

An aerial photograph of a city, likely South Dakota, with a red semi-transparent overlay. The text is centered over the city. The background shows a mix of residential and commercial buildings, green spaces, and a distant horizon under a blue sky.

2021 ECONOMIC DEVELOPMENT ACTIVITIES AND PROPOSED 2022 BUDGET

Presented to the South Dakota
Public Utilities Commission

MidAmerican Energy Company
July 2022

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SECTION 1 – REVIEW OF 2021 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 and enclosed attachments presents MidAmerican’s expenditures against its 2021 approved budget and provides its proposed 2022 spending plan. Also presented is an overview of economic activity in MidAmerican’s service area in the South Dakota communities we serve.

MidAmerican aggressively supports 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 EconomicAdvantage Local Partners program grant funding. MidAmerican 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 2021, MidAmerican spent \$129,416 to support economic development activities in South Dakota, compared to the Commission-approved budget of \$117,923.

Working with our local economic development partners, MidAmerican Energy identified opportunities to support valuable local initiatives, some of which were budgeted while others were new opportunities. 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 Seminar
- \$1,500 sponsorship of the 2020 Governor's Office of Economic Development Community of the Year Award
- \$1,000 sponsorship of the inaugural Grow Smarter Conference hosted by the Sioux Metro Growth Organization
- \$15,000 sponsorship of the South Dakota Governor's Sportsmen's Showcase

2021 saw the return of business-as-usual which allowed MidAmerican to deliver its support of economic development organizations, programs and initiatives. In listening to the needs of our partners, they identified programming and support for workforce events was a priority so we increased our focus on this aspect of economic development. MidAmerican sponsored several workforce initiatives and activities including the successful WIN in Workforce conference that drew in-person and virtual attendees from throughout the United States and Europe and the South Dakota Chamber's Economic Outlook Seminar, which focused on workforce issues facing major employers. MidAmerican's 2022 budget proposes to continue supporting both events.

Entrepreneurial development is another key component of MidAmerican's economic development strategy, as evidenced by our contribution to the prize funds of both the South

Dakota Chamber's Giant Vision business plan competition and the Enterprise Institute's Expo 2021. MidAmerican also continues to support the Governor's Office of Economic Development's Community of the Year Award, which recognizes excellence in economic and entrepreneurial development at the community level.

MidAmerican provided support for South Dakota's marketing efforts through our sponsorship of the Governor's Sportsmen's Showcase. The event highlighted South Dakota's quality of life amenities and favorable business climate to business and community leaders from around the country. MidAmerican also continued its startup support of the Economic Development Professionals Association of South Dakota (EDPA), which was formed to market South Dakota and advance the professional development of its membership. 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.

Following 2020, MidAmerican carried over \$17,838 in unspent funds into 2021. We are pleased to report that they have been spent, bringing our 2021 budget performance in line with expectations.

Looking to 2022, significant increases in organization supports were approved with Forward Sioux Falls and the Sioux Metro Growth Organization. Economic development investments are proposed to total \$101,175, along with an additional \$20,000 in staff allocation, which comports with MidAmerican's Settlement Stipulation. The submitted plan calls for spending \$121,175 in 2022.

EA365 Investments

MidAmerican re-imagined and re-built the former Local Partners program, which provided economic assistance to local communities and economic development partners.

MidAmerican launched the Economic Advantage 365 program in early 2021 to offer a new mechanism for our partners to advance their organizations and create communities of choice through impactful projects and initiatives. Through this improved and expanded program, MidAmerican was fortunate to work with several communities on important projects that addressed a number of pressing needs:

- The North Sioux City Economic Development Corporation was awarded \$2,000 for a housing study to prepare for a significant planned expansion of workforce housing.
- The North Sioux City Economic Development Corporation was awarded \$400 to support the North Sioux City Business of the Month program.
- The Hartford Chamber of Commerce used \$3,000 in EA365 funding for a summer intern.
- Downtown Hartford, Inc. was awarded \$3,000 to work with ISG Engineering on a comprehensive study of downtown Hartford.
- Yankton Thrive used \$3,000 in EA365 funding for a summer intern.
- MidAmerican provided \$1,500 each to Yankton Thrive and the Sioux Metro Growth Association for services through Baton Global, who assisted both organization with their strategic planning initiatives.

SECTION II – 2021 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 **Wholestone Farms**, representing a capital investment of \$500 million and the creation of 1,100 full-time jobs. MidAmerican will provide gas service to the new pork processing facility, which is expected to open in 2025.
- MidAmerican completed the extension of natural gas service to the 640,00 square-foot **Amazon** distribution center in Sioux Falls.
- **FedEx** completed construction of a 337,000 square-foot distribution center in Sioux Falls. MidAmerican extended new natural gas service to the facility.
- MidAmerican extended natural gas service to a large new subdivision in **Baltic** comprised of 126 new homes.

Southeast South Dakota

Source: Local Economic Development Partners

North Sioux City

- **MidAmerican** is supporting the announced phase two expansion of **Royal Canin**, which will add new production capacity and materials storage. MidAmerican will extend additional electrical and natural gas service to the expansion, which is expected to be completed in 2023.

2021 Property Tax Payments

In 2021, MidAmerican Energy paid \$1,300,760 in property taxes associated with its South Dakota facilities assessed in 2020. 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	2020 Assessed Property Taxes Paid in 2021
Clay	\$ 28,625
Lake	\$ 1,359
Lincoln	\$ 70,070
McCook	\$ 6,890
Minnehaha	\$ 911,917
Moody	\$ 7,732
Turner	\$ 4,568
Union	\$ 189,708
Yankton	\$ 79,891