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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

MidAmerican Energy Company
401 Douglas Street
P.O. Box 778
Sioux City, Iowa 51102
712 277-7500 Telephone

April 4, 2005

BY OVERNIGHT DELIVERY

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

RE: 2004 Economic Development Activities and
Proposed 2005 Budget

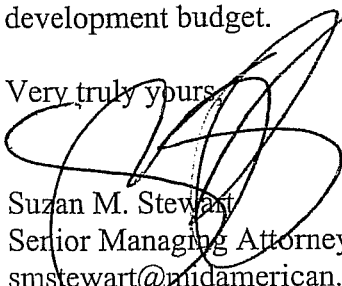
Dear Ms. Bonrud:

Enclosed are 12 copies of MidAmerican Energy Company's report on 2004 economic development activities and our 2005 proposed budget. MidAmerican's economic development program costs are financed by shareholders and customers. In Docket No. NG01-010, the program was extended to provide for sharing of both labor and other economic development expenditures. We are pleased to continue to provide this program to the benefit of our South Dakota service territory.

Generally, 2004 was another good year in MidAmerican's service territory. Our economic development partners reported several successes, and property valuation continues to grow in Union County around our Dakota Dunes development area.

We respectfully request approval of our 2004 report and our proposed 2005 economic development budget.

Very truly yours,



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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

MidAmerican Energy Company

Report on

2004 Economic Development Activities
and Proposed 2005 Budget

to the

South Dakota Public Utilities Commission

March 15, 2005

Prepared by: Mark Rodvold, Economic Development Consultant
and John Wetzel, Vice President Economic Development

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SECTION I

Overview

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

This report presents MidAmerican's expenditures against approved budget for 2004 and presents the 2005 spending plan. In addition, it presents an overview of economic activity in MidAmerican's gas service territory. This activity is presented both narratively on accomplishments and statistically in selected key measurements of economic activity.

Generally, 2004 was another good year in MidAmerican's territory. Our economic development partners reported several successes, and property valuation continues to grow in Union County around our Dakota Dunes development area.

These accomplishments would not have occurred without the commitment of local, regional and state visionaries. The heart of MidAmerican's economic development plan is to support these visionaries along with their community practitioners. We believe our 2004 spending plan helped in that regard and that our 2005 plan will do likewise.

In summary, we were approved to spend \$116,099 in 2004 but actually spent \$111,561. The small shortfall occurred primarily due to less than anticipated expenditures for data assembly of the LocationOne Information System.

Our plan submitted herein calls for spending \$104,538 in 2005, which includes a carryover of approved but unspent funds of \$4,538.

SECTION II Expenditures & Budget

2004 Actual Expenditures

	<u>Actual</u>
<u>Large Development Group Support:</u>	
Forward Sioux Falls	\$ 18,250
Yankton Area Progressive Growth	3,500
Vermillion Development Co.	1,250
Sioux Falls Development Foundation	850
Siouxland Initiative (South Dakota allocation)	1,125
Minnehaha County Economic Development Association (MCEDA)	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA)	3,500
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
McCook County Development Alliance (new)	300
Total Large Development Group Support	<u>\$32,275</u>
<u>Individual Community Development Support:</u>	
Alcester Development Corp	\$250
Centerville Development Corp	250
Elk Point Development Corp	250
Flandreau Improvement Corp	250
Montrose Development Corp	250
North Sioux City Development Corp	200
Salem Development Corp	250
Total Individual Community Support	\$1,700
<u>Economic Assistance Programs</u>	
Intended for economic development enhancements that help to create new jobs, capital investment and economic benefit to communities within our service territory (GOLD program, industrial site analysis, etc.)	\$4,725
<u>Business Attraction Incentives</u>	
Governor's Golf Classic – South Dakota Business Attraction	\$2,500
Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.)	\$5,504
<u>Proposed Staffing</u>	
Allocation of salaries and related expenses for MEC developers working with and/or on behalf of communities in our South Dakota service territory	\$53,713
<u>Carryover</u>	
Unspent funds from 2003 Economic Development Budget (mainly LocationOne	\$11,144
Online System & Sioux Falls Development Foundation technology enhancement)	
Actual 2004 Expenditures Requested for SDPUC Approval	<u>\$111,561</u>
2004 Proposed Budget Approved By SDPUC	<u>\$116,099</u>
2004 Underspent Expenditures, Carryover to 2005 Budget	<u>\$4,538</u>

2004 Approved Budget

Large Development Group Support

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

Individual Community Development Support:

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

Total Individual Community Support \$1,700

Economic Assistance Programs

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

\$5,000

Business Attraction Incentives

Governor's Golf Classic – South Dakota Business Attraction	\$3,000
Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.).....	\$5,425

Proposed Staffing

Allocation of salaries and related expenses for MEC developers working with and/or on behalf of communities in our South Dakota service territory.....	\$52,900
--	----------

SUBTOTAL – Proposed 2004 Expenditures \$100,000

Carryover

Carryover of unspent funds from approved 2003 Economic Development Budget	\$16,099
(To be used mainly for LocationOne Online System – LOIS – data assembly)	

TOTAL 2004 PROPOSED BUDGET APPROVED BY SDPUC **\$116,099**

2005 Proposed Budget

Large Development Group Support:

Forward Sioux Falls	\$ 18,250
Yankton Area Progressive Growth	3,500
Vermillion Development Co.	1,250
Sioux Falls Development Foundation	850
Siouxland Initiative (South Dakota allocation)	1,125
Minnehaha County Economic Development Association (MCEDA)	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA)	3,500
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
McCook County Development Alliance	<u>800</u>
Total Large Development Group Support.....	\$32,775

Individual Community Development Support:

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

Total Individual Community Support \$1,200

Economic Assistance Programs

Intended for economic development enhancements that help to create new jobs, capital investment and economic benefit to communities within our service territory (GOLD program, industrial site analysis, etc.) \$5,200

Business Attraction Incentives

Governor's Golf Classic – South Dakota Business Attraction \$2,500
Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.)..... \$5,425

Proposed Staffing

Allocation of salaries and related expenses for MEC developers working with and/or on behalf of communities in our South Dakota service territory..... \$52,900

SUBTOTAL – Proposed 2004 Expenditures \$100,000

Carryover

Carryover of unspent funds from approved 2004 Economic Development Budget \$4,538
(To be used mainly for local economic development group projects)

TOTAL 2005 PROPOSED BUDGET FOR SDPUC APPROVAL \$104,538

SECTION III
2004 Highlights of Economic Development Activities
MEC South Dakota's Service Territory

SIOUX FALLS

Industrial & Warehouse Development:

Alphagraphics occupies 7,720 square feet of a new \$1.4 million, 14,669 square foot facility on South Tennis Lane. The company needed additional room for expansion of their printing business.

The new 15,000 square foot warehouse and office building for **Baldwin Supply** represents a \$700,000 investment for the wholesale distributor of mechanical and electrical industrial power transmission components. The facility is located in Sioux Empire Development Park III East.

Beal Distributing is investing \$3.5 million in a new 80,000 square foot facility that will more than double their capacity. The new facility is located on Northview Avenue just east of I-29.

Broin Companies 17,000 square foot expansion in Sioux Empire Development Park V includes additional office and lab space.

Climate Systems, Inc. added 5,000 square feet of additional warehouse space to their facility on West Russell Street.

A \$3 million, 32,000 square foot expansion to include manufacturing space, corporate offices and showroom/technology demonstration space is under construction at **Crimson Fire's** facility in Brandon. The facility is scheduled for completion next year.

East River Electric Power Cooperative will be investing \$7 million in their transmission system in and around Sioux Falls over the next several years.

Eastern Farmer's Cooperative built a multi-million dollar facility west of Worthing. The fertilizer plant will have room for 18,500 tons of dry fertilizer.

I-29 Brick & Tile is nearing completion on a new facility on Carolyn Avenue that will provide 5,000 square feet of showroom and warehouse space as well as 25,000 square feet of outdoor storage.

Ideal Yardware relocated to a new 12,000 square foot facility on South Louise Avenue.

A new 16,000 square foot wholesale distribution warehouse was completed in September for **JDS Industries**. The facility represents a \$500,000 investment by JDS which employs 50 people in Sioux Falls.

Lantus, a plumbing parts wholesaler, moved into a new 13,000 square foot facility on East Rober Drive, near I-90 and Cliff Avenue.

Midwest Motor Express completed their new terminal facility located on six acres in Sioux Empire Development Park III.

Mid States Audio purchased land in Sioux Empire Development Park IV to construct a 6,000 square foot facility. The facility represents a \$600,000 investment.

Peska Properties built a new 30,000 square foot industrial spec building in Sioux Empire Development Park III to house warehouse distribution, manufacturing or office operations.

The **Raven Precision Solutions Center**, completed earlier this month, is located on 190 acres north of the city. The 7,800 square foot building has training facilities for 40 people and research space for the eight person development staff. The staff installs and tests GPS, auto steering and other high-tech precision farming equipment for the Flow Controls Division of Raven Industries.

Sioux Steel relocated its livestock products division to Lennox. The firm purchased the Lennox Industrial Park Spec Building and expanded it to 60,000 square feet.

Sioux Valley Energy will be investing \$9 million to upgrade their distribution system in Minnehaha County. Sioux Valley Energy is also in the process of constructing a 30,000 square foot service center with office and warehouse space near Brandon.

Southeastern Electric Cooperative will invest \$7 million in upgrading their electrical systems over the next four years.

Variety Foods, an independent food wholesaler, added 6,200 square feet to their facility. Freezer space occupies the majority of the addition that was completed this fall.

Verizon Wireless purchased 3.2 acres in Sioux Empire Development Park V for their 15,000 square foot mobile telephone switching facility. The facility represents a \$20 million investment in facilities and equipment.

A twenty-acre site in the Corson Development Park will be home to **Wausau Supply Company's** new 75,000 square foot distribution facility. Future plans call for expanding the facility to 300,000 square feet. Phase I of the project represents a \$1.8 to 2.4 million investment. The company will employ up to ten initially, and 50 in the future.

Office, Commercial & Medical Developments:

57th Street Village, a 29,000 square foot retail center, is being built at 57th and Marion Road. **Billy Frog's Sports Bar & Grill** will be one of many tenants.

Ground was broken in September on the **Avera McKennan Behavioral Health Hospital**, a new \$32.1 million, 100,000 square foot facility. The 110-bed hospital will employ over 230 and is scheduled for completion in the spring of 2006. Also under construction is the **Avera Doctors Plaza West**. This 38,000 square foot medical office building will house Midwest Psychiatric Medicine, University Psychiatry Associates and the University of South Dakota Psychiatric Residency Program. The \$600,000 **Avera Health/Tea Clinic** opened this summer.

Coconut Joe's, a new nightclub on South Carolyn Avenue, will open in a \$2.1 million, 9,760 square foot facility around the end of the year. The nightclub will employ over 50 people.

A new four-story, 100 room **ClubHouse Inn & Suites** is ready to open on South Louise Avenue in the Meadows area. Construction started in October of 2003 on the facility that employs 30.

Ground was broken in late September for **Corporate Centre III**, a 41,243 square foot facility located in Sioux Empire Development Park V. The facility will be located on 27.5 acres which will eventually house five office buildings in a campus like setting. Corporate Center III will house **Dakota Gold Marketing**, a branch of Broin Companies.

Courthouse Plaza will be a new 79,000 square foot office complex in downtown Sioux Falls. The facility will house the U.S. Attorney's Office. The facility is scheduled for completion in November of 2005.

Crossroads Book & Music is constructing a new \$1 million, 18,000 square foot facility at the corner of 47th and Westport Avenue to provide more room for the expanding business.

The **Dacotah Town Centre** development, on East 10th Street, includes a 20,250 square foot strip mall, a branch of **Dacotah Bank** and the new **Boston's Pizza** which opened in September.

A 40,000 square foot facility under construction near I-29 and Benson Road will house **Esurance**, an on-line insurance company. The company plans to employ an additional 240 within the next three years.

Dirt work is underway on the 23-acre business park and residential area in southwest Sioux Falls that will be known as **Garden Village**. The development includes four commercial sites, five office buildings and ten twin homes.

Heather Ridge Village is a multi-structure business and commercial development under construction near Western Avenue and 69th Street. The eight acre complex will feature seven buildings including one housing **Williams Insurance Company**.

Hematech, LLC, will create 70 new jobs when their new \$15 million, 40,000 square foot headquarters and research facility is completed in 2006. The new facility will be located on four acres in Sioux Empire Development Park V.

Earlier this year, **Holiday Inn Express Hotel & Suites** completed a \$3 million expansion project that added 41 guest rooms as well as other amenities to its hotel on South Shirley Avenue.

Lithia Motors purchased 10 acres near I-229 and Louise Avenue to relocate their dealership from Minnesota Avenue.

A new **Menards** store opened on East 10th Street. The 200,000 square foot facility includes a garden center and appliances. Menards also expanded their store on South Shirley Avenue to add a garden center.

Midco Call Center Services moved to a larger facility on East 26th Street to accommodate their expanding business.

Construction was completed in January on the new **Nyberg's Ace** at 41st Street and Sertoma Avenue. Nyberg's occupies 36,000 square feet of the 48,000 square foot facility.

Precision Computer Systems is adding an additional 19,000 square feet to their three building complex in Valhalla Business & Technology Park. The project is scheduled for completion in December.

The **Ramada Inn** underwent a \$5 million construction/renovation project to modernize the hotel including all guest rooms. An expanded pool area includes water slides, geysers, play amenities and a lap pool.

Retailer's National Bank, located in the Valhalla Business & Technology Park, expanded their facility by 40,000 square feet.

A groundbreaking ceremony was held in August for **Showplace Plaza**, a 16,000 square foot facility located adjacent to the Harrisburg Industrial Park. Tenants of the facility include a branch of **First National Bank** and **Showplace Kitchens** with 5,300 square feet of showroom, office and training facilities.

Sioux Empire Federal Credit Union is opening a 4th location in Sioux Falls. The two-story building will include space for **CU Mortgage Direct** and represents a \$2 million investment.

A number of **Sioux Valley Hospitals & Health System** building projects are under construction, including a new multi-story facility to house 14 operating rooms and a neonatal intensive care unit and the renovation of the Minnesota Avenue clinic to house the Sleep Disorder Center, Ophthalmology & Optometry Clinic, the Optical Shop and Sioux Valley Clinic University Psychiatry. Work was completed on the \$2.5 million, 23,800 square foot Sioux Valley Clinic at 69th and Minnesota Avenue and the Prairie Plaza Building that houses Sioux Valley's Data Center. Future building plans include the Sanford Children's Hospital and a joint fitness facility with the YMCA.

The **South Dakota Technology Business Center** opened in January 2004 and, at 35% occupancy, is running ahead of schedule. The mission of the Center is to provide assistance to new and early-stage technology companies. Current start-up clients include **DocuTap**, **Meta Payment Systems**, **Dakota Retail Technologies** and **PrairieGold Venture Partners**. The Center has also started construction on two of the six planned wet labs to further assist the development of new biotech companies.

The former Econofoods building on Louise Avenue is home to **Sportsman's Warehouse**. The store employs 75 people in the 75,000 square foot facility.

May 2005 is the expected opening date for **Staybridge Suites**, a new three-story, 91 room extended-stay hotel located on South Carolyn Avenue.

Walgreens added their 5th location in Sioux Falls at the corner of 26th Street and Sycamore Avenue. The facility is 14,800 square feet and employs 30.

Construction has started on a four-building retail and office development at 69th Street and Minnesota Avenue. **Waterfall Plaza**'s first 25,000 square foot building is scheduled for completion next spring.

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

Quality of Life Developments:

Allegiant Air – Started offering twice weekly flights to Las Vegas on May 6.

America West Airlines – Daily non-stop service to Phoenix starting December 18.

Bethany Meadows - \$10 Million Multi-year Project on 175 Acres near Brandon, 100-bed Nursing Home, Independent Living Apartments, Assisted Living Facilities & Memory-care Unit, 20,000 square foot "Town Center."

Children's Inn - \$1.1 Million, 5,200 Square Foot Expansion/Remodel.

City of Sioux Falls - Phillips to the Falls Street Construction Project connecting Downtown to Falls Park; Orpheum Theatre Renovation: \$347,935 in Grant Funding to Continue Ongoing Renovation & Restoration; SculptureWalk.

Delta Connections – Started offering non-stop daily flights to Cincinnati on July 29.

Dow Rummel Village - \$30 Million, 60 New Apartments; Village Center with Wellness Center, Clinic, Bank, Museum, Deli, Library, Computer Center; Assisted Living Facilities & Alzheimer's Unit.

The Evangelical Good Samaritan Society Prairie Creek – \$22 Million, Senior Housing Community to include 70 Apartments and 44 Twin Homes.

Madison Street & I-29 Interchange - \$19 Million.

Sioux Empire Housing Partnership – Valley Green Affordable Housing Development, 49 Lots.

Sioux Falls Christian Schools – New \$10.2 Million, 100,000 Square Foot Facility.

Sioux Falls Coliseum – \$1.8 Million Renovation to house the Multi-Cultural Center.

Sioux Falls Parks & Rec Department - Harmodon Park Ball Fields; Veterans Park; \$1.2 Million Renovation of Former Power Plant into a Restaurant at Falls Park; Falls Park North Bike Trail Project; East Sioux Falls Nature Area.

Sioux Falls Public School District – New \$5.7 Million Discovery Elementary School, 74,000 Square Feet; 19,000 Square Foot Addition/Remodel of the Instructional Planning Center; Howard Wood Field Improvements.

Sioux Falls Regional Airport - \$1.1 Million Terminal Addition/Renovation; Heliport.

Siouxland Library Oak View Branch - \$1.8 Million, 15,000 Square Feet.

Southeast Technical Institute – 26-Unit Apartment Complex to House 100 Students; \$6.5 million Health Science Building Expansion.

Wild Water West Waterpark - \$1.5 Million Investment in New Attractions, Additional Parking.

YMCA – Renovation of Men’s Fitness Center, New Roof.

YWCA - \$1 Million Renovation.

Sioux Empire Development Park Statistics

Number of Businesses:	110
Employment in the Parks:	11,900
Total Acreage:	1,170
2004 Land Sales	
Land Sold:	77 acres
Value of Land Sold:	\$3,687,000

LINCOLN COUNTY

Sales tax collections are a revealing indicator of business growth and community development. According to the South Dakota Department of Revenue, Business Tax Division, Lincoln County showed a sales tax increase for the past fiscal year. The state has posted FY2004 sales tax collections against 2003 showing an \$11.3 million increase in Lincoln County.

Leading Lincoln County was Lennox, with a 14.6% increase in sales tax for 2004. Lincoln County population growth from 2003 to 2004 was 7.1%, over 10% since the 2000 census. Building permit valuations shot up \$25 million in communities over 2003.

BERESFORD

Beresford has seen a strong year of growth, with eleven new homes constructed along with an eight unit townhouse and a twin-home. Construction is nearly complete on a new community safety center, fourteen businesses opened during 2004, and a new electric substation was built. Beresford, with 2,100 residents, issued 98 building permits valued at over \$3.5 million in 2004.

CANTON

Canton, with a population of 3,350, was the Governor’s Community of the Year for 2004. Framers Supply brought 25 new jobs to town, and Adams Thermal Systems grew by another 80 jobs to 270. Niche business growth downtown also boosted Canton’s retail environment during

the year. Lisa Alden was hired to coordinate economic growth in Canton. Building permits for 2004 totaled 78 at a value of \$2.6 million.

HARRISBURG

Harrisburg saw another strong construction year with 105 single family homes built. A major school remodeling was completed, two strip malls opened and 119 building permits were approved with a total value of \$15.4 million. Over 1,250 residents now call Harrisburg home.

LENNOX

Lennox, with a population over 2,000, celebrated its 125th anniversary as a growing community with over \$11.8 million in construction, spread over 141 projects. Six new homes, plus six more in The Meadows development, a new four-plex, improvements to Greenbrier Apartments and major construction for the Lennox school district, including a new high school, drove the construction numbers, but retail and civic projects were accomplished this year, as well.

TEA

Tea grew again in 2004 with commercial and residential construction. A new school building is being built, the Avera Medical Center opened, and a strip mall built in 2004 is nearly full. Several multi-family housing units were built, and the outlook for 2005 is excellent for this community of 2,600. 2004 building permits totaled 93, with a valuation of \$14.9 million.

WORTHING

In Worthing, housing continues to be an essential factor of community growth. The population is nearly 900, and 53 building permits were issued in 2004, with a valuation of \$2.9 million. Construction will begin early next year for a new industrial park on the north side of town, with 38.5 acres for development.

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

MINNEHAHA COUNTY

Sales tax collections in 2004 increased by \$8.6 million increase in Minnehaha County over 2003. Garretson showed a sizeable 20.3% increase in sales tax collections last year. Minnehaha County population grew a respectable 2.5% in 2004, but also is up over 10% since the 2000 head count. Building permits showed a \$10.9 million increase in 2004.

BALTIC

During the year, work continued on a new city park in Baltic, which now has nearly 1,000 people. A matching federal grant will help to add playground equipment, picnic tables and three more picnic shelters at the park. Development of a forty acre parcel east of the local high school continues and sewer line construction is planned for 2005. A four business strip mall is also in the planning stages and a total of 66 building permits were issued at a valuation of \$1.1 million.

BRANDON

The city of Brandon, with a 2004 population of 6,696, saw significant commercial construction, along with residential building. Crimson Fire expanded, three major church projects were

completed, Wausau Supply built its facility, and Doodlebugs and Dinosaurs Daycare opened. During 2004, \$33.8 million in building permits were issued, a total of 420 permits.

COLTON

Colton, population 670, continued public safety infrastructure work with the resurfacing of city streets this year, along with the installation of railroad crossing signals. Two new businesses, a flower shop and an insurance agency, opened on Main Street, and additional lots are available for new homes. Activity for 2004 shows 20 building permits at a valuation of \$157,000.

HARTFORD

In Hartford, 97 permits were issued, with a valuation of \$2.5 million during 2004. This community of 2,100 saw ground broken for the new 16,600 square foot Hartford Professional Centre with ten professional suites available. This year, 68 new residential lots were platted with preliminary planning work done for several hundred more single family homes.

DAKOTA DUNES

75 new residential lots were developed.

47 new homes were sold. A total of 116 home sales occurred when sales of existing structures are included.

Dakota Family Pharmacy opened its doors surrounded by 70 physicians working within a three-block radius.

Siouxland Surgery Center broke ground on its second expansion at the Dunes. Along with other enhancements, this expansion will accommodate new technology and equipment.

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

Midlands Clinic relocated to Dakota Dunes from Sioux City.

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

NORTH SIOUX CITY

In the past 18 months, over 400 new jobs have been created in North Sioux City:

TransAction Tele-Services, which arrived in October, 2003, continues to expand their call center at Gateway's Rio Grande building. The company anticipates additional growth upward to 290 employees.

Mass Marketing Group, which arrived in November, 2003, has expanded to the second floor of the Wegher Construction building on North Derby. In fact, the building is completely occupied for the first time ever.

The Nelson Warehouse on Gateway Drive (formerly occupied by Gateway) is now home to four new businesses (Frito Lay, EZ Drop, Rhino Mounts/HDTV Outlet and Dakota PC Warehouse) and is completely occupied.

Steck Wholesale Foods has begun production at their new facility in North Sioux City (former Dakota Valley Foods building).

Prince Manufacturing opened its new “Engineering & Technology Center”, **FIMCO** expanded into Gateway's Peru building, **Menu Foods** has leased 55,000+ square feet at 813 North Derby Lane (formerly occupied by Gateway), **Interbake Foods** is in the process of constructing a new addition, and **Badger Holdings** continues to expand rapidly with over 30 employees.

VERMILLION

New industrial and commercial businesses starting up in the community include Masaba, Inc., Masterworks, TRL Company and Wal-Mart

YANKTON

Sales tax up 6% over 2003; 230,000 sq. ft. Wal-Mart Supercenter opens in March 2005 .

Regional Tech Ed Center (RTEC) was created. City Council meetings held at this location.

Broadway (US81) Avenue reconstructed (\$8 Million) with improved business visibility

Enterprise Institute opens office to assist entrepreneurs and compliments the existing local Small Business Development Center.

State and federal grant funding leveraged for additional trails; Alcoa/East Industrial Park expansion; Brownfields clean-up; industrial expansion for Gehl Mfg. and Baldwin Filters; Yankton Area Adjustment Training Center upgrade; Senior Center expansion

Manufacturing at full employment; retail opportunities increasing from economic diversity

Planning and engineering underway for new Missouri River bridge

East Entranceway Improvements (4th and Burleigh Streets intersection); new Visitor Center

City/Chamber/Economic Development Commission agree on priority funding for economic development efforts; new Economic Development Director on-board

Established Meridian Trails with additional trails planned in 2006

TIF District #1 property current value is at \$30+ million

Brownfields study project is underway with State funds to be used for clean-up

Major city budget change due to refunding sales tax bonds for big decrease in interest costs

Downtown revitalization features Gurney Bldg. and associated property owned by YAPG

\$13 million Wastewater Treatment Plant upgrade completed

Main airport runway reconstructed with new taxiways and maintenance building

Reconstruction of Whiting Drive and Alcoa Drive to a commercial, industrial classification.

Yankton has been identified as a potential site to locate a coal-fueled power plant

Partnership formed with National Park Service to locate proposed offices in Yankton; Missouri River clean-up; development of city-owned 60-acre Nebraska parcel.

CENTERVILLE

New businesses starting up in the community include Beyond Ceramics, Delzer Chiropractic, Image by Andrea, Centerville Auto Repair, Center Striping , and Exotic Carvings.

ELK POINT

ThermoBond expands their plant by 6,250 square feet to increase their production floor size. They construct buildings that house wiring for telecommunications. A new car wash and a new fitness center opened for business. Six permits for new homes were issued.

FLANDUEAU

EnvironLiner expands their production facilities, three twin homes and two houses are built, and the Santee Sioux consider adding an 18-hole golf course.

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

SECTION IV
Economic Indicators

Building Permits for Lincoln & Minnehaha County Communities
Permits not separated by residential and non-residential.

<u>Community</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>03-04</u> <u>Change</u>	<u>% 03-04</u> <u>Change</u>
Lincoln County					
Beresford	\$ 929,955	\$ 2,024,180	\$ 3,169,000	\$ 1,144,820	57%
Canton	\$ 2,662,623	\$ 1,938,577	\$ 3,073,968	\$ 1,135,391	59%
Harrisburg	\$ 4,566,453	\$ 10,659,845	\$ 17,653,398	\$ 6,993,553	66%
Lennox	\$ 1,416,152	\$ 5,573,701	\$ 13,331,669	\$ 7,757,968	139%
Tea	\$ 6,128,002	\$ 5,815,314	\$ 13,780,549	\$ 7,965,235	137%
Worthing	\$ 1,265,000	\$ 2,021,999	\$ 2,801,000	\$ 779,001	39%
	\$ 16,968,185	\$ 28,033,616	\$ 53,809,584	\$25,775,968	92%
Minnehaha County					
Baltic	\$ 853,957	\$ 1,356,145	\$ 1,342,320	-\$ 13,825	-1%
Brandon	\$ 27,052,384	\$ 22,657,047	\$ 36,842,747	\$14,185,700	63%
Colton	\$ 500,910	\$ 382,341	\$ 156,000	-\$ 226,341	-59%
Crooks	\$ 2,700,775	\$ 3,381,556	\$ 4,400,000	\$1,018,444	30%
Garretson	\$ 1,090,000	\$ 1,435,500	\$ 1,565,400	\$ 129,900	9%
Hartford	\$ 2,338,903	\$ 2,944,484	\$ 2,849,341	-\$ 95,143	-3%
Humboldt	\$ 1,089,730	\$ 781,744	\$ 794,880	\$ 13,136	2%
	\$ 35,626,659	\$ 32,938,817	\$ 47,950,688	\$15,011,871	46%
TOTAL	\$ 52,594,844	\$ 60,972,433	\$ 101,760,272	\$40,787,839	67%

Yankton

City of Yankton: Summary of New Building Permits Issued in 2004 & 2003

Year	Total Valuations	New Single Family	New Duplex, Multi-Family	New Commercial	Commercial Additions, Remodels	Others
2004	\$29,422,390	54 Homes \$9,533,674	9 Buildings \$2,284,176	\$14,392,033	\$1,774,201	\$3,034,154
2003	\$16,890,322	36 Homes \$6,332,957	46 Units \$2,432,308	\$3,285,025	\$2,643,416	\$2,196,616

Source: Yankton Office of Economic Development

Vermillion

City of Vermillion Building Permits: 2003 = \$1,610,000 2004 = \$8,824,626 (total includes 3-mile City extraterritorial planning jurisdiction)

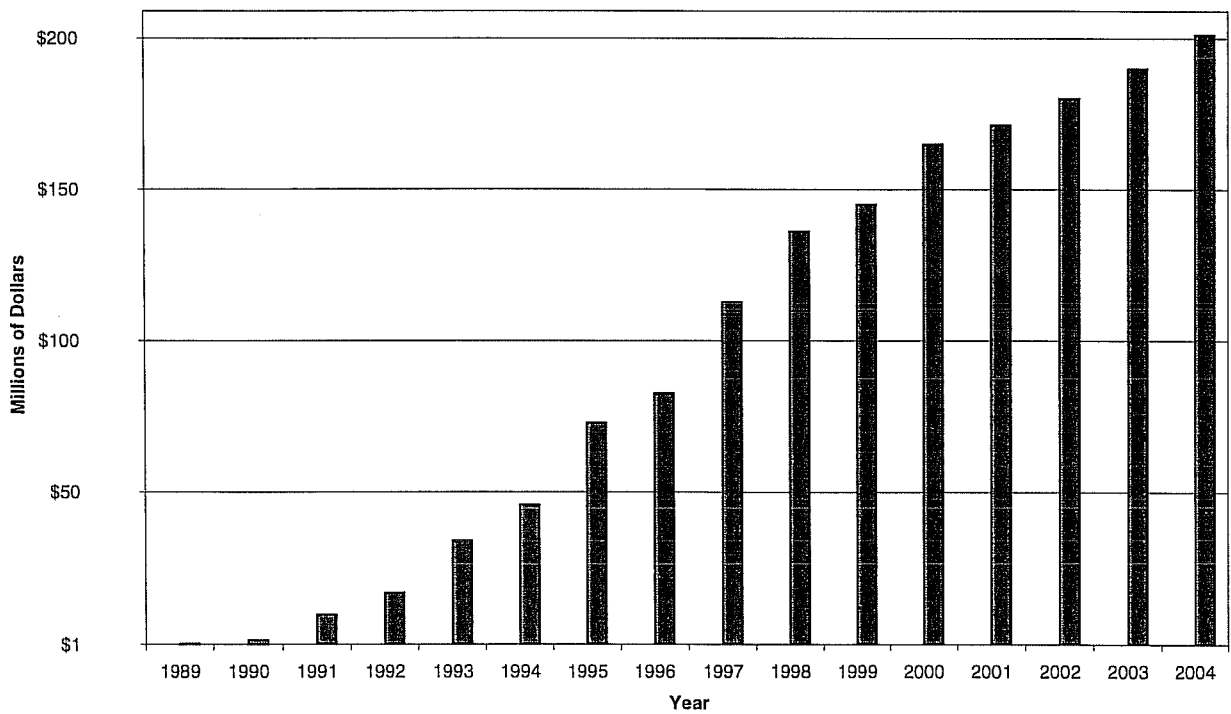
Breakout of 2004 Building Permits for City (excludes 3-mile territory):

New Commercial	\$2,863,000
New Residential Single	\$1,925,000
New Residential Multiple	\$1,780,550
Residential Addition / Alteration	<u>\$251,606</u>
Total (including activities not listed)	\$7,341,675

Source: Vermillion Development Company

Taxable Valuation Dakota Dunes

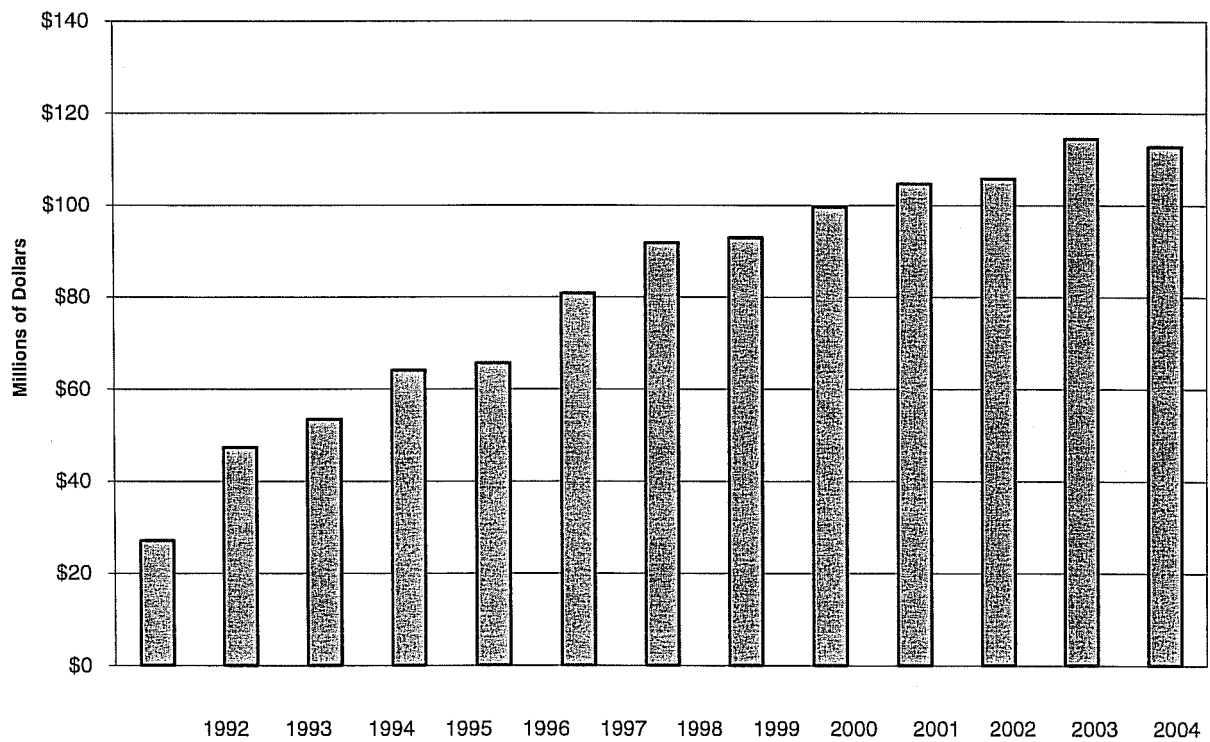
Dakota Dunes: Growth in Taxable Value 1989 - 2004



Source: Assessor's Office, Union County

Taxable Valuation North Sioux City

North Sioux City: Growth in Taxable Valuation 1992-2004



Source: Assessor's Office, Union County

POPULATION ESTIMATES FOR MEC-SERVED COUNTIES IN SOUTH DAKOTA

South Dakota Counties with MidAmerican Energy	2000	2003	Total Change	Per Cent Change
Clay	13,587	13,191	-396	-2.9
Lake	11,276	11,040	-236	-2.1
Lincoln	24,131	29,302	5171	21.4
McCook	5,832	5,864	32	0.5
Minnehaha	148,281	154,617	6336	4.3
Moody	6,595	6,511	-84	-1.3
Turner	8,849	8,594	-255	-2.9
Union	12,584	13,024	440	3.5
Yankton	21,652	21,452	-200	-0.9
TOTAL MEC COUNTIES	252,787	263,595	10,808	4.3
OTHER SD	502,107	500,714	-1,393	-0.3
SD TOTAL	754,844	764,309	9,465	1.3
MEC COUNTIES %/SD	33.5	34.5		
Source: US Census Bureau				

SECTION V
Attachments
Newspaper articles

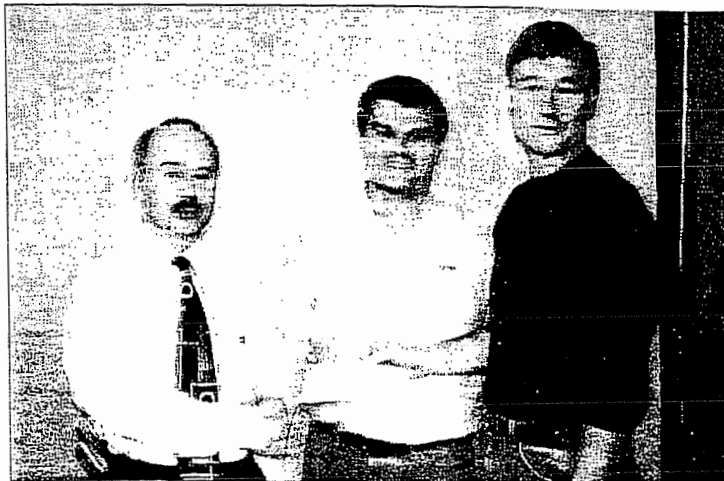
December 9, 2004

Leader-Courier



Economic donations

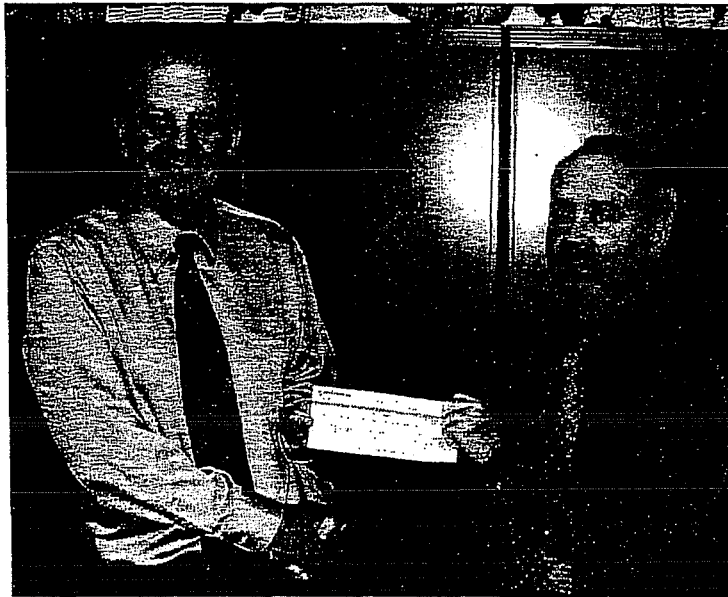
MidAmerican Energy Company recently made \$250 donations to two southern Union County development organizations to help foster economic development in the area. Mark Rodvold, Economic Development Consultant for MidAmerican presented the donations to Bruce Odson, above left, of the North Sioux City Economic Development Corporation and to Brad Fowler, below center, and Kim McLaury of the Elk Point Economic Development Corporation.



THURSDAY, DECEMBER 9, 2004

Alcester Union & Hudsonite

MidAmerican donates to economic development group



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

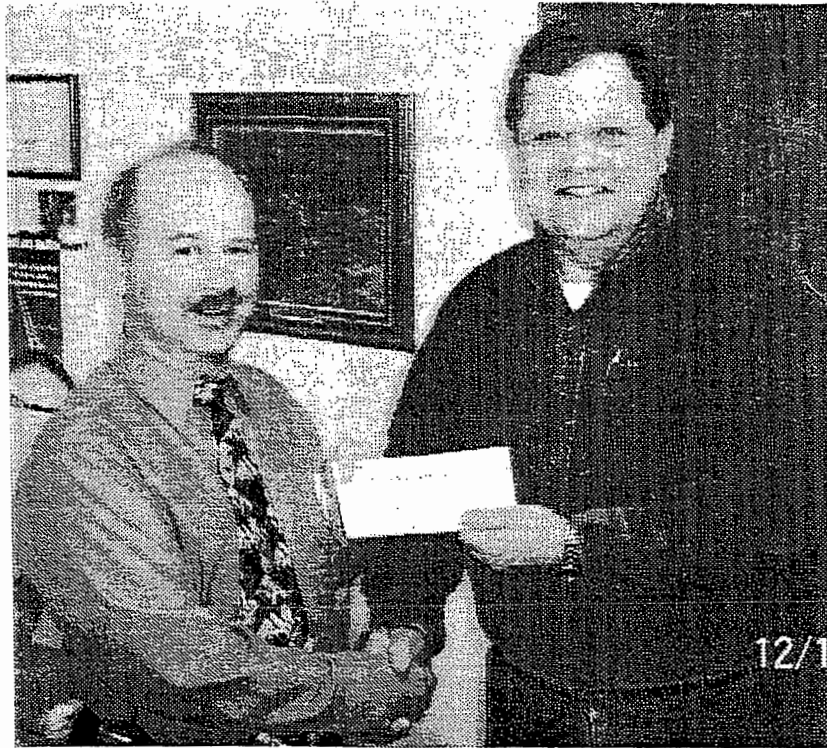
"MidAmerican Energy appreciates the value of local development resources in the South Dakota communities that we serve. We hope these funds help foster and extend the growth opportunities for Alcester," said Mark Rodvold, Economic Development Consultant for MidAmerican.

Gary McKellips (left) of the Alcester Industrial Development Corporation is shown accepting the contribution from Mr. Rodvold.



Contribution for community

MidAmerican Energy Company recently made a \$250 contribution for community and economic development in Flandreau. "MidAmerican Energy appreciates the value of local development resources in the South Dakota communities that we serve," said Mark Rodvold, Economic Development Consultant for MidAmerican. "We hope these funds help foster and extend the growth opportunities for Flandreau." Arlyce Derdall, Director of the Flandreau Improvement Corporation, is shown accepting the contribution from Mr. Rodvold.



\$250 CONTRIBUTION: MidAmerican Energy Company recently made a \$250 contribution for community and economic development in Salem. "MidAmerican Energy appreciates the value of local development resources in the South Dakota communities that we serve. We hope these funds help foster and extend the growth opportunities for Salem," said Mark Rodvold, Economic Development Consultant for MidAmerican. Darwin Miiller (right) of the Salem Development Corporation is shown accepting the contribution from Mr. Rodvold.



Montrose Herald
Friday, Dec. 24, 2004

Montrose Receives Money



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

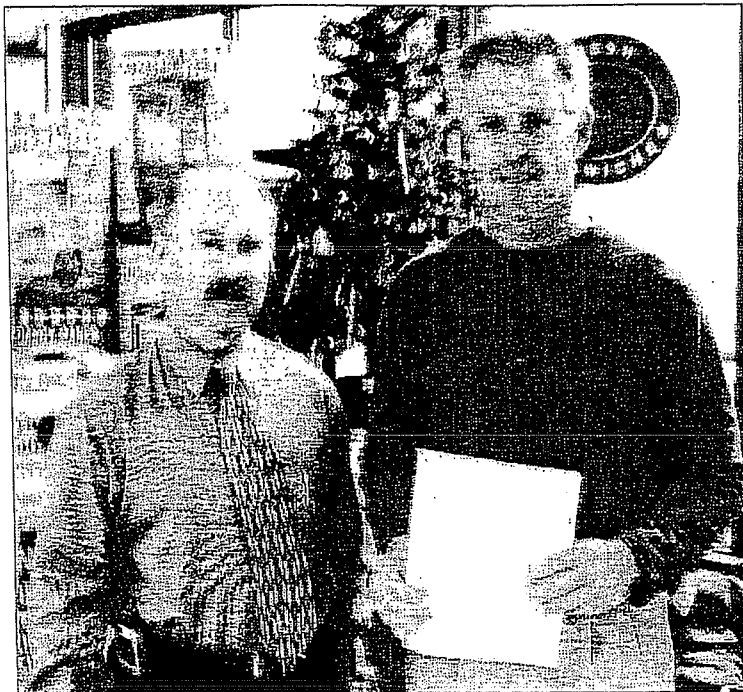
"MidAmerican Energy appreciates the value of local development resources in the South Dakota communities that we serve. We hope these funds help foster and extend the growth opportunities for Montrose," said Mark Rodvold, Economic Development Consultant for MidAmerican.

Denise Erickson and Mayor Dave Hoiten are shown accepting the contribution from Mr. Rodvold.

THURSDAY, JANUARY 6, 2005

CENTERVILLE JOURNAL

MidAmerican contributes to Centerville development



Bill Hansen (right), of the Centerville Development Corporation, accepts a \$250 contribution from Mark Rodvold of MidAmerican Energy Company. The contribution is for community and economic development in Centerville. Rodvold remarked that, "MidAmerican Energy appreciates the value of local development resources in the South Dakota communities that we serve. We hope these funds help foster and extend the growth opportunities for Centerville."

• Vermillion Plain Talk/Wakonda Times • January 21 • 2005

www.plaintalk.net



Partnership

Mark Rodvold from MidAmerican Energy is shown presenting Lisa Ketcham of the Vermillion Chamber of Commerce & Development Company a check to show their partnership in supporting and investing in economic development in Vermillion.



Kurt Hauser, Director of the Yankton Office of Economic Development (center), accepts the contribution from Mark Rodvold, MidAmerican Energy (right). YAGP Secretary Ron Kraft also participated in the event.

YAPG gets \$3.5k gift from MidAmerican

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

“MidAmerican Energy appreciates the value of local development resources in the South Dakota communities we serve. We hope these funds help foster and extend the growth opportunities for Yankton,” said Mark Rodvold, Economic Development Consultant for MidAmerican.

Kurt Hauser, Director of the Yankton Office of Economic Development, accepted the contribution on behalf of YAPG. Ron Kraft, YAGP Secretary, also participated in the event.