

An aerial photograph of a city, likely Sioux Falls, South Dakota, featuring a river with rapids in the foreground and a dense urban area with various buildings in the background. A large, semi-transparent red rectangle is overlaid on the left and center of the image, serving as a background for the title text.

2020 ECONOMIC DEVELOPMENT ACTIVITIES AND PROPOSED 2021 BUDGET

Presented to the South Dakota
Public Utilities Commission

MidAmerican Energy Company
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SECTION 1 – REVIEW OF 2020 ACTIVITIES

Introduction

MidAmerican Energy Company (“MidAmerican”) submits this report in accordance with the Decision and Order approving Settlement Stipulation issued in South Dakota Public Utilities Commission (“Commission”) Docket No. NG01-010 and addresses MidAmerican’s economic development expenditures.

This report presents MidAmerican’s expenditures against its 2020 approved budget and provides its proposed 2021 spending plan. Also presented is an overview of economic activity in MidAmerican’s service area in the South Dakota communities we serve.

MidAmerican is aggressive in supporting economic development activities throughout our service territory through financial contributions to local and regional economic development organizations, sponsorships of events and conferences, and deployment of the Local Partners program grant funding. MidAmerican’s also continues its commitment to the vibrancy of the communities we serve by providing technical expertise and support for several business retention, expansion and attraction projects that will grow the industrial base and employment opportunities.

Economic Development Support

In 2020, MidAmerican spent \$98,231 to support economic development activities in South Dakota, compared to the Commission-approved budget of \$116,069.

In a challenging and unique year, MidAmerican continued its strong support of business and economic development events in South Dakota, as well as local and regional economic development organizations. Highlights include:

- \$10,000 contribution to the Economic Development Professionals Association of South Dakota startup fund
- \$5,000 sponsorship of the WIN for Workforce Conference produced by the Sioux Falls Development Foundation
- \$5,000 sponsorship of the Giant Vision Business Plan Competition organized by the South Dakota Chamber of Commerce and Industry
- \$5,000 sponsorship of the Enterprise Institute's Innovation Expo business plan competition in Sioux Falls
- \$5,000 sponsorship of the South Dakota Chamber of Commerce and Industry's Economic Outlook event featuring executive leadership from Smithfield Foods
- \$1,500 sponsorship of the K-12 STEM Design Challenge at the Washington Pavilion in Sioux Falls
- \$1,500 sponsorship of the 2020 Governor's Office of Economic Development Community of the Year Award
- \$1,500 sponsorship of the Girl Scouts - Dakota Horizons STEM event

While the COVID-19 pandemic provided many obstacles, it was through the collective resilience of these organizations that events and programming were delivered, whether they be online, in-person, or hybrid and MidAmerican was proud to offer our partnership and support.

MidAmerican committed to a three-year investment in the formation of the new Economic Development Professionals Association of South Dakota (EDPA), which is committed to the advancement of economic development activities and professionals. It should be noted that MidAmerican's support of the EDPA is targeted to programming and will be used exclusively for non-lobbying activities such as professional development, organizational growth, and educational initiatives.

MidAmerican continued to invest in economic development-oriented events that brought value to South Dakota economic development professionals. The Sioux Falls Development Foundation's WIN for Workforce conference adopted a hybrid platform that provided an opportunity for the conference to be webcast to economic development organizations across the country. The entrepreneurial business plan competitions hosted by the Enterprise Institute and the South Dakota Chamber of Commerce and Industry were held virtually and showcased the best and brightest of new ideas being cultivated in South Dakota. MidAmerican was proud to continue our investments in these events and will continue to do so in 2021.

The pandemic led to unfortunate cancellations of events and programs that MidAmerican planned to sponsor, including the 2020 Governor's Office of Economic Development conference, the Lincoln and Minnehaha County Economic Development Association's annual meeting, and a planned internship with Yankton Area Progressive Growth. MidAmerican had planned to sponsor the Governor's Sportsman's Showcase, which would have accounted for the bulk of our 2019 carry-over, but sponsorship was cancelled due to uncertainty of whether the event would be held. Finally, staff time allocation for 2020 came in significantly under budget because of travel curtailments.

To help close the gap in the 2020 budget created by the Sportsman's Showcase and reduced staff allocation, MidAmerican looked for new opportunities for investments such as the Economic Development Professionals Organization of South Dakota.

For 2021, MidAmerican will carry over \$17,838 in unspent funds, per the terms of MidAmerican's Settlement Stipulation. We are pleased to report that MidAmerican has already identified support for programs and events that will utilize most of the carryover amount and bring the 2021 balance in line with expectations. The submitted plan calls for spending \$117,923 in 2021.

Local Partner Program Investments

In 2020, MidAmerican continued its commitment to economic assistance programs, and provided Local Partner investments to communities and development partners for business retention and special projects. MidAmerican's staff regularly communicated with local economic development partners during a challenging year to identify investment opportunities that would support economic development projects and initiatives:

- The North Sioux City Economic Development Corporation was awarded \$1,775 for a staff member to virtually attend the University of Oklahoma Economic Development Institute.
- The North Sioux City Economic Development Corporation was awarded \$420 to support the North Sioux City Business of the Month program.
- The Hartford Chamber of Commerce used \$3,500 in Local Partner funding for a summer intern from Augustana University.

SECTION II – 2020 ECONOMIC DEVELOPMENT HIGHLIGHTS

MidAmerican provided direct support to major development projects in South Dakota. As businesses expand or consider South Dakota for new locations, MidAmerican provides project support and guidance to local economic development partners to ensure that the energy needs of prospects and customers are met. The following description is a partial list of economic development projects in which MidAmerican participated:

Sioux Falls Metro

Source: The Sioux Falls Development Foundation; Lincoln and Minnehaha County Economic Development Association

- MidAmerican assisted the Sioux Falls Development Foundation in the successful recruitment of **CJ Foods USA**, representing a capital investment of \$500 million and the creation of 600 full-time jobs. MidAmerican will provide gas service to the new facility, which is expected to open in 2025.
- **Amazon** announced the construction of a new 640,000 square-foot warehouse and distribution center in Sioux Falls Foundation Park. MidAmerican will extend gas service, a new meter and regulator station to the \$200 million facility.
- **Nordica** completed construction of a new 200,000 square-foot warehouse in Sioux Falls Foundation Park. MidAmerican extended gas service and a new meter to the facility.

Southeast South Dakota

Source: Local Economic Development Partners

North Sioux City

- **MidAmerican Energy Company** completed the extension of electrical and gas infrastructure to the Flynn Business Park in North Sioux City to support the growth of commercial and light industrial customers.
- **NextBeam** in North Sioux City opened an innovative new manufacturing facility in the former Gateway Computers campus. MidAmerican extended new electric service to the facility that will manufacture sterilized rodent enclosures for research and development laboratories across the country.
- **FIMCO Industries** is completing construction of a new 100,000 square-foot manufacturing facility in North Sioux City. MidAmerican extended new electric and gas service to the new \$10 million facility.

Yankton

- MidAmerican expanded and extended new gas service to **Cimpls Foods** in Yankton to support a new mechanical building and boiler system.

2020 Property Tax Payments

In 2020, MidAmerican Energy paid \$1,199,023 in property taxes associated with its South Dakota facilities assessed in 2019. Property taxes support county and city government, area schools, libraries, park districts and other taxing bodies.

Following is the county breakdown of property taxes paid in South Dakota:

County	2019 Assessed Property Taxes Paid in 2020
Clay	\$ 27,714
Lake	\$ 1,395
Lincoln	\$ 62,965
McCook	\$ 6,688
Minnehaha	\$ 841,106
Moody	\$ 7,340
Turner	\$ 4,210
Union	\$ 178,884
Yankton	\$ 68,721

SECTION III – EXPENDITURES & BUDGET

2020 Approved Budget

Large Development Group Support:

Forward Sioux Falls	\$	22,500
Yankton Area Progressive Growth		5,000
Vermillion Development Company		1,500
Sioux Falls Development Foundation		850
Siouxland Initiative (South Dakota allocation)		1,125
MCEDA	\$	4,100
(includes community development support for: Baltic, Brandon, Colton, Del Rapids and Hartford)		
LCEDA	\$	5,200
(includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)		
Total Large Development Group Support	\$	40,275

Individual Community Development Support

Alcester Development Corporation	\$	250
Centerville Development Corporation		250
Elk Point Development Corporation		250
Flandreau Improvement Corporation		100
North Sioux City Development Corporation		200
Progressive Salem Association		250
Brandon Development Foundation		200

Total Individual Community Support \$ 1,500

Business Retention and Expansion Activities

Intended for economic development enhancements that help to create new jobs, capital investment and economic benefit to communities within our service territory (e.g., GOED programs, industrial site analysis, trade shows/marketing, etc.) \$ 33,294

Staffing

Allocation of salaries and related expenses for MidAmerican developers working with and/or on behalf of communities in our South Dakota service territory \$ 25,000

Carryover

Unspent dollars carried over into the next budget year, per the Settlement Stipulation \$ 16,000

Total 2020 SDPUC Proposed Budget \$ 116,069

2020 Actual Expenditures

Large Development Group Support:

Forward Sioux Falls	\$	22,500
Yankton Area Progressive Growth		5,000
Vermillion Development Company		1,500
Sioux Falls Development Foundation		850
Siouxland Initiative (South Dakota allocation)		1,125
MCEDA	\$	4,100
(includes community development support for: Baltic, Brandon, Colton, Del Rapids and Hartford)		
LCEDA	\$	5,200
(includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)		
Total Large Development Group Support	\$	40,275

Individual Community Development Support

Alcester Development Corporation	\$	250
Centerville Development Corporation		250
Elk Point Development Corporation		250
Flandreau Improvement Corporation		0*
North Sioux City Development Corporation		200
Progressive Salem Association		250
Brandon Development Foundation		200

Total Individual Community Support

\$ 1,400

**Flandreau Development Corporation did not collect dues in 2020*

Business Retention and Expansion Activities

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

\$ 38,845

Staffing

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

\$ 16,711

Carryover

2019 dollars carried over and spent in the 2020 budget year, per the Settlement Stipulation

\$ 1,000

Total 2020 SDPUC Actual Budget

\$ 98,231

2021 Proposed Budget

Large Development Group Support:

Forward Sioux Falls	\$	22,500
Yankton Area Progressive Growth		5,000
Vermillion Development Company		1,500
Sioux Falls Development Foundation		850
Siouxland Initiative (South Dakota allocation)		1,125
MCEDA	\$	4,100
(includes community development support for: Baltic, Brandon, Colton, Del Rapids and Hartford)		
LCEDA	\$	5,200
(includes community development support for: Beresford, Canton, Harrisburg, Lennox, Tea and Worthing)		
Total Large Development Group Support	\$	40,275

Individual Community Development Support

Alcester Development Corporation	\$	250
Centerville Development Corporation		250
Elk Point Development Corporation		250
Flandreau Improvement Corporation		100
North Sioux City Development Corporation		200
Progressive Salem Association		250
Brandon Development Foundation		200

Total Individual Community Support \$ 1,500

Business Retention and Expansion Events and Sponsorships

Intended for economic development enhancements that help to create new jobs, capital investment and economic benefit to communities within our service territory through event sponsorships \$ 23,500

Economic Assistance Programs

Program support for economic development organizations (e.g., EA365, special projects) \$ 14,810

Staffing

Allocation of salaries and related expenses for MidAmerican developers working with and/or on behalf of communities in our South Dakota service territory \$ 20,000

Carryover

Unspent dollars carried over into the next budget year, per the Settlement Stipulation \$ 17,838

Total 2021 SDPUC Proposed Budget \$ 117,923