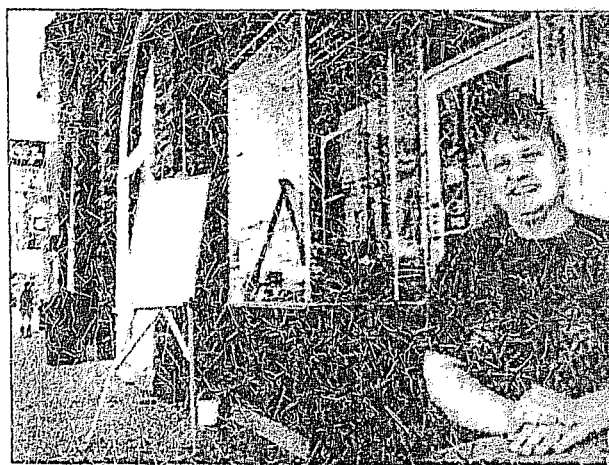


Argus Leader graphic

House will be completed and a production of "Seven Brides for Seven Brothers" is scheduled for opening night.

"That's because the community is neat, clean. You couldn't find nicer people and the town is self-supporting. Anything you need you can get in this town, from medical care to getting a faucet," said Chamber of Commerce President Lee Burggraaf.

Outside downtown there's



Val Hoepfner / Argus Leader

Lois Docken sits outside her Timelass Treasures shop in downtown Dell Rapids where she sells coffees, antiques, Scandinavian gifts and a variety of other odds and ends.

even more growth.

A Super 8 motel has announced plans to build along the southern edge of town. An industrial park is

taking shape just north of town. The Dell Rapids Community Hospital will begin

Dell Rapids/ See 3A

School hopes to pass bond on third try

By DAVID KRANZ
Argus Leader Staff

By most measures Rapids is a community whose citizens enjoy growth — with one exception.

Dell Rapids School district voters twice turned down bond issues to build a new middle school.

Projections show school district's classrooms are crowded and room is needed to accommodate rising enrollment.

In December, voters defeated a \$7.2-million bond issue that would build the school and a new

Board members eliminated the track and scaled down other aspects of a middle-school plan for a second election.

But voters went back to the polls in April and rejected a \$5.8-million bond issue.

Superintendent Ludens said the district hopes to put the issue on the ballot again soon to increase construction costs, higher interest rates and even more crowding.

If the district cuts more some people begin opposing the plan because it will be inadequate for the needs, he

Dr. Robert Harniss, Rapids' school board president, believes the school will be built.

"I would hope we approve it soon, and will do what is right for children," he said.

Property-tax increases seem to be the main concern when it comes to making a decision on that big project.

"My feeling is that is a mixture of 'no' people who are retiring and who oppose property-tax increases," Harniss said.

"Some are from the community who feel they pay too much. And part is the split of a community with a large parochial school, and we have to work with them, against them."

Dell Rapids: New golf course, housing project starting

Continued from 1A

building congregate and assisted-living units soon.

The town's nine-hole golf course is doubling in size this year, and a nearby housing development will add 221 housing lots.

The people are coming as well. The town's population has grown nearly 12 percent from 1990 to 1996.

"The housing development will allow us to have places for additional people moving in from outside of the area. The golf course will give us an additional attraction," said Larsen.

While other suburban Minnehaha County communities such as Brandon and Hartford also have experienced population and business growth in recent years, people like Stuefen and Yvonne Vik, executive director of the State Municipal League, say Dell Rapids is interesting because of its people and its history.

The town's location has been a boost as well.

"Dell Rapids not only has the proximity to the interstate system that people value, but also it is close to the community of Sioux Falls," said Stuefen. "And to a lesser degree it is close to the EROS Data Center."

Lois Docken made an investment in Dell Rapids when she moved her Scandinavian gift needlepoint shop from her house onto Main Street last year.

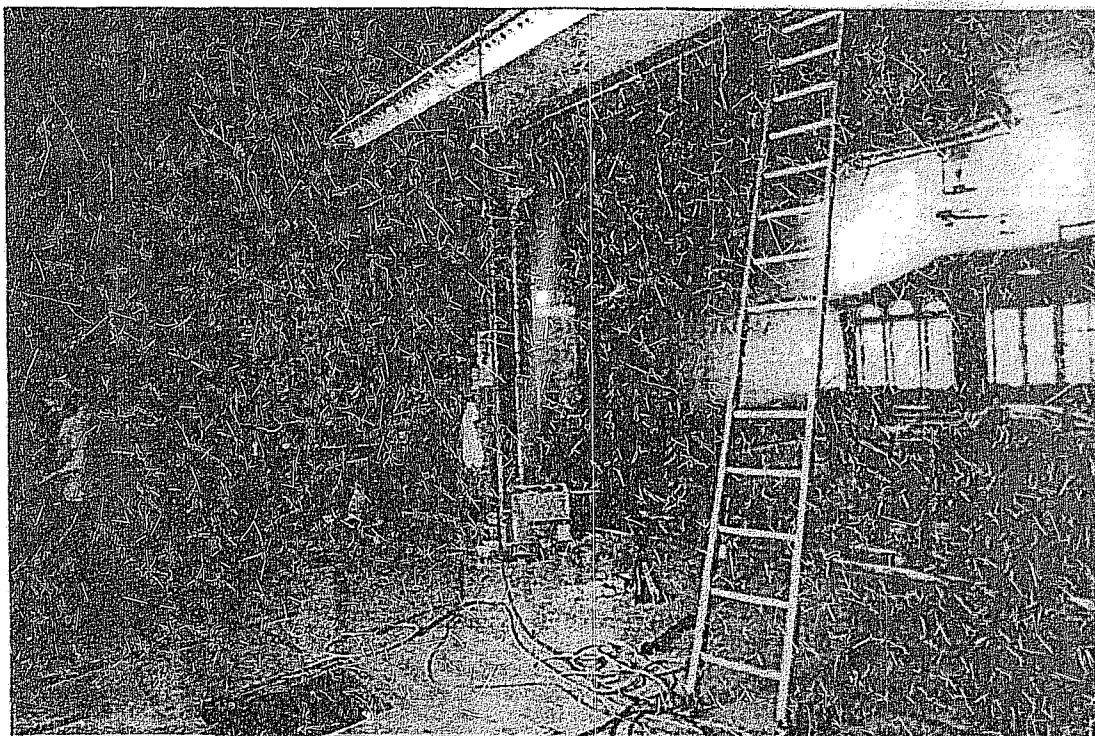
Docken moved to the community with her husband, Mark, a Lutheran minister, and their three children six years ago.

When the building was for sale, the Dockens opened Timeless Treasures.

"And from the people I talked with the future of Dell Rapids retail business was in specialty shops," she said. "What I envision doing fit right in with that."

The continuing growth of the community helped her decide.

"And unlike some bedroom communities to Sioux Falls, it still has a viable downtown area. You can tell where the downtown is. It still is a business district."



Val Hoerner / Argus Leader

Electrician Dave Dwelle works on wiring for air conditioning to cool the second story stage area of the Opera House in downtown Dell Rapids. The first performance in the refurbishing building is slated for next month.

Dana Dykhous, president of First Premier Bank in Sioux Falls, said the decision to place an office in Dell Rapids was easy.

"The thing we were impressed with was the willingness of various leaders in the community to assist us in getting located there, finding a building, and they made a us feel welcome from day one," he said.

Jeff Logan, owner of Logan Theaters in Mitchell, said it didn't take long to decide to buy and renovate the Dells Theater.

"We were impressed with the viability of the businesses already there," he said. "There was healthy growth and a good trade area."

Russ Nielsen, head of the Dell Rapids Community Hospital, says a six-month-old drive to fund a foundation already is at 60 percent of the \$900,000 goal.

Eighty-seven-year-old Phyllis Watne and her 90-year-old husband, John, are excited about the

Here are town's major developments

■ Premier Bankcard came last year and now employs 32 people. Other new businesses opened at the Dells Plaza.

■ A new owner renovated the theater and offers first-run movies.

■ The old Opera House built in 1898 is being renovated and soon will be home to the town's theater group and other businesses.

■ The Dell Rapids Museum restoration nearly is complete.

■ The golf course is expanding to 18 holes.

■ As part of the Spruce Glen development, 221 lots are being plotted near the golf course, according to Merlin Davis.

■ A new 15-acre industrial

park is open near Interstate 29 and a diesel-repair shop is under construction there.

■ Dell Rapids Community Hospital purchased the Odd Fellows Home and plans this fall to begin building 24 assisted-living and 24 congregate-living units.

■ Developer William Skelly will put a \$1-million, 32-unit Super 8 motel on Highway 77.

■ The Methodist Church dedicated a \$590,000 addition.

■ Two new baseball fields have been added in south Dell Rapids.

■ Randall Zwart, owner of Dells Plaza, announced Friday that a Subway sandwich shop and TCBY, a frozen-treats store, will locate there this fall.

hospital's growth plans.

"We are already signed up for

assisted living," she said. "I hope they start soon."



Christopher Gannon / Argus Leader

New Dell Rapids motel taking shape

Mark Tommeraaasen (front) and Bill Skelly lay out the second floor of a Super 8 motel being built in Dell Rapids on Monday. The 32-room, 16,000 square-foot hotel on Highway 115 is scheduled for a March 1 opening.

12-23-98

ATE

■ Maricarol Kueter, editor 800-530 NEWS or 331-2236, Fax 605-331-2294
■ Randy Hascall, Lincoln County, 331-2320

■ Corrine Olson, Minnehaha County, 331-2311

■ TEA

NSP gives \$10,000 for new city park

By RANDY HASCALL
Angus Leader Staff

The Tea community is getting a financial boost for a planned new park.

Northern States Power has contributed \$10,000 to the city's park fund.

"It's really wonderful news to receive," Councilwoman Sue Albert said.

The money will be distributed over a three-year period.

The Council has included some city money for the park project in its coming budget, but the NSP

funding is a big help, Albert said.

NSP commits money each year to help communities with various types of projects such as parks and libraries, company spokesman Jim Wilcox of Sioux Falls said. The company contributed last year to a Baltic park.

"We try to be a part of the communities we serve," Wilcox said.

The city of Tea is developing a seven-acre park on its north side. Much of the land excavation was done in the fall. Water and sewer lines will be installed. A pond has been dug and will be stocked with

fish. The park should be open next year.

Plans also include sand volleyball courts, a basketball court, and picnic areas. The city has applied for federal money to fund a trail for biking, hiking and skating.

Resident Holly Peterson, who has lived in Tea for four years, said she looks forward to using the new park.

"It will be a good place for a family to go. I'm sure we'd use it a lot," Peterson said. She and her husband, Mark, have a 1-year-old son, Cole. "The community is growing

and it would be nice to have those resources available, and equipment for kids."

The city has outgrown its existing park system, Albert said.

Once the new park is finished, city leaders hope to move the annual Teapot Day celebration there from the cramped Westtower Park and a church lot.

The city has received several other donations, from Lincoln Union Electric, Mid-America Energy and Valley Exchange Bank.

NSP-SOUTH DAKOTA 1999 ECONOMIC DEVELOPMENT PROPOSED BUDGET

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

NSP-SD "Economic Assistance" Program

Economic Development Incentive Fund	\$ 32,520
SD Rural Enterprise, Inc.	\$ 5,000
Program Total	\$ 37,020

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

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

Program Total \$ 13,500

SIoux FALLS DEVELOPMENT FOUNDATION

Research Center Technology Transfer Project	\$ 20,000
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TOTAL 1999 Economic Development Budget \$120,520

\$20,020 carry forward comes from \$5,520 carried into 1998 and \$15,000 carried forward into 1999

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of May 13, 1999 through May 26, 1999

There were no filings during the period of May 13, 1999 through May 19, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this filing.

Phone: 605-773-3705 Fax: 605-773-3809

ELECTRIC

EL99-008 In the Matter of the Filing by the City of Watertown, South Dakota, for Approval to Modify Assigned Service Area between Codington Clark Electric Cooperative and the City of Watertown, South Dakota.

As a result of a recent annexation to the City of Watertown, the Commission received a filing from the City of Watertown, South Dakota for approval to modify the assigned service area between Codington Clark Electric Cooperative and the City of Watertown. The service territory boundary change includes Lot 2 and 28th Avenue South, within the South 2,000 feet of the East ½ of Section 7 of the plat entitled "Benedictine Sisters Subdivision to the Municipality of Watertown in Section 7, T116N, R52W, of the 5th P.M. Codington County, South Dakota.

Staff Analyst: Michele Farris

Staff Attorney: Camron Hoseck

Date Filed: 05/21/99

Intervention Deadline: 06/11/99

EL99-009 In the Matter of the Filing by Northern States Power Company for Approval of its 1998 Economic Development Report and 1999 Economic Development Plan.

On May 24, 1999, the Commission received a filing from Northern States Power Company in accordance with South Dakota Public Utilities Commission docket EL91-004: (1) a report of its 1998 economic development and (2) a proposed economic development investment budget for 1999.

Staff Analyst: Michele Farris

Staff Attorney: Camron Hoseck

Date Filed: 05/24/99

Intervention Deadline: 06/11/99

EL99-010 In the Matter of the Petition for Declaratory Ruling by the Mayor of the City of Flandreau on Whether a Proposed Transmission Line Meets the Definition of SDCL 49-41B-2.1.

The City of Flandreau is proposing to construct a transmission line from the existing Western Area Power Administration substation located west of Flandreau and a new substation. They are seeking a declaratory ruling from the Commission as to whether or not the proposed project falls within the SDCL 49-41B-2.1 definition of a transmission line and associated facility, thereby requiring a SDPUC permit.

Staff Analyst: Michele Farris

Staff Attorney: Karen Cremer

Date Filed: 05/26/99

Intervention deadline: 06/11/99

GAS AND ELECTRIC

GE99-003 In the Matter of the Filing by MidAmerican Energy Company for Approval of Revised Residential and Commercial Informational Pamphlets.

MidAmerican Energy Company is filing for Commission approval of revised residential and commercial informational pamphlets.

Staff Analyst: Keith Senger
Staff Attorney: Jeff Koerselman
Date Filed: 05/21/99
Intervention Deadline: n/a

TELECOMMUNICATIONS

TC99-056 In the Matter of the Application of Black Hills FiberCom, L.L.C. for Approval to Offer a Different Local Calling Area.

Black Hills FiberCom, L.L.C. submitted an application to provide a different local calling area than that which is provided by U S West.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 05/21/99
Intervention Deadline: 06/11/99

TC99-057 In the Matter of the Filing by U S WEST Communications, Inc. for Approval of Agreement for Local Wireline Network Interconnection and Service Resale between McLeodUSA Communications Services, Inc. and U S WEST Communications, Inc.

U S WEST Communications, Inc. and McLeodUSA Communications Services, Inc. filed a negotiated Agreement For Local Wireline Network Interconnection And Service Resale on May 26, 1999. "The Agreement ... sets forth the terms, conditions and prices under which the parties agree to interconnect and pay reciprocal compensation for the exchange of local traffic.... However a dispute remains between the parties regarding Reciprocal Compensation provisions. It is U S WEST's position that those provisions apply only to local traffic U S WEST requests that the Commission resolve this issue in dispute." Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than June 17, 1999. Parties to the agreement may file written responses to the comments within twenty days of service of the comments.

Staff Analyst: Harlan Best
Staff Attorney: Camron Hoseck
Date Filed: 05/26/99
Comments Due: 06/17/99

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

IN THE MATTER OF THE FILING BY)	ORDER APPROVING 1998
NORTHERN STATES POWER COMPANY FOR)	ECONOMIC DEVELOPMENT
APPROVAL OF ITS 1998 ECONOMIC)	ANNUAL REPORT AND 1999
DEVELOPMENT ANNUAL REPORT AND 1999)	ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT PLAN)	PLAN
)	EL99-009

Dated at Pierre, South Dakota, this 6th day of August, 1999.

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

PAUL NELSON, Commissioner

LASTA SCHNEIDER, Commissioner