



401 Douglas Street
P.O. Box 778
Sioux City, Iowa 51102
(712) 277-7587 Telephone
(712) 252-7396 Fax
E-mail: smstewart@midamerican.com

Suzan M. Stewart
Managing Senior Attorney

March 4, 2008

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

BY ELECTRONIC DELIVERY

Re: Docket No. NG08-_____

Dear Ms. Van Gerpen:

In accordance with the Decision and Order approving Settlement Stipulation NG01-010, attached is MidAmerican Energy Company's report on 2007 economic development activities and its 2008 proposed budget. The actual expenditures shown in section 1 are based on the MidAmerican Energy Company 2007 Economic Development Budget, which was approved by the Commission by order issued April 24, 2007 in Docket No. NG07-002.

MidAmerican provides monetary support to local development organizations, specific project assistance efforts for these groups, and business attraction incentives. We also provide in-kind support through the work of Brad L. Howard, our Economic Development Consultant for an area including our South Dakota natural gas service territory.

Brad will continue the work with local development personnel throughout MidAmerican's South Dakota service territory to encourage expansion of existing business, foster economic vitality and support community preparedness for new growth. Additional MidAmerican economic development staff is available to enhance the overall program, as needed, which further extends our relationship and value to our South Dakota communities.

MidAmerican's role is to support community leaders in making decisions relating to the economic growth and vitality of their communities. The unique knowledge and capability of local leaders to address community issues, goals and priorities is fundamental to the growth of those areas. MidAmerican encourages community leaders

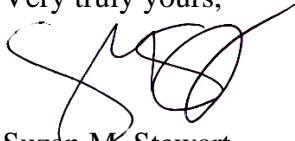
March 4, 2008
Ms. Patricia Van Gerpen
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to work closely with all public and private entities to advance their specific economic development priorities.

We are very pleased to report continued growth within our South Dakota service territory during 2007. In Section III we provide an overview of economic development highlights during the year.

Since successful economic development requires a team effort by many players, we sincerely appreciate the opportunity to support all organizations working to achieve positive impacts on employment, income, and community growth. We respectfully request approval of our 2007 report and our proposed 2008 budget.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Suzan M. Stewart', with a stylized flourish extending from the end.

Suzan M. Stewart
Senior Managing Attorney
Attachments

cc: Brad Howard
Kathryn Kunert

MidAmerican Energy Company

Report on

2007 Economic Development Activities
and Proposed 2008 Budget

to the

South Dakota Public Utilities Commission

February 2008

Prepared by: Brad Howard, Economic Development Consultant,
and Kathryn Kunert, Vice President Community Relations and
Economic Development

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SECTION I Overview

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

This report presents MidAmerican's expenditures against approved budget for 2007 and the proposed 2008 spending plan. Also presented is an overview of economic activity in MidAmerican's gas service territory. This activity is presented both in narrative format on accomplishments as being provided through our local economic development partners and statistically in selected key measurements of economic activity.

Generally, 2007 was economically positive in MidAmerican's territory. Our local economic development partners reported several successes. These accomplishments are the result of the continuing commitment of proactive local, regional and state economic development activity. The heart of MidAmerican's economic development plan is to support these activities along with community practitioners, both professional staff and community volunteers. In March, MidAmerican Energy hired a new economic development consultant who hit the ground running working with our local partners and the state to support retention and expansion opportunities through several different sponsorships, events and activities. We believe our 2007 spending plan helped in that regard and that our 2008 plan will do likewise.

In summary, we were approved to spend \$106,100 in 2007 but actually spent \$109,437. In 2008, we will continue focusing on local development groups and supporting events and activities that will help the communities in our service territory be successful.

Our plan submitted herein calls for spending \$105,000 in 2008.

SECTION II

Expenditures & Budget

2007 Proposed Budget

Large Development Group Support:

Forward Sioux Falls.....	\$ 18,500
Yankton Area Progressive Growth.....	3,500
Vermillion Development Co.....	1,250
Sioux Falls Development Foundation.....	850
Siouxland Initiative (South Dakota allocation).....	1,125
Minnehaha County Economic Development Association (MCEDA).....	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA).....	3,500
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
McCook County Development Alliance	<u>800</u>
Total Large Development Group Support	\$33,025

Individual Community Development Support:

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

Total Individual Community Support

\$1,200

Economic Assistance Programs

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

\$5,000

Business Attraction Incentives

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

\$3,275

Proposed Staffing

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

\$61,000

TOTAL – Proposed 2007 Expenditures

\$106,180

2007 Actual Expenditures

	<u>Actual</u>
<u>Large Development Group Support:</u>	
Forward Sioux Falls.....	\$ 18,500
Yankton Area Progressive Growth.....	3,500
Vermillion Development Co.....	1,250
Sioux Falls Development Foundation.....	850
Siouxland Initiative (South Dakota allocation).....	1,125
Minnehaha County Economic Development Association (MCEDA).....	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA).....	3,500
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
McCook County Development Alliance	<u>800</u>
Total Large Development Group Support	\$ 33,025
<u>Individual Community Development Support:</u>	
Alcester Development Corp.....	\$ 250
Centerville Development Corp.....	250
Elk Point Development Corp.....	250
Flandreau Improvement Corp.....	250
North Sioux City Development Corp	200
Total Individual Community Support	\$ 1,200
<u>Economic Assistance Programs</u>	
Intended for economic development enhancements that help to create new jobs, capital investment and economic benefit to communities within our service territory (GOED programs, industrial site analysis, LOIS, etc.).....	
	\$ 27,300
<u>Business Attraction Incentives</u>	
Governor's Golf Classic – South Dakota Business Attraction Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.)	
	\$ 4,110
<u>Staffing</u>	
Allocation of salaries and related expenses for MEC developers working with and/or on behalf of communities in our South Dakota service territory.	
	\$ 43,802
Actual 2007 Expenditures Requested for SDPUC Approval in this Report	<u>\$109,437</u>
2007 Proposed Budget Approved By SDPUC	<u>\$106,180</u>
2007 Overspent Expenditures	\$ 3,257

2008 Proposed Budget

Large Development Group Support:

Forward Sioux Falls	\$ 18,500
Yankton Area Progressive Growth	3,500
Vermillion Development Co.....	1,250
Sioux Falls Development Foundation.....	850
Siouxland Initiative (South Dakota allocation).....	1,125
Minnehaha County Economic Development Association (MCEDA)	3,500
(Includes community development support for: Baltic, Brandon, Colton, Dell Rapids and Hartford)	
Lincoln County Economic Development Association (LCEDA).....	3,500
(Includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)	
McCook County Development Alliance	800
Total Large Development Group Support	\$ 33,025

Individual Community Development Support:

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

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 (GOED programs, industrial site analysis, LOIS, etc.)..... \$ 10,000

Business Attraction Incentives

Governor's Golf Classic – South Dakota Business Attraction
Allocation of costs for business attractions on behalf of South Dakota communities within our service territory (trade shows/marketing assistance, etc.) \$ 10,775

Staffing

Allocation of salaries and related expenses for MEC developers working with and/or on behalf of communities in our South Dakota service territory. \$ 50,000

TOTAL 2008 PROPOSED BUDGET FOR SDPUC APPROVAL **\$ 105,000**

SECTION III
2007 Highlights of Economic Development Activities
MidAmerican Energy Company's South Dakota Service Territory

SIOUX FALLS

Industrial and Warehouse Developments

A new warehouse facility was completed earlier this year for **Architectural Roofing & Sheetmetal**. The 20,000 square foot facility is located in the Sioux Empire Development Park VIII.

Border States Electric, a wholesale supplier, is adding a 15,000 square foot warehouse to the west of its current location at Russell Street and Minnesota Avenue. The company is also remodeling its current facility.

A new 17,500 square foot warehouse and distribution center was completed earlier this year. The new facility, in the Sioux Empire Development Park VIII, is home to **Brouwer Relocation**.

Cimarron Label has a new manufacturing plant at 4201 North Westport. The 40,000 square foot facility is double the size of the previous plant and the company plans to increase employment by 15.

Crossroads Trailer Sales & Service moved into a new 11,250 square foot facility this year.

Dakota Fluid Power purchased 13 acres of land near their current sales and service center for a new 25,000 square foot office/shop facility. Upon completion in 2008, manufacturing and assembly operations will move into the company's existing 12,800 square foot building.

Dakota Kitchen & Bath expanded their production and warehouse space with a 50,000 square foot addition. The company's facilities are located in the Sioux Empire Development Park IV.

Upgrades to **East River Electric Power Cooperative's** electrical system continue with the recently completed Maple Street Substation and the Bucksnot Substation that is under construction. The substations are part of East River's multi-million dollar upgrade to an 115,000-volt system.

Empire Plastics, a plastic supply wholesaler, more than doubled the size of their plant with a new 25,000 square foot office, shop and warehouse facility. The new facility is located on three acres of land in the Sioux Empire Development Park IV.

Construction has been completed on the **Flintwood Industrial Warehouse** in the Sioux Empire Development Park V. The spec facility, located at Lewis Avenue and 60th Street North, provides 64,512 square feet of industrial space.

Gage Brothers Concrete Products, on West 12th Street, added 3,000 square feet of space onto their building to consolidate office employees and allow additional room for growth.

Graco, Inc.'s manufacturing plant in the Sioux Empire Development Park III increased in size by 23,000 square feet. The expansion provided additional space for shipping and receiving operations.

1205 West Russell Street is the address of **Henry Carlson Company**'s new headquarters facility. The two-story, 14,000 square foot building represents an investment of \$1.5 million.

Kreiser's Inc. purchased land in the Sioux Empire Development Park VII for an expanded warehouse facility. The new 45,000 square foot warehouse is scheduled for completion in early 2008.

Midwestern Mechanical purchased nearly 8.5 acres of land in the Sioux Empire Development Park IV for a 59,000 square foot warehouse and office facility. Groundbreaking ceremonies for the \$4.5 million facility were held in May.

Midwest Precision Tool & Die added 30,000 square feet of manufacturing and 4,000 square feet of office space onto their facility in the Sioux Empire Development Park V. The \$3 million addition will allow the company to grow by 50 employees over the next five years.

Poet, formerly known as Broin Companies, completed the 72,000 square foot expansion of their headquarters facility located in the Sioux Empire Development Park V. The \$10.3 million expansion will provide room for the growing company.

A new 40,000 square foot facility is currently under construction in northwest Sioux Falls. The building will house **Tri-State Wholesale Flooring Inc**'s expanding business and provide the potential for future growth.

Twin City Fan is leasing 22,000 square feet of space in the former Bedford Building in the Sioux Empire Development Park I. The industrial fan manufacturing firm started with 20 to 30 employees and expects to add up to 100 employees within 2008.

Westland Manufacturing expanded their sheet-metal fabrication facility at 3415 West Hovland Avenue by 4,500 square feet.

Office, Commercial & Medical Developments

Avera Health System partnered with **SDN Communications** to build and operate a \$3 million, 3,000 square foot data center housing a paperless records system.

The 41,200 square foot former Hy-Vee store at 33rd and Minnesota Avenue is being remodeled. When complete, the facility will house the three consolidated locations of **Avera McKennan Home Medical Equipment**.

The former golf dome is now the **Avera Sports Institute**, a year-round athletic training center, home to Avera's Acceleration program, Dakota Gold Soccer, the Sioux Empire Baseball Association, Todd Kolb Golf Academy, Nate Tibbetts Instructional Basketball School and the Sioux Falls Storm indoor football team.

Avera McKennan Hospital is undergoing an \$8 million addition and remodel of their Emergency Room. When completed in December, the ER will encompass 24,000 square feet.

McGreevy Clinic Avera opened their new 19,000 square foot clinic at 69th and Western.

Work is finishing up on **Cherapa Place**, a six story, office and retail complex on the former Zip Feed site. The \$23 million, 140,000 square foot facility, with an underground parking garage, will house **Howalt-McDowell Insurance, CorTrust Bank, Risk Administration Services** and **Sioux Valley Health Plans**.

The 103-room **Courtyard by Marriott** and the 85-room **SpringHill Suites by Marriott** will be two of the newest additions to the Sioux Falls lodging market when completed in May of 2008. Both hotels are being constructed at the corner of 41st Street and I-29, the site of the former Radisson Encore by the Empire Mall.

DakotaCare, the **South Dakota State Medical Association** and the **South Dakota Foundation for Medical Care**, moved into the remodeled 40,000 square foot former BankFirst facility at 49th and Kiwanis Avenue.

DeWitt Designs is remodeling the former American Salvage Building on East 8th Street to house their expanding home furnishing store.

A new three-story building next to the new national headquarters of **Dollar Loan Center**, completed in 2007, will house a branch of the national collection agency **Clark County Collection Service**. The 17,000 square foot center is under construction and will provide room for the company's 80 to 100 employees.

First Bank & Trust's branch on West 57th Street opened earlier this year. The 18,500 square foot facility houses First Mortgage's and Fishback Financial's corporate staff members.

Work continues on the four-story **First Bank & Trust Financial Center** located downtown on the former Kindler site on Minnesota Avenue.

Furniture Outlets USA added 89,000 square feet of warehouse space onto their headquarters facility. Located near I-90 and Cliff Avenue, the facility now totals 279,000 square feet.

Dirt work is underway on the **Galleria at River's Bend**, a 200-acre commercial development by **PariPassu Companies** located on East Arrowhead Parkway and Six Mile Road. The lifestyle center will eventually have about one million square feet of retail space. The company is also building Corporate Center IV in the Sioux Empire Development Park V.

The \$2.1 million, 7,500 square foot **Gunderson's Jewelers** opened in the Bridges at 57th lifestyle development at Western Avenue and 57th Street.

The largest **Hy-Vee Food Store**, at 89,000 square feet, opened earlier this year on South Minnesota Avenue, employing over 400. The site also includes a gas station and represents a \$13.5 million investment.

LodgeNet Entertainment Corp is building a two-story, 40,000 square feet office addition to their corporate headquarters facility in northwest Sioux Falls. The addition is scheduled for completion in the summer of 2009 and will provide room to increase employment by 125 people over the next 18 to 24 months.

Sioux Falls' first **Lowe's** store opened in the **Lorraine Towne Center** development located near 26th Street and I-29. The 117,000 square foot home improvement warehouse store, with a 31,000 square foot garden center, represents an \$18 million investment by the national retailer. The store employs approximately 175 people.

Meta Payment Systems' new 40,000 square foot home is located in **The Edges** development. The new facility allowed the company to consolidate employees that were split between two locations.

Groundbreaking ceremonies were held in November of 2007 for **Midcontinent Communications'** new \$6 million facility. The 54,000 square foot building completed earlier this year is located near I-29 and Benson Road.

A new, 120,000 square foot headquarters facility will be home to **Midland National Life Insurance Company**. The \$18 million facility, under construction since September 2007, will be located on twelve acres in the Interstate Crossing Commerce Park near the intersection of I-229 and I-29. Construction is scheduled for completion in early 2009.

Construction was recently completed on **Premier Bankcard's** new 140,000 square foot headquarters facility near I-29 and Benson Road. The \$15 million facility will allow the company to add 300 to 500 new employees when needed.

The first building is under construction at **Remington Pointe**, a new 14-acre development northwest of Western Avenue and 69th Street. The new facility will house **Van Buskirk Companies**, with future tenants of the development including **First State Bank of Miller** and **Karmazin Family Dentistry**.

Located at 57th and Western, **Sanford at the Bridges** includes the **Women's Health Plaza**, providing primary and specialty care services for women, and **Vivaz Medical Spa**, combining classic and medical spa services. The 25,000 square foot facility represents a \$2.7 million investment in women's health.

The second phase of the **Sanford Cancer Center** opened in September. The 40,000 square foot, \$9 million expansion includes an expanded Breast & Bone Health Institute, a patient resource center, Bloom Boutique, room for medical oncologists, infusion, research and a healing garden.

Ground was broken in May 2007 for the **Sanford Children's Hospital**, which is scheduled for completion in the spring of 2009. The \$52 million, five-story, 120-bed facility will encompass 160,000 square feet of space adjacent to the Surgical Tower and will employ up to 100 medical and support personnel.

Construction continues on a \$9 million addition to the labor and delivery area at **Sanford USD Medical Center**; and the hospital's central power plant underwent an \$8 million expansion earlier this year.

Security National Bank of South Dakota is one of the newest members to the Sioux Falls banking community with a 6,200 square foot main office near 74th and Louise Avenue and a branch location at 26th and Lorraine Avenue. The bank employs 16 people in Sioux Falls.

The **South Dakota Business Technology Park**, being developed by the **South Dakota Land Company/Sioux Falls Construction**, has its first tenant, **DocuTAP**. The 15,000 square foot multi-tenant facility is located in the 200 acre development next to the South Dakota Business Technology Center/Southeast Technical Institute. The total investment in the park is estimated to be between \$150 and \$200 million over the next ten years.

Splash City is the anchor tenant occupying one third of the 15,000 square foot **Armstrong Plaza**. The Plaza, located on East Arrowhead Parkway, was completed and includes **Dun Roamin' Liquors**.

The **Splash Resort & Conference Center** is part of the 80-acre **Red Stone Village** development near the junction of I-90 and I-29 in northwest Sioux Falls. The resort will include 400 guest rooms, an enclosed 50,000 square foot Waterpark and 30,000 square foot conference center. The development will include 400,000 square feet of office and retail space and represents an estimated \$85 million investment.

Quality of Life Developments

Allegiant Air - Non-stop flight service to Phoenix started in October

Augustana College - \$4.2 million, 28,000 square foot Elmen Center addition including the Bob Hall Football Complex and the Sanford Gymnasium; \$6.1 million Kirkeby-Over Stadium

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

Canterbury Village - \$16.5 million condominium complex

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

Miracle League/Miracle Field – Specially equipped baseball diamond and track for disabled

Prairie Heart Guest House - \$1.2 million expansion; 11 additional guest rooms

SculptureWalk - Outdoor, year-round sculpture exhibit located along the sidewalks in Downtown Sioux Falls

Sioux Empire Housing Partnership – Meadow Green affordable housing development, 77 home sites; \$700,000 six-unit townhouse development near Downtown

Sioux Falls Catholic School System - \$19 million classroom facility and \$6 million performing arts center at O’Gorman High School; \$1 million St. Katharine Drexel Elementary

Sioux Falls Christian School - \$7 million expansion

Sioux Falls Public School District - \$7.3 million Rosa Parks Elementary School in Dawley Farm Village; \$2.7 million gym expansion to Lincoln High School; \$2.7 million addition to Robert Frost Elementary

Siouxland Health & Human Services Center – Joint city and county health facility and human services center

South Dakota Public Universities and Research Center - \$15.7 million, 60,000 square foot classroom building; \$6.3 million, 21,000 square foot GEAR Center on a 260-acre campus

University of Sioux Falls - 30-acre, \$12 million Sanford Health Sports Complex

VA Medical Center - \$650,000 renovated surgical and procedure center

Walsh Family Village - \$3 million, 16,000 square foot patient and family lodging center on the Avera McKennan campus

Statistics for Growth in Sioux Falls: Sioux Empire Development Parks

Number of Businesses:	111
Employment in the Parks:	13,000+
Total Acreage:	1,351
2007 Land Sales	
Land Sold:	104 acres
Value of Land Sold:	\$3,900,000

Sioux Falls Area Communities:

(Source: 2007 Annual Report for the Lincoln County and Minnehaha County development groups)

Lincoln County Economic Development Association (LCEDA)

Beresford

In 2007, Beresford saw a strong year of growth, including infrastructure improvements to the 115 acre industrial park. Four new town homes were built by the Beresford Housing Redevelopment Commission. Construction is also underway on six new twin homes, part of a planned 20 unit development. The old train depot is being renovated into offices and a coffee shop, and Tendaire Industries completed a 12,000 square foot addition. Beresford, with a population of 2,160, issued 68 building permits and were valued at \$2.6 million in 2007.

Canton

Canton, with a population of 3,165, saw significant business expansion in 2007, with additions at the Lincoln County courthouse and at Keystone Treatment Center. Building permits in Canton for 2007 totaled 65 at a value of \$8.6 million.

Harrisburg

In 2007, 129 single-family homes, plus seven multi-family units were built in Harrisburg. The community approved 311 building permits with a total value of \$24 million. Monsanto completed a \$1.9 million, 17,500 square foot soybean research station in July. The facility, employs ten and is located on four acres immediately east of the corn facility. Showplace Wood Products also built an addition to its Harrisburg plant, and its showroom, Showplace Kitchens. The city of Harrisburg is adding a new maintenance facility to this community of 2,900.

Lennox

Lennox, with a population over 2,000, experienced \$7.8 million in construction on 129 projects during 2007. Six new single family homes were built. In September, Wilson Trailer Company announced they will build a \$6.5 million manufacturing plant in the Lennox Industrial Park.

Tea

Tea grew again in 2007 to a population of 3,521 with both commercial and residential construction. The community's latest subdivision, with 80 first-time homeowner lots, is currently being developed. B&G Milky Way and Bodyworks announced plans for commercial buildings, as did Daylight Donuts. Other businesses openings included White Wrapper Meats, Koele Chiropractic, and Life Style Laser Therapy. The building permit total for 2007 was 158 with a value of \$9.3 million.

Worthing

In Worthing, housing again was a major factor in the local economy. Worthing issued 16 building permits for single family homes, and the community was awarded a \$450,000 grant from the South Dakota DNR for improvements to the water and sewer infrastructure. The population is currently 900, and 41 building permits were issued in 2007 valued at \$1.5 million.

Minnehaha County Economic Development Association (MCEDA)

Baltic

Baltic, with a population of nearly 970, saw new home construction in both the Baltic Heights 7 and Valley View Meadows subdivisions. A \$59,000 improvement project at the strip mall was completed and three new businesses were added. In 2007, 51 building permits were issued at a valuation of \$1.3 million.

Brandon

Brandon, with a 2007 population of 7,840, issued 455 building permits valued at \$32 million. The Bergquist project is underway on a \$3.4 million electronics manufacturing plant scheduled to open in 2008 in the Corson Development Park. The company plans to create 40 jobs. The Sanford Medical Clinic and Brandon Valley Vet Clinic rounded out the commercial projects for 2007.

Colton

Colton, population 675, saw the construction of two new single family homes and the preparation of additional sites to continue community growth. Activity for 2007 included 29 building permits valued at \$336,000.

Dell Rapids

Dell Rapids witnessed the completion of the \$3.7 million, 15,000 square feet Dell Rapids Avera Clinic. Also, 17 new homes were built in 2007. This community of 3241 continues to grow with 93 building permits issued in 2007.

Hartford

In Hartford, 107 permits were issued during 2007, valued at \$5.2 million. This community continues to grow with a population of 2,300. Reliabank opened a branch in the community, Dollar General built a new retail facility and the Hartford Farmers Elevator added a new fertilizer plant.

Sherman

Buffalo Ridge Ethanol has chosen a site near Sherman to be built by Fagen, Inc. for a 50 million gallon ethanol plant. A capital drive is currently underway.

LINCOLN COUNTY

Sales tax collections are a revealing indicator of business growth and community development. According to the South Dakota Department of Revenue, Lincoln County showed a significant increase in gross sales for the past fiscal year. FY2007 sales increased \$7.88 million or 8.91% over FY2006.

Leading Lincoln County growth community for increased gross sales is Harrisburg with a 19%. Lincoln County population is estimated to have grown 46.0%, or 11,108 people, since the 2000 census. Please note the ongoing growth and development occurring as shown by the increase in building permits on page 19.

MINNEHAHA COUNTY

Minnehaha County also witnessed a major increase in gross sales for the past fiscal year. FY2007 sales increased \$10.14 million increase over FY2006. The percentage increase is smaller than Lincoln County due to magnitude of regional commerce found within Minnehaha County.

The leading growth community is Hartford with a 21% increase in sales tax collections. Population is estimated to have grown 10.1%, or 15,000 people, since 2000. Building permit data is also denoted on page 19.

DAKOTA DUNES

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

43 new residential lots were developed.

743 new homes were built. A total of 884 home sales occurred when sales of existing structures are included.

166.9 acres of commercial property were sold in 2007.

38 new commercial buildings and **76 companies** have been added for 2007.

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

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

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

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

NORTH SIOUX CITY

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

Nutraferma is in the process of constructing an \$8.76 million biotechnology facility in the Flynn Business Park. There will be 34 employees with an average salary of \$22. This will be a state-of-the-art, high tech facility, which could result in a campus of biotechnology companies.

Hantover will occupy a 30,000 square foot facility at 813 N. Derby Lane. They are one of the nation's largest suppliers to the food industry and represent 20,000 customers to over 800 vendors.

Hiring at **Alorica** continues to exceed the company's original estimates. They currently employ about 1,000 customer service representatives with estimated employment levels to reach 1,400.

Edge Teleservices announced they will hire an additional 115 employees at their North Sioux City facility. They currently employ 150 agents and hope to eventually bring their North Sioux workforce to 500.

BPI purchased the former American Letter building at 729 North Derby Lane. The facility will be used for record and vehicle storage.

Brown Construction completed an 8,125 square foot addition to their North Sioux City headquarters.

North Sioux City Dental Clinic completed a 2,000 sq. ft. remodel and expansion project.

Highway 105 Storage constructed a new 5,000 square foot indoor storage facility at the Flynn Business Park. The fully heated storage building is one of few in the area and is fully leased.

Applied Industrial Technology opened a new location in North Sioux City.

Flynn Business Park completed Phase II of the infrastructure project. As a result of the Nutraferma project, the City received a \$298,000 grant from South Dakota's DOT to construct an east-west road from Highway 105 to Rickenbacker Road.

Over the past 4 years, North Sioux City has announced over 2,586 new jobs for the community!

Mc COOK COUNTY
(Salem & Montrose)

A restaurant and a greenhouse have opened in Salem. Signage improvements have increased traffic and business. The greenhouse has opened a farmers market over the warm weather months and has attracted the “goose mobile”, a natural food seller famous around the three counties near Sioux Falls.

Fetrel Manufacturing is for sale in Salem with the intent to keep the business operational.

Progressive Salem Association has recruited a computer business and a consulting firm.

Potential projects are being considered for 10 acres of land along I-90 owned by the city of Montrose. They are planning an industrial park and two metal fabricating businesses are considering the location. One is a steel switch company from Nebraska.

Montrose has added 26 new homes in the Horstman addition in the \$140 K range.

VERMILLION

Acquired land, rezoning completed, and annexation done with local partners, on development of the **Lashley and Brooks Industrial Parks**.

Graduated **Smart Software Solutions** from our business incubator - occupies a downtown office space with 10 employees.

The **Vermillion Chamber** implemented a joint staff position for the business incubator in partnership with the Small Business Development Center

Polaris expansion - \$6 million capital investment, additional 125,000 sq. ft. onto their existing facility, 25 jobs created over several years

Masaba expansion - \$3 million capital investment; additional 60,000 sq. ft. onto their existing facility, 60 jobs created over several years

Marketplace Development of Tennessee purchased development property and is constructing a 30,000 sq. ft. retail center

YANKTON

Yankton started construction on their third 40,000 sq. ft. Industrial Shell Building in 2006, completed, and sold it in 2007.

L & M Radiator purchased a 10-year lease on a building where they manufacture high end heat exchangers use for stationary and mobile engines used in the mining, oil, and gas industry. They employ 20 people.

Dakota Trailer Company is doing subcontract work for L & M Radiator and employs another 20 people.

KPI added 60,000 sq. ft. in 2007 and reached record employment of over 400 people.

Applied Engineering added 16,000 sq. ft.; more new robotic equipment and more employees; (info closely held)

EPI Industries, a sewing company doing government contracts, has added another 10,000 sq. ft.

The National Field Archery Association announced they are moving their national headquarters to Yankton. The Easton Foundation has provided a \$350,000 grant to create an Olympic Training Center next to their new building. The building will be over 15,000 sq. ft. and employ 5 to 15 employees as well as an archery museum. Construction will start in the spring of 2008. The property for the site was provided by the community at no cost.

Local Development Corporation and the Yankton Area Chamber completed a private sector, five-year fund drive, for \$1.85 million. MidAmerican Energy continues to be an investor in the economic development fund drives.

Yankton Ag purchased property northeast of Yankton and will soon begin relocation (over several years) from downtown to the rural site. The company is in the grain elevator, feed, seed, and fertilizer business.

Alcoa Company sold their Yankton Aluminum Extrusion plant to **SAPA Extrusions**, a global company, specializing in extruded aluminum products. SAPA is a large consumer of natural gas and electricity at the Yankton plant.

The City of Yankton paid off the bonds on the Fox Run Tax Increment district growing the assessed value from \$1 million to over \$50.0 million in 17 years.

After decades of work, a new four-lane bridge across the Missouri River, U.S. Highway 81 is under construction. It will be completed in 2008.

CENTERVILLE

Millennium Housing Addition built and sold 2 houses in 2007. Plans are to build a total of 16 homes targeted toward first home buyers.

Broadway Beautification Project - Wednesday volunteer night ran 13 weeks throughout the summer and fall. 84 volunteers, including 48 adults and 36 students, scraped and painted seven Broadway businesses.

Fundraising for the **Centerville Pharmacy Project** continues. The pharmacy will be moving from their current location, the same facility as the Centerville Clinic.

ELK POINT

A new **Kum & Go** gas station was construction and is in operation on Exit 15 of I-29 into Elk Point.

Load King added to their existing facility.

Country Club Plaza, a new commercial strip mall was constructed at Country Estates on the southeast corner of town.

Anytime Fitness opened for business with a new 24 hour fitness facility.

Hyperion Resources purchased a Main Street building and completely remodeled it as their local headquarters for the refinery being considered in the Elk Point area.

A newly formed **Housing and Redevelopment Commission** has built four new fourplexes and will be leasing them out by the end of April 2008.

FLANDREAU

Dollar General opened for business in late summer. It is located adjacent to the strip mall which opened two years ago

Construction on the **Duckwall-Alco** outlet near CENEX and Flandreau Motors continues with an early March 2008 opening anticipated.

J.C. Ramsdell's Enviroliner Services, Inc. is expanding in the industrial park.

A grant from First National Bank of Sioux Falls, and an aggressive fund raising campaign by the Flandreau City Band, funded a new band shell. It was completed in December 2007 and landscaping will be completed in the spring of 2008.

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

SECTION IV
Economic Indicators

Building Permit Valuations in MidAmerican Energy Communities: 2004-2007

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

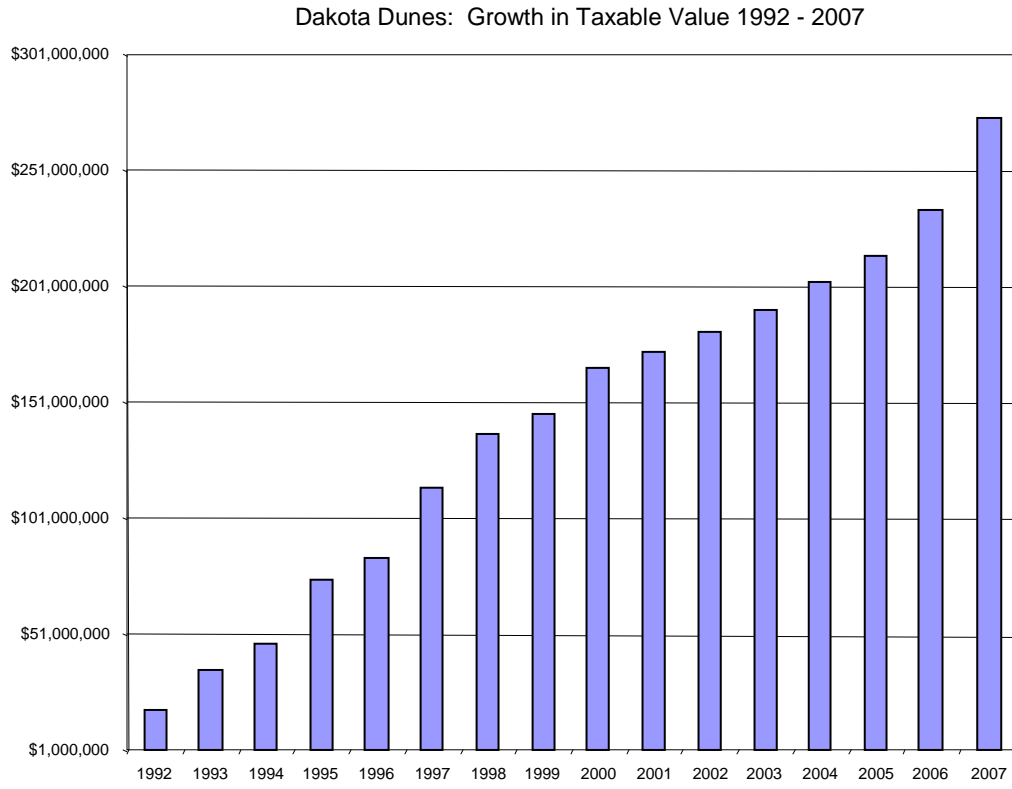
Community	2004	2005	2006	2007	Total New Valuation
Lincoln County*					
Beresford**	\$ 3,169,000	\$ 5,509,339	\$4,000,000	\$1,891,469	\$14,569,808
Canton	3,073,968	2,570,112	3,900,000	8,121,688	17,665,768
Harrisburg	17,653,398	22,818,860	30,000,000	23,085,497	93,557,755
Lennox	13,331,669	1,013,721	3,400,000	9,296,235	27,041,625
Tea	13,780,549	10,614,900	11,200,000	9,889,618	45,485,067
Worthing	2,801,000	1,190,080	1,000,000	1,201,827	6,192,907
Minnehaha County*					
Baltic	\$ 1,342,320	\$ 731,646	\$1,200,000	\$1,237,755	\$4,511,721
Brandon	36,842,747	27,085,442	27,500,000	33,802,162	125,230,351
Colton	156,000	187,900	170,000	384,609	898,509
Dell Rapids	2,451,058	3,343,949	4,000,000	3,505,757	13,300,764
Hartford	2,849,341	2,084,469	9,500,000	6,518,977	20,952,787
Union County					
Alcester	\$ 237,000	\$ 215,000	\$247,705	\$410,000	\$1,109,705
Dakota Dunes	22,065,970	24,754,000	17,961,076	20,599,008	85,380,054
Elk Point	1,424,000	1,969,600	2,107,676	6,420,000	11,921,276
Jefferson	6,000	704,000	180,894	380,000	1,270,894
North Sioux City	988,100	11,541,200	4,560,034	2,586,123	19,653,457
Other Communities					
Sioux Falls*	\$409,823,573	\$463,105,323	\$382,629,518	\$523,125,775	\$1,778,684,189
Centerville (Turner County)	255,150	598,568	171,675	158,309	1,183,702
Flandreau (Moody County)	932,000	1,320,000	778,453	3,309,115	6,339,568
Gayville (Yankton County)	---	140,000	577,580	190,000	907,580
Montrose (McCook County)	110,340	212,610	100,000	542,050	965,000
Ramona (Lake County)	---	---	117,400	---	117,400
Salem (McCook County)	1,018,900	1,588,750	250,000	---	2,857,650
Vermillion (Clay County)	8,824,626	15,085,802	8,708,857	19,544,721	52,164,006
Yankton (Yankton County)	29,422,390	26,339,865	30,005,023	21,884,929	107,652,207
TOTAL	\$572,559,099	\$624,725,136	\$544,265,891	\$698,085,624	\$2,439,613,750

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

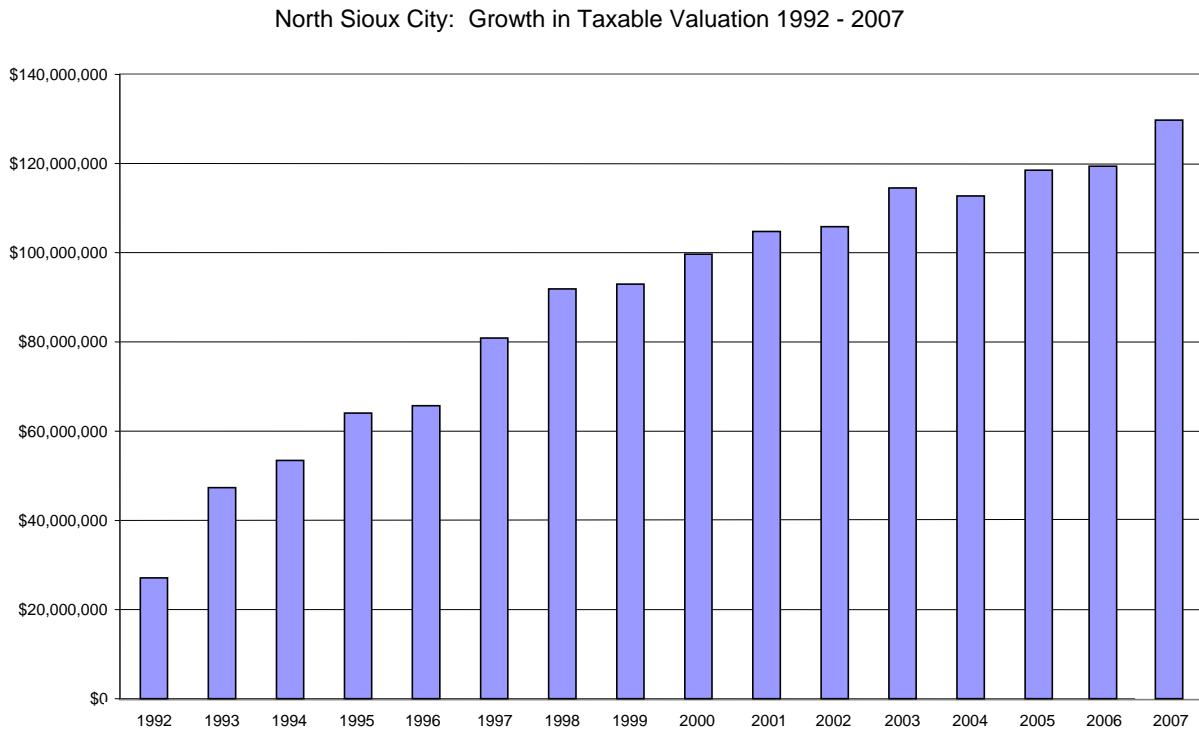
**Beresford is listed in Lincoln County because it is part of that countywide development group.

Source: City Clerks from each of the communities listed.

Taxable Valuation -- Dakota Dunes



Taxable Valuation - -North Sioux City



Source: Union County Assessor's Office

POPULATION ESTIMATES FOR MEC-SERVED COUNTIES IN SOUTH DAKOTA

South Dakota Counties with MidAmerican Energy	2000	2006	Total Change	Per Cent Change
Clay	13,587	12,867	-720	-5.2
Lake	11,276	11,170	-106	-0.9
Lincoln	24,131	35,239	11,108	46.0
McCook	5,832	5,851	19	0.3
Minnehaha	148,281	163,281	15,000	10.1
Moody	6,595	6,644	49	0.07
Turner	8,849	8,540	-309	-3.4
Union	12,584	13,745	1161	9.2
Yankton	21,652	21,779	127	0.5
TOTAL MEC COUNTIES	252,787	279,116	26,329	10.4
OTHER SD	502,107	502,803	696	0.1
SD TOTAL	754,844	781,919	27075	3.6
MEC COUNTIES %/SD	33.5	35.6		
Source: US Census Bureau				