

EL97-007

EL97-007

DOCKET NO.

PR - Commission Change

In the Matter of — IN THE MATTER OF THE FILING BY
NORTHERN STATES POWER
COMPANY FOR APPROVAL OF AN
ECONOMIC DEVELOPMENT PLAN

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

4/8/97 Filed and Docketed,
5/21/97 After approving 1996 Economic Development Report and 1997 Economic
5/21/97 Docket Closed

E206*K/0L4L:13:0

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

NORTHERN STATES POWER COMPANY - SOUTH DAKOTA



**"Meeting the Challenges of Today
and Planning for Tomorrow"**

**A Report to the Commission on 1996
Economic Development Activities**

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Northern States Power Company
South Dakota

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

April 7th, 1997

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

RECEIVED

APR 08 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Mr. Bullard:

In accordance with Docket EL91-004, enclosed please find NSP's report on 1996 economic development activities.

Economic Development efforts like those approved again in 1996 by the South Dakota Public Utilities Commission are contributing to growth in jobs and capital investment in NSP's service territory. With Commission approval NSP plans to continue similar investments in 1997.

The following report is organized in eight sections:

- | | |
|-------|---|
| Tab 1 | Summary of the 1996 economic development investments. |
| Tab 2 | Contains a copy of the 1996 Sioux Falls Economic Development report by the Sioux Falls Development Foundation. Also included are copies of newspaper articles highlighting the recent growth in Sioux Falls and surrounding area. |
| Tab 3 | MCEDA (Minnehaha County Economic Development Association). Jim Wilcox was elected President of MCEDA in November of 1995. In March of 1996 The MCEDA Executive Director Tom Kucera resigned as Director. The MCEDA board hired Jeff Eckhoff, formerly director of operations for Turning Point in Sioux Falls as the new Director of Rural Development for MCEDA. |

Tabs 4 -7

Detail of economic development investments NSP made within our South Dakota service territory in 1996

One important development in 1996 to highlight was the beginning of a partnership with the U.S. Government, Small Business Administration in regard to the NSP-SD "Interest Buy Down" program. This partnership should help to ensure our program by providing a new avenue of prospective businesses we can invest in. This partnership should help ensure NSP's investment is considered before-the-fact by the customer as well as assisting them with a more affordable business loan and hopefully help them to make the decision to move forward.

Tab 8

A proposed economic development investment budget for 1997.

NSP respectfully requests approval of our 1996 report and our 1997 economic development budget

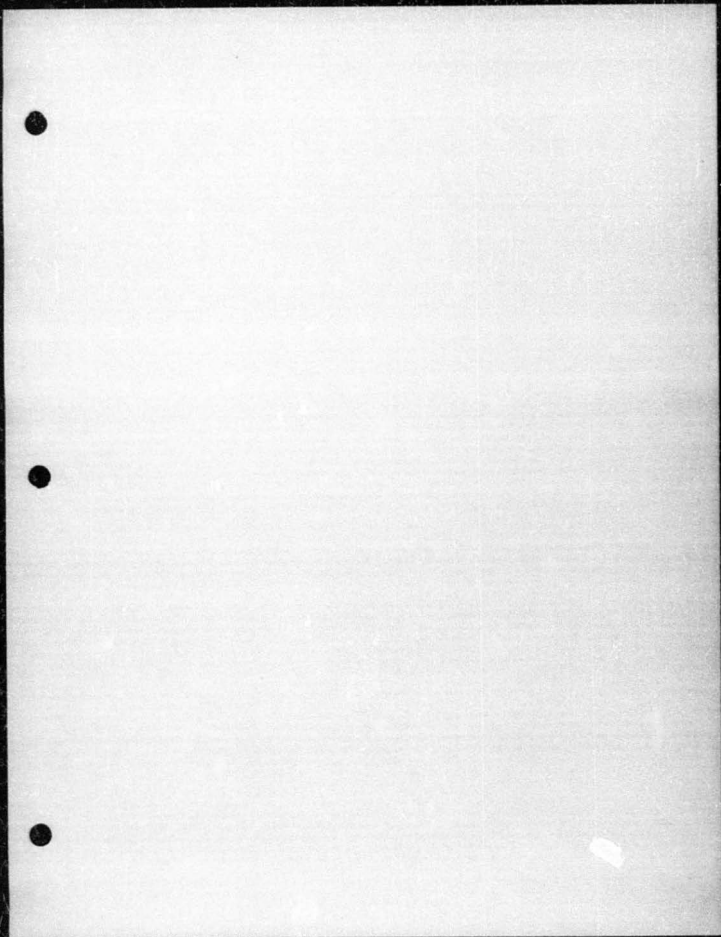
If anyone has questions, please call me at 339-8350

Sincerely,



Jim Wilcox

c. Mike Hanson



NSP-SOUTH DAKOTA 1996 ECONOMIC DEVELOPMENT ACTUAL EXPENDITURES

Forward Sioux Falls III Campaign	\$ 25,000
Minnehaha County Economic Development Association (MCEDA)	\$ 10,000
Lincoln County Economic Development Association (LCEDA)	\$ 15,000

NSP-SD Economic Assistance Program:

Interest Buy Down Program - Performance Tune	\$ 980
SD Procurement Technical Assistance Center Conference	\$ 4,000
SD Rural Enterprise, Inc. - (\$5,000.00 x 3 years)	\$ 5,000
Mainstreet Sioux Falls Economic Development Incentive Fund	\$ 8,500

Program Total \$ 18,480

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

Baltic	\$ 500
Bridgewater	\$ 500
Canton	\$ 500
Centerville	\$ 500
Dell Rapids	\$ 500
Emery	\$ 500
Garretson	\$ 500
Harmsburg	\$ 500
Lennox	\$ 500
Manion	\$ 500
Salem	\$ 500

GOED Conference G O L D Program Award Co-Sponsor \$1,000

Program Total \$ 6,500

Sioux Falls Development Foundation

Training Fund S. B. A. \$ 10,000

Tenant Improvement - University of Sioux Falls - Technology Partnership \$ 10,000
(\$10,000 x 2 years)

TOTAL \$ 94,980

1996

SIOUX FALLS

DEVELOPMENT FOUNDATION

PROGRAMS

1996 ANNUAL MEETING OF THE MEMBERSHIP

Chair, Funds
Development Foundation

Planning for the NEXT CENTURY



Stonix Falls Development Foundation

P.O. Box 907
Stonix Falls, ND 57101
(605) 330-0103

The Board of Directors and Staff of the
Stonix Falls Development Foundation
thank you for your continued support of
our organization and efforts.

**Presidential
of the
Spirit of Stonix Falls Award**
Ever Reckards

Report to the Membership
Don Scott, President
Stonix Falls Development Foundation

Welcome
Ever Reckards, Chairman
Stonix Falls Development Foundation

Stonix Falls for the NEXT CENTURY

ECONOMIC DEVELOPMENT REPORT

1996: *City of a Glance*

Year to Date January-October
1996: \$1,343,000
Number of Building Permits
Issued: 10
Number of Building Permits
Approved: 10

Stonix Falls Development Foundation 1996 Board of Directors:

Ever Reckards, Executive Secretary, Inc.
Don Scott, President
Ray A. Kahl, Director of Rural Development, MREDA
Gary Hansen, Mayor, City of Stonix Falls
Lyle Schwab, Stonix Valley Hospital, Inc.
Don Nelson, Mayor, Representative, City of Stonix Falls
Ralph Wagoner, Representative, City of Stonix Falls

Ex-Officio Members:

Ray Greenfield, Mayor, Memphis, Tennessee
Gary Hansen, Mayor, City of Stonix Falls
Don Nelson, Mayor, Representative, City of Stonix Falls
Ralph Wagoner, Representative, City of Stonix Falls

Development Foundation Staff:

Don Scott, President
Ray A. Kahl, Director of Rural Development, MREDA
Gary Hansen, Mayor, City of Stonix Falls
Lyle Schwab, Stonix Valley Hospital, Inc.
Don Nelson, Mayor, Representative, City of Stonix Falls
Ralph Wagoner, Representative, City of Stonix Falls

*Open committee members are not listed in this report.

Industrial Developments:

Arpco's Large Building - The \$100 million, 800,000 square foot project is under construction in the Stonix Falls area. The building will house a large number of manufacturing facilities.

Duke's Re-Storage - The \$10 million, 100,000 square foot project is under construction in the Stonix Falls area. The building will house a large number of manufacturing facilities.

Stonix Falls Center - The \$10 million, 100,000 square foot project is under construction in the Stonix Falls area. The building will house a large number of manufacturing facilities.

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STONIX FALLS DEVELOPMENT PARK
Number of Businesses: 10
Employment in the Park: 100
Total Area: 100,000 square feet
The Stonix Falls Development Foundation
is a 501(c)(3) non-profit organization.
For more information, contact:
Don Nelson, Mayor, Representative, City of Stonix Falls



P.O. Box 907, Sioux Falls, SD 57101

Phone (605) 339-0103 • Toll Free 1-800-658-3373
FAX 605-339-0055

October 17, 1997

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

Dear Mike:

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

Once again, thank you for your generous support.

Sincerely,

A handwritten signature in cursive script that reads 'Dan Scott'.

Dan Scott
President

PARTNERS IN PROGRESS

Sioux Falls Development Foundation
Sioux Falls Area Chamber of Commerce

South Dakota



State Office

University of South Dakota
School of Business
414 East Clark Street
Vermillion, SD 57069-2390
(605) 677-5498

June 18, 1996

Northern States Power
c/o Mr. Bill Kullander
P. O. Box 988
Sioux Falls, SD 57101-0988

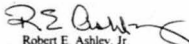
Dear Mr. Kullander:

This letter acknowledges, with our most sincere thanks, receipt of funds in the amount of \$10,000 earmarked by Northern States Power and distributed through the Sioux Falls Development Foundation. These funds will be used to provide matching funds for the Small Business Development Center (SBDC) grant from the U.S. Small Business Administration.

The SBDC provides counseling and training to existing and prospective entrepreneurs. Through a disciplined planning process, it substantially improves their ability to access capital markets and enhances their chances for operating success. Your support, matched with a like amount of federal funds, will enable us to provide \$20,000 worth of services in support of economic development in South Dakota.

Again, thank you for your support of the SBDC program.

Sincerely,


Robert E. Ashley, Jr.
State Director

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

New officers chosen by Development Foundation board

The Sioux Falls Development Foundation board of directors has named a new slate of officers for 1996. Serving the economic development organization as Chairman is Leo Reynolds, president of Electronic Systems, Inc. Vice Chairman for the year is Tom Everest, president of L.G. Everest, Inc. Mike Hanson, general manager and chief executive for Northern States Power, was chosen as Secretary and Gene Bowenhorst, senior vice president/chief financial officer of Citibank - South Dakota N.A., continues as Treasurer.

The Sioux Falls Development Foundation has, for over forty years, worked to create new jobs, expand the economic base and maintain the quality of life in Sioux Falls. Nearly 400 businesses and individuals are members of the Development Foundation throughout the Sioux Falls metropolitan area.



Leo Reynolds
Chairman

Tom Everest
Vice Chairman

Mike Hanson
Secretary

Gene Bowenhorst
Treasurer

Sioux Empire Industrial Park ranks among Top Ten in world

Site Selection magazine has rated the Sioux Empire Development Park in Sioux Falls among the ten best parks in the world for job growth during 1995. The development park, composed of four distinct park areas which have been developed since the opening of the park in 1971, has 650 acres and employs over 9,000 people.

"This will definitely attract the attention of business leaders all across the US and internationally, too," said Dan Scott, president of the Sioux Falls Development Foundation, which owns and operates the park. "Ranking among the top ten parks in the world paints a strong picture of our business climate, and tells an important story about the way in which businesses grow when they locate in Sioux Falls."

Among the companies which saw growth in number of jobs in the past year were Gateway 2000, adding 500 jobs; Citibank with 400 new jobs; Cigna/Tel Drug, 100 jobs in their new \$6.2 million plant; Sullivan Inc., with 90 jobs in their new \$3.9 million building, and a number of other employers. The total number of new jobs in the park last year was over 1,100.

Only one other US city made the Top Ten Best Parks list. Blue Grass Research and Science Park in Jeffersonton, Kentucky added 3,350 jobs to capture the number two spot on the list. Sioux Falls tied for seventh place with an industrial park in Quebec, Canada.



**IT'S OFFICIAL:
Sioux Falls now a Port of Entry**

Federal, state and local officials joined together to officially open the US Customs Port of Entry February 12 in the Airport Rotunda. Master of Ceremonies Steve Kirby, representing the Sioux Falls Development Foundation and the Airport Authority, introduced Senators Tom Daschle and Larry Pressler, Lt. Governor Carole Hillard and Sioux Falls Mayor Gary Hanson to an assemblage of business leaders and local citizens.

Kirby read a letter from Congressman Tim Johnson, who could not be present at the ceremony due to the surgery of his wife, Barbara.

Garnet J. Fee, Director of the Customs Management Center in Chicago, spoke for the US Customs Service, introducing officials who would be stationed at the Port of Entry. Other US Customs representatives included Peter Gonzales, Service Port Director, and Bill Knoblauch, Trade Process Manager, both of the US Customs Service Minneapolis branch.

Fred Slushecka, chairman of the Sioux Falls Area Chamber of Commerce, presented a plaque to Fee in honor of the occasion, and a ceremonial ribbon cutting was held to officially open the Port of Entry.

The Development Foundation hosted a luncheon for the Congressional delegation and dignitaries following the ceremony.



Following addresses by local, state and national dignitaries, the Development Foundation hosted a luncheon at the Sioux Falls Regional Airport.





BOARD PROFILE

Mike Hanson
General Manager and Chief Executive Officer
NSP South Dakota



Mike Hanson works hard to be a key player in any organization he joins. At Northern States Power, he has been an accountant, an internal auditor and an attorney, before taking the post of chief executive and general manager of NSP South

Dakota. With the Sioux Falls Development Foundation, he has been elected to the post of Secretary, and is a vital part of the executive committee. As a member of the Sioux Council Boy Scouts, he is president-elect and is a strong voice for scouting.

Hanson attended the U.S. Naval Academy, majoring in Engineering and Political Science, and received a degree from the University of Wisconsin, LaCrosse, and his JD degree magna cum laude from the William Mitchell College of Law in 1989. He joined NSP in May, 1981.

A member of the American Bar Association, Hanson chairs the SD Electric Utility Companies Executive Committee, and serves on the boards of Sioux Vocational Service, Marquette Bank, and Sioux Empire United Way.

In his spare time, Mike is an avid sportsman. Every year he hunts elk in Montana, deer in Wisconsin and upland game birds in North and South Dakota. He fishes in Canada during the summer months, but admits that he enjoys fishing on both "hard and soft ice." Mike and his wife Laura have two children.

EROS dedicates building addition

On August 19, EROS Data Center kicked off their "Mission to Planet Earth" with a formal dedication of the building addition which will house this special project. Mission to Planet Earth is a joint venture between the United States Department of the Interior U.S. Geological Survey and the National Aeronautics and Space Administration.

Officials from both agencies spoke to a large gathering of business leaders and interested citizens from the Sioux Falls area. Robert Price, director of the Mission to Planet Earth program office at NASA, Gordon Eaton, director of the U.S. Geological Survey, and EROS chief Don Lauer addressed the crowd, as did SD Senators Larry Pressler and Tom Daschle. Governor William Janklow and Sioux Falls mayor Gary Hanson. Tours were given of the new building addition and a formal ribbon cutting held.

Congratulations to EROS Data Center on an exciting new role, with dramatic potential for the future of our planet.



Pepsi breaks ground for new plant

Groundbreaking was held for the new \$4 million Dakota Beverage warehouse and distribution plant in the Sioux Falls Development Foundation's Park IV, at the Benson Road interchange on I-229. The 70,000 square foot building for the storage and distribution of Pepsi products is the first construction project in the new park. The new plant and warehouse will replace the company's leased facility at 901 East Walnut, and will employ 65 full time and 23 part-time workers.

♦ ♦ ♦



Lou-Rich, Inc. begins operations in Brandon

The Brandon Industrial Park is home to an already expanding Lou-Rich, Inc. The metal manufacturing company had a formal ribbon cutting for the 7,500 square foot building constructed by the Brandon Development Corporation with a \$104,000 Community Development block grant from the state of South Dakota. Governor Janklow spoke at the ribbon cutting, welcoming Lou-Rich to South Dakota.

The Albert Lea, MN, company wanted to expand its operation to the Sioux Falls area and found Brandon a perfect location. The firm specializes in computer numerical control precision machining, turning, drilling and tapping as well as manual machining and bench assembly for clients such as Scotsman Ice Systems, John Deere, Toro and Hormel.

The Brandon plant employs six workers now, and has a goal of 25 to 30 employees in two to three years. Plant manager Randy Eggum said the number of employees could grow to 50 within five years, and the building has been constructed with a moveable west wall to allow for expansion. Eggum expects that concrete footings and the expansion foundation will be poured this year.



Washington Pavilion groundbreaking is a city celebration

Crowds gathered, bands played, ice cream was served and Mayor Gary Hanson, above, and community leaders set the stage for the groundbreaking ceremonies for the Washington Pavilion of Arts and Science. The afternoon's activities culminated with Mayor Hanson's mother, a former Washington High School teacher, striking an antique school bell, the signal for turning the first shovelfuls of dirt. Renovation and construction work has begun on the historic structure, which should be open to the public within the next two years.

♦ ♦ ♦



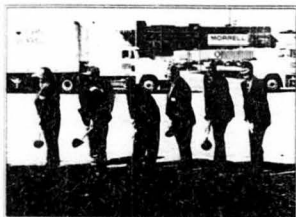
Development Foundation hosts groundbreakings



Formatop Company the leading local manufacturer of postformed countertops, broke ground this fall on a new production facility. The \$663,000 structure will house a new 60 x 36 square foot display area and office, as well as a 65 x 273 foot manufacturing floor. The planned completion date for the project is January, 1997. Formatop employs a staff of 32.



McKernan Hospital is constructing a 55,200 square foot Center for Health and Fitness in southeastern Sioux Falls. The medically-based fitness center has been designed specifically for the development of the mind, body and spirit, and will include a deli and private center. Also included in the Center for Health and Fitness will be general fitness areas, a live lane lap pool, areas for physical therapy, including a therapy pool, an educational center with a health library, aerobic class areas and space for the Sports Acceleration Program. The center will employ 40 full time staffers, in addition to 20 employees now working at McKernan Hospital.



John Morrell & Co. is making a major commitment to Sioux Falls with the construction of their \$13 million, 150,000 square foot Distribution Center on the company's campus at the corner of Rice Street and Cliff Avenue. Expected to be completed in June, 1997, the new warehouse will be capable of storing 16 million pounds of meat products which will be shipped to Morrell customers around the world. The center will employ 80 people and will feature the latest technology in inventory management, order selection and customer billing. New locker rooms, lunch rooms and a laundry room will be constructed in conjunction with the Distribution Center.



LodgeNet Entertainment broke ground for their \$12 million headquarters office north of Southeastern Technical Institute. The 130,000 square foot building will feature a masonry exterior and provide office, warehouse and special purpose space for the growing company. LodgeNet provides cable TV and video services to hotels throughout the United States and Canada, and has recently entered into an agreement to do the same for large apartment complexes throughout the country. LodgeNet employs 600 people, and expects to occupy their new headquarters in July, 1997.



Service One International Corporation is currently completing an addition to their Sioux Falls facility. The \$1.3 million, 15,000 square foot addition will allow the nation's leader in the security, credit card industry to expand, adding over 100 new jobs in Sioux Falls. The company, incorporated in 1981, currently employs 126 people.



Sioux Falls Regional Airport Authority is building an 80,000 square foot air cargo building to be occupied by Federal Express and Airborne Express. The project, estimated at about \$26 million, will include a roadway and connector to the runway apron. An additional 25+ new jobs will be created by the two companies in utilizing the expanded air cargo facility, which should be operational by April, 1998.

The Karl & Mary Jo Wegner Health Service Information Center is being constructed adjacent to the 1,873 Health Science Center on the Sioux Valley Hospital campus. The Wegner center will serve the information needs of healthcare providers, educators, students and consumers throughout the state of South Dakota and the surrounding region. The 22,000 square foot, \$2.7 million facility will house electronic data, printed collections and will be a resource for accessing health information from around the world and dispersing that information 24 hours a day. The project, to be completed in December, 1997, is being built through private donations.

Forward Sioux Falls looks into the next century

On October 31, 1996, the Development Foundation, in partnership with the Sioux Falls Area Chamber of Commerce, formally began the Forward Sioux Falls Into the Next Century campaign. Announcing a whole new set of goals, the newest economic development and community prosperity program entered a phase that will carry Sioux Falls into the twenty-first century with new momentum.

The most dramatic moment at the kick-off breakfast was funding chairman Gary Olsen's announcement that Forward Sioux Falls Into the Next Century has already raised \$1.3 million in advance gifts.

The previous Forward Sioux Falls programs were very successful, creating over 19,000 new jobs, spurring \$1.2 billion in new construction and capital investment of \$636.3 million during seven years of Forward Sioux Falls efforts.



Fundraising Chairman Gary Olsen and incoming Development Foundation Chairman Tom Everist, right, during the Forward Sioux Falls Into the Next Century kick-off breakfast.



Development Foundation hosts groundbreaking



Midco Communications expands downtown facility

Midco Communications, a subsidiary of Midcontinent Media, is building up Sioux Falls' on-ramp to the information superhighway, with a \$1 million, 11,300 square foot addition to their existing downtown facility at 410 South Phillips. The addition will house Midco Communications sales and administrative staff, as well as Midcontinent Media's information services group. The existing building will be used for new digital switching equipment and fiber interconnect, as well as expansion of Midco Communications telephone answering and telemarketing services. The addition is expected to be completed by December 31, 1996. About 100 people work for Midco Communications and Midcontinent Media's information services group.

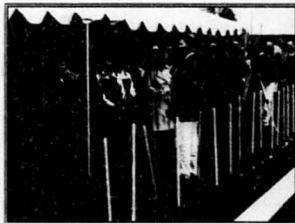
McArthur Company to locate in Park III

Dan Scott, Development Foundation president, announced that McArthur Company, a national office space provider, has selected the new 300,000 square foot Park III office building for its new headquarters. The building is located at the intersection of I-29 and I-90, just south of the downtown area. The building is a three-story structure with a modern design, featuring large windows and a green roof. The building is expected to be completed in late 1997. The McArthur Company is a national office space provider, serving clients in various industries. The company is looking for a new headquarters to accommodate its growing business. The building is a prime location for the company, as it is easily accessible from major highways and public transportation. The building is also a modern and attractive structure, which will enhance the company's image. The building is expected to be completed in late 1997. The McArthur Company is a national office space provider, serving clients in various industries. The company is looking for a new headquarters to accommodate its growing business. The building is a prime location for the company, as it is easily accessible from major highways and public transportation. The building is also a modern and attractive structure, which will enhance the company's image.



Sertoma Park adds Outdoor Campus

Ground was broken April 29 for the \$3.2 million, 100 acre Outdoor Campus at Sertoma Park. This interactive outdoor facility will be home to over two miles of walking trails, 1,500 additional trees of various species, learning stations, natural prairies, wildflowers, ponds and more. A learning center will feature hands-on exhibits about South Dakota habitats, including a 2,000 gallon stream bank aquarium, classrooms, theater, wildlife library and family fun activities. Planned completion date for the project is May, 1997.



Mayor helps break ground for new senior center

A large crowd braved spring showers on May 14 to break ground for the new Senior Citizens Community Center at 2300 West 46th, just south of the Western Mall. Mayor Gary Hanson was among the dignitaries who spoke at the ceremony, highlighting the importance of this facility for the entire community. The 33,000 square foot center, to be constructed at a cost of \$3.4 million, will house intergenerational programs and replace the current Bergeland Center in downtown Sioux Falls. The new facility will employ about 75 people and should be completed in spring, 1997.

BOARD PROFILE

Gene Rowenhorst
Senior Vice President / Chief Financial Officer
Citibank (South Dakota) NA



The Development Foundation board of directors has consistently elected Gene Rowenhorst to be the organization's treasurer. And with his background in banking and accounting, it's easy to see why.

A Sioux Falls area native, Gene Rowenhorst was raised on a farm between Parker and Marion. He attended the University of South Dakota, receiving his baccalaureate degree in accounting and an MBA. A certified public accountant, Rowenhorst worked for a time for the celebrated accounting firm of Price Waterhouse in Chicago before returning to South Dakota to pursue an accounting and banking career. Following a four year stint as vice president of operations for Citizens National Bank in Boise, Idaho, Rowenhorst returned to Sioux Falls again in 1980 to become Senior Vice President and Chief Financial Officer for Citibank. He is also a Senior Credit Officer for Citicorp and serves on the company's board of directors.

Rowenhorst has served on the Development Foundation board since 1988. He also is on the board of directors of Community Disability Services, Forward Sioux Falls and the South Dakota Bankers Association Foundation. He has been a member of the Governor's Economic Advisory Council since 1991 and was a member of the SD Investment Council. Past board memberships include the South Dakota Bankers Association, American Cancer Society SD Chapter, Vocational Rehabilitation Institute at Drake University and Junior Achievement of South Dakota, from 1981-1993, serving the group as president in 1986.

Gene and his wife Vicki have three children: Stacy, 18, Brandon, 16, and Justin, 15.

Sioux Falls Development Foundation has building sites and business locations available in the one of the world's top ten development parks.

For more information, contact Dan Scott, President, at 605-339-0103.

Pepsi to construct new flagship plant in Park IV

Dakota Beverage, the regional bottler and distributor of Pepsi products, is planning a new \$4 million warehouse and distribution plant in the Sioux Falls Development Foundation's Park IV, at the Benson Road interchange on I-229. The 70,000 square foot building will be the first construction project in the new park. A groundbreaking ceremony will be held Tuesday, July 9 at 4:30 p.m.

Dakota Beverage, owned by Minnesota Twins owner Carl Pohlad and his family, includes twelve Pepsi franchises. The Sioux Falls distribution plant, which serves southeastern South Dakota and northwestern Iowa, is the company's largest facility and will be their "flagship location," according to Dakota Beverage regional manager Brian Lacher.

The new plant and warehouse will replace the company's leased facility at 901 East Walnut, with double the space. Since Dakota Beverage bought TS Vending Company and began operating it from the current Pepsi location, the firm has outgrown its old facility. The two companies employ 65 full time and 23 part-time employees.



Dial Bank breaks ground on building addition

Dial Bank, the credit card operation subsidiary of Norwest Financial of Des Moines, IA, will be constructing a 45,000 square foot addition to its facility in the Sioux Empire Development Park III. The \$2.8 million addition will give the company the capacity to add two additional 45,000 square foot stories upward from the new building.

The architect for the project is Spitznagel, Inc., and Jans Corporation is the general contractor. The planned completion date for the new facility is February, 1997. Dial Bank said that about 300 employees will be based in the new office complex, and about 250 employees will have offices in the company's existing building.





Technology and Partnership: Keys to the Future

Sioux Falls Area Chamber of Commerce Campaign

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Paul Schock
Randall L. Stewart

February 12, 1997

Mr. Michael Hanson
General Manager & Chief Executive
Northern States Power
500 W Russell St
Sioux Falls, SD 57101

Dear Michael,

Thank you for your pledge payment of \$10,000.00 to the University of Sioux Falls TECHNOLOGY AND PARTNERSHIP: KEYS TO THE FUTURE Campaign.

Enclosed is a receipt acknowledging your donation for 1997. It is my understanding that with this payment you have completed your \$20,000.00 pledge to the campaign.

I am excited about the future of the institution and appreciate your commitment to the mission of the university and its partnership with the community.

Thanks again for your support!

Sincerely,

Jeff Nelson
Vice President for Development

1/23/1997

The University of South Dakota

Gift Statement for Calendar Year 1996

This statement reflects gifts made during the calendar year 1996, for the University of South Dakota, through USD Alumni Association, the USD Foundation and/or its affiliated organizations, based on records supplied to the USD Foundation. Unless indicated with a double asterisk (**), the donor(s) received nothing of value in return for gifts or such value was insubstantial. This statement complies with gift substantiation requirements included in the federal tax law, passed by Congress in 1994, and can be used to prepare your income tax return.

Northern States Power Company
500 W. Russell, Box 988
Sioux Falls SD 57104-1419

through School of Medicine Organizations

<u>Date</u>	<u>Account Name / Detail</u>	<u>Gift Amount</u>
09/19/96	Health Science Info Cente	\$ 25,000.00

	Total School of Medicine Gift Amount	\$ 25,000.00
	Number of School of Medicine Gifts	1
	 Grand Total USD Gift Amount	 \$ 25,000.00
	Number of USD Gifts	1

Handwritten:
2nd 1/25/97
25,000.00
96 12 1

Thank you for your support of USD! Your gifts have an immediate impact and make a lasting difference!

Dr. John M. Hilpert, Interim Executive Director, USD Foundation

University of Sioux Falls Gift Receipt

Receipt # 1109

KEEP This Official RECEIPT For Your Records.
All contributions are tax deductible.

Date	ID No.	Class Year		
02/06/1997	38442		Investing In Excellence Cash	\$10,000.00
			Net Amt:	\$10,000.00
City Technology Campaign			Amount Pledged	\$20,000.00
			Amount Paid	\$20,000.00
			Balance of the Pledge	

Northern States Power
500 W Russell St
Sioux Falls, SD 57101

We gratefully acknowledge
your contribution.

Thank you

J. Nelson

No goods or services have been received.

----- Giving Summary -----

Year To Date gifts:	1 /	\$10,000.00	Calendar YTD Giving
Current pledge(s):	0 /	\$0.00	Balance on Pledge(s)

=====

RETURN This Form With Your Next Contribution.

Make Checks Payable To University of Sioux Falls.

=====

Northern States Power
500 W Russell St
Sioux Falls, SD 57101

Rcpt.. 1109
ID No. 38442

Enclosed is my gift of \$ _____
for

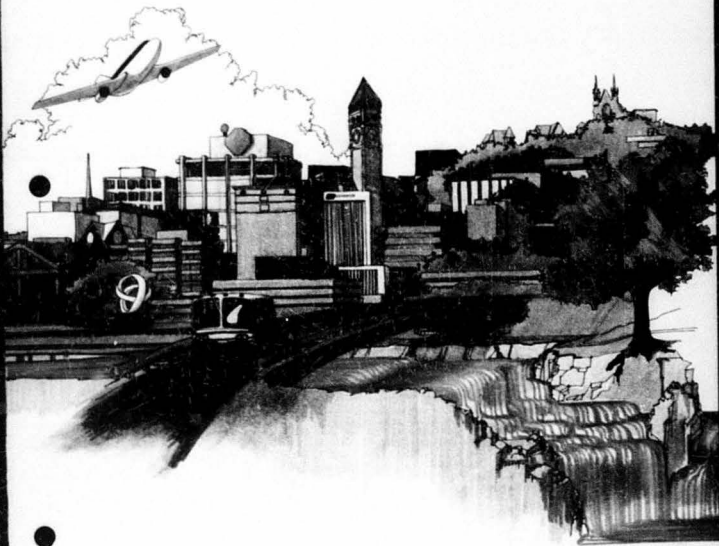
_____ Educational Advancement Fund
_____ (where need is greatest)
_____ Other _____

Please send information regarding other ways I can contribute to USF:

_____ Annuities	_____ Gifts of:
_____ Trusts	_____ Securities/Stock
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_____ Wills	_____ Real Property
_____ Memorial Gift	_____ Booster Club
_____ Scholarships	

Please mail to:
Development Office
University of Sioux Falls, Sioux Falls, South Dakota 57105-1699

SIoux FALLS COMMUNITY PROFILE



Sioux
Falls

Sioux Falls Development Foundation

Commerce Center, 200 North Phillips Avenue, Suite 101
PO Box 907, Sioux Falls, South Dakota 57101
Phone 605-339-0103 • Fax 605-339-0055

The Community Profile is an official publication of the Sioux Falls Development Foundation, Inc.

The Sioux Falls Development Foundation is a non-profit development corporation that facilitates the attraction of new businesses, the retention and expansion of existing firms, and the formation of new companies.

The Sioux Falls Development Foundation provides a variety of professional services and specific information. Services include business location assistance for new and expanding firms, comprehensive information on industrial park land, available sites and industrial buildings, utilities, demographics, labor information, business and tax climate data as well as information on the quality of life in the community.

We hope this publication answers many of the questions you may have about the Sioux Falls area. If you need assistance or if you have more specific questions about Sioux Falls, please contact us.

Published
1996

Information presented in the Community Profile is complete to the best of our knowledge at the time of printing. The Sioux Falls Development Foundation not responsible for errors or omissions resulting from incomplete, incorrect or missing data.

Population & Demographics

Population - Sioux Falls / Minnehaha County / MSA

Year	Sioux Falls	Increase	Minnehaha County	Increase	MSA*
1900	10,266		23,926		23,926
1910	14,094	37.3%	29,631	23.8%	29,631
1920	25,202	78.8%	42,490	44.1%	42,490
1930	33,362	32.4%	50,872	19.7%	50,872
1940	40,832	22.4%	57,697	13.4%	57,697
1950	52,699	29.1%	70,910	22.9%	70,910
1960	65,466	24.2%	86,575	22.1%	86,575
1970	72,468	10.7%	95,209	10.0%	95,209
1980	81,343	12.2%	109,435	14.9%	109,435
1985	94,200	15.8%	116,100	6.1%	116,100
1990	100,814	7.0%	123,023	6.0%	123,023
1991	102,500	1.7%	125,000	1.6%	125,000
1992	105,000	2.9%	126,000	0.8%	126,000
1993	107,000	1.9%	130,000	3.2%	145,000
1994	110,000	2.8%	132,000	1.5%	149,000
1995	112,500	2.3%	133,300	1.0%	151,291
1996	114,070	1.4%	135,800	1.9%	153,466

* Data for December 31, 1996. The Sioux Falls Metropolitan Statistical Area (MSA) includes the following counties: Minnehaha, Lincoln, and DeWitt.

Race Distribution

Race	Sioux Falls	Minnehaha	Lincoln
White	96.8%	97.3%	99.1%
Black	0.7%	0.6%	0.2%
American Indian	1.6%	1.4%	0.2%
Asian/Pacific Islander	0.7%	0.6%	0.1%
Other	0.2%	0.2%	0.3%

Income Information

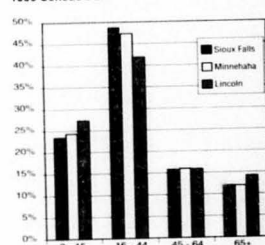
City of Sioux Falls 1990 Census Data	
Median Household Income	\$27,286
Median Family Income	\$34,305
Per Capita Income	\$13,677

Persons/Households/Families

City of Sioux Falls	1990 Census Data
Total Households	39,790
Persons per Household	2.43
Total Families	25,683
Persons per Family	3.04

For many years, Sioux Falls has experienced a constant, manageable growth in population. This steady growth has provided an expanding labor supply for Sioux Falls' businesses and more consumers for goods and services. The median age of Sioux Falls residents is 31.3 years.

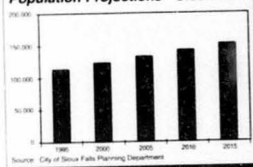
Age Distribution



Sex Distribution

	Female	Male
Sioux Falls	52.4%	47.6%
Minnehaha County	48.1%	51.9%
Lincoln County	50.1%	49.8%

Population Projections - Sioux Falls



Source: City of Sioux Falls Planning Department

Labor Availability

During the last decade, Sioux Falls enjoyed healthy, sustained growth in its population and economic base. This trend began in 1981 with the location of Citibank and continued with the location of several other financial services companies. Although the area has been at "full employment" for several years, new families have continued to move to the area and companies have been successful in attracting workers from surrounding communities. Labor data show that the labor force is very mobile and workforce projections show that the local labor market is capable of accommodating large employers.

The interstate highway network serving Sioux Falls contributes to a wide labor market area. The Sioux Falls labor market area includes twelve counties in three states: Minnehaha, Lincoln, Brookings, Clay, Lake, McCook, Moody, Turner and Union counties in South Dakota; Lyon county in Iowa; and Rock and Pipestone counties in Minnesota.

More fulfilling career opportunities, metropolitan area amenities, ready access to educational resources, downturns in the regional farm economy, and other factors have contributed to a general migration of job-seekers from many rural areas and small towns in eastern South Dakota and the surrounding region to Sioux Falls. This, plus the growing regional economic influence of Sioux Falls, and its expanding population have had a positive effect on the labor supply.

Availability of Labor

The estimated available labor supply in the twelve county area is 13,207. Although the published unemployment rates have remained low in South Dakota, there are various other sources of labor available. Many workers are presently employed, but are either underemployed or are willing to take a different position if the jobs are available. Businesses have found a significant number of underemployed workers in the area (many with college degrees). It is difficult to determine the exact number however, because they are not identified by labor market assessments that rely solely on statistical unemployment figures. Most of these workers are anxious to find employment opportunities that are more compatible with their training. Other potential employees may be found in the pool of people who are not actively seeking employment, but would be willing to work if the opportunity was there.

Labor Available - Minnehaha County, 1995

	Minnehaha County	12 County Area
Total Civilian Labor Force	79,842	150,262
Unemployed	1,761	3,435
Persons willing to change jobs or enter labor force	5,532	9,772
Total Available Labor Supply	7,293	13,207

Non-Agricultural Wage & Salary Employment

Year	Manufacturing	Non-Manufacturing	Total
1980	7,850	46,220	54,070
1990	8,433	64,734	73,167
1991	9,558	68,184	77,742
1992	10,100	70,625	80,725
1993	10,342	73,358	83,700
1994*	11,600	78,558	90,158
1995*	12,383	83,709	96,092

* Employment Numbers are for Minnehaha & Lincoln Counties which now comprise the Minnehaha Statistical Area.

Civilian Labor Force, Employment & Unemployment

Year	Labor Force	Employment	Unemployment	%Unemployed
1980	63,142	60,241	2,899	4.6%
1990	74,228	72,125	2,103	2.8%
1991	76,418	74,442	1,976	2.6%
1992	77,863	75,998	1,865	2.4%
1993	79,160	77,260	1,900	2.4%
1994	78,192	74,391	1,801	2.3%
1995	79,842	78,080	1,761	2.2%

"Right to Work" Law

In South Dakota, employees are protected by the "Right to Work" law. Under this statute, any industry that is unionized is done so under "open shop" conditions. This means it is illegal to discriminate against employees because of membership or non-membership in the union by either management or other employees.

Highways

Sioux Falls is one of America's crossroads cities, located at the junction of two interstate highways. Interstate 90 and Interstate 29, joining Boston and Seattle, is one of the five coast-to-coast east-west freeways. Interstate 29 runs north-south and joins Kansas City with Winnipeg. I-29 runs I-29 with I-90 south and east of the city creating an interstate loop to enhance traffic flow.

Over-the-Road Transportation

Over-the-road freight service is well provided for in Sioux Falls. Over 50 truck lines serve Sioux Falls with many maintaining terminal facilities locally. Leading national and regional carriers serving Sioux Falls are capable of handling all types of freight.

Express Delivery Service

Small package delivery, including overnight air carrier service, is readily available in Sioux Falls. UPS, Federal Express, and Airborne have air cargo facilities at the Sioux Falls airport and operate jet freighters on a daily basis. Sioux Falls houses a distinct terminal of UPS and a modern Federal Express facility is located in the Sioux Empire Development Park.

Rail Service

Rail service to and from Sioux Falls is provided by the Burlington Northern Railroad. Burlington Northern provides service nationwide with over 25,000 miles of track, and can accommodate all types of materials. The Ellis and Eastern provides service within the City and connects with Burlington Northern. Direct connections with dock spurs and freight forwarding service is available from both railroads.

Air Transportation

Joe Foss Field, Sioux Falls' regional airport, is located approximately two miles northwest of the city's central business district. The airport is the largest in South Dakota and is very important to the region with 90,760 landings and takeoffs in 1995. The terminal, built in 1970 and completely remodelled in 1991, accommodated 286,707 passengers in 1995, and is one of the best terminals in the Upper Midwest.

Sioux Falls is currently served by five scheduled air carriers including Northwest, United, TWA, Mesaba and United Express. Northwest, TWA, and United provide daily jet service to Chicago, St. Louis, Denver and Minneapolis/St. Paul. Business Aviation provides charter service.

Port of Entry/Foreign Trade Zone

Joe Foss Field is also home to a Port of Entry which the US Government approved in 1995. The Port allows freight and passengers to clear customs in Sioux Falls rather than another state. An application for a Foreign Trade Zone to include the Airport, Sioux Empire Development Parks III & IV, and two warehouse facilities is currently pending.

Commercial Airline Flights

March / 1996

Departures	Arrivals
11 flights to Minneapolis	11 flights from Minneapolis
6 flights to Denver	5 flights from Chicago
5 flights to Chicago	5 flights from Denver
4 flights to Rapid City	4 flights from Rapid City
3 flights to St. Louis	3 flights from St. Louis
1 flight to Spencer	1 flight from Mitchell

Commercial Air Routes



The Sioux Falls economy continues to thrive. Companies continue to open new facilities in Sioux Falls while established companies expand, creating new jobs, infusing new capital, and broadening our tax base. Since 1990, almost \$1 billion worth of construction has occurred, 5,900 new housing units have been built, and non-farm wage and salary employment has increased by over 16,000.

Building Construction 1995

City of Sioux Falls

Type	Value
New Residential	\$67,900,000
Residential Additions/Remodel	21,700,000
New Non-Residential	29,700,000
Non-Residential Additions/Remodel	61,500,000
Total	\$180,800,000
1995 # of Permits Issued	4,513

Source: Planning & Building Services, City of Sioux Falls

Minnehaha County

Areas Outside Sioux Falls	Value
Unincorporated Areas	\$12,600,000
Incorporated Communities	18,000,000
Total	\$30,600,000

Source: Minnehaha County Planning Department & Municipalities

Lincoln County

Type	Number of Permits
New Residential	185
Residential Additions/Remodel	38
Commercial	32
Agricultural Buildings	39
Total	294

Source: Lincoln County Planning Department

Housing Units

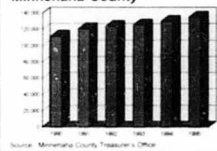
City of Sioux Falls

1990	41,568
1995	47,000
1996	47,925

Major Non-Government Employers

	Employees
Sioux Valley Hospital	3,415
Citibank (South Dakota) N.A.	3,200
John Murrell & Company	3,050
McKenna, Hospital	2,344
Hutchinson Technology	1,550
Gateway 2000	1,400
Midwest Coast Transport	1,390
Hy-Vee Food Stores	1,160
Sunshine Food Markets	1,100
Good Samaritan Society	858
Norwest Bank South Dakota	700
SPS Payment Systems	700
Central Plains Clinic	650
Sioux Vocational Services	615
Dakota King	594
Raven Industries	582
US West Communications	502
Lewis Drug, Inc.	500
Communication Services for the Deaf	490

Motor Vehicle Registrations Minnehaha County



Source: Minnehaha County Treasurer's Office

Employees, Payroll & Establishments by Industry, 1993

Minnehaha County

Sector	Annual Payroll	Employees	Establishments
Agricultural	\$2,583,000	224	60
Construction	93,872,000	3,550	494
Manufacturing	232,283,000	10,630	171
Transportation/Utilities	150,225,000	6,246	308
Wholesale Trade	146,828,000	5,595	443
Retail Trade	201,688,000	17,275	1,062
Finance/Insurance/Real Estate	196,668,000	8,832	512
Services	521,509,000	27,116	1,491
Total	\$1,552,102,000	79,557	4,386

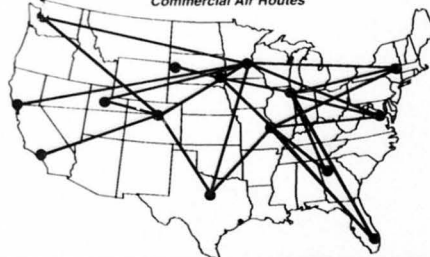
Source: County Business Patterns

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Commercial Air Routes

3

Port of Entry/Foreign Trade Zone

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Commercial Airline Flights**March / 1996**

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3 flights to St. Louis	3 flights from St. Louis
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Source: Planning & Building Services, City of Sioux Falls

Minnehaha County

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Lincoln County

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Source: Lincoln County Planning Department

Housing Units**City of Sioux Falls**

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Retail Trade	201,688,000	17,275	1,062
Finance/Insurance/Real Estate	196,668,000	8,832	512
Services	525,509,000	27,116	1,491
Total	\$1,552,102,000	79,557	4,586

Source: County Business Patterns

4

Hy-Vee Food Stores	1,100
Sunshine Food Markets	1,100
Good Samaritan Society	858
Northwest Bank South Dakota	700
SPS Payment Systems	700
Central Plains Clinic	650
Sioux Vocational Services	615
Dakota King	584
Raven Industries	582
US West Communications	500
Lewis Drug, Inc.	500
Communication Services for the Deaf	490

**Motor Vehicle Registrations
Minnehaha County**

Source: Minnehaha County Treasurer's Office



Sioux Falls

continued

Sioux Falls

Retail Sales

U.S. Postal Service Revenue - Sioux Falls

Year	Value of Postal Receipts
1980	\$8,345,811
1990	\$59,247,000
1991	\$61,358,509
1992	\$64,403,859
1993	\$71,192,904
1994	\$75,61,536
1995	\$98,501,855

Source: Sioux Falls Postmaster

Electricity Customers

Year	Residential Customers
1980	29,478
1990	39,308
1991	40,503
1992	42,933
1993	51,040
1994	51,255
1995	52,609

Source: Northern States Power

Gas Customers

Year	Customers
1980	27,465
1990	34,013
1991	35,670
1992	36,434
1993	37,500
1994	38,754
1995	39,320

Source: Midwest Gas

Home & Business Telephones

Year	Home Phones	Business Phones
1980	33,574	13,214
1990	41,153	19,100
1991	42,841	19,745
1992	43,787	20,121
1993	45,036	20,547
1994	46,926	21,283

Source: US West Communications

Aircraft Operations

Year	Takeoffs/Landings	Airline Boardings
1980	99,448	233,985
1990	88,168	233,257
1991	87,773	228,881
1992	94,488	281,389
1993	90,516	267,379
1994	99,110	283,491
1995	90,760	286,707

Source: Sioux Falls Regional Airport Authority

Establishments, Gross Sales & Taxable Sales by Industry, 1995

Sioux Falls Sector	Establishments	Gross Sales	Taxable Sales
Manufacturing	166	\$426,662,993	\$55,253,572
Wholesale Trade	329	776,353,626	212,368,912
Retail Trade	2,141	1,835,486,438	750,485,330
Finance/Insurance/Real Estate	178	36,221,465	40,199,173
Services	2,755	663,421,707	302,826,347
Other	415	85,781,803	47,504,491
Total	5,984	3,823,928,032	1,408,637,825

Minnehaha County Sector	Establishments	Gross Sales	Taxable Sales
Manufacturing	211	\$478,300,122	\$56,459,083
Wholesale Trade	425	1,094,541,425	283,895,493
Retail Trade	2,777	2,589,891,406	1,247,183,720
Finance/Insurance/Real Estate	199	37,897,514	43,155,985
Services	3,224	726,580,637	328,963,752
Other	550	99,129,587	56,232,047
Total	7,386	\$5,026,340,691	\$2,015,890,880

Lincoln County Sector	Establishments	Gross Sales	Taxable Sales
Manufacturing	34	\$15,477,441	\$3,889,404
Wholesale Trade	46	72,569,910	4,053,785
Retail Trade	349	100,725,338	44,647,117
Finance/Insurance/Real Estate	10	279,008	290,088
Services	324	57,998,089	16,242,739
Other	104	7,301,907	3,184,936
Total	867	\$24,351,693	72,308,069

Source: USCB Business Research Bureau. Methodology for 1995 data has changed and can not be compared to 1990 data.

Estimated Actual Value of Taxable Property

City of Sioux Falls Fiscal Year	Estimated Actual Value
1980	\$1,110,830,316
1990	\$2,305,638,795
1991	\$2,399,698,556
1992	\$2,586,522,795
1993	\$3,006,895,463
1994	\$3,189,188,632
1995	\$3,519,604,521
Lincoln County	
1993	\$571,000,000
1994	\$636,658,000
1995	\$707,970,975

Source: Minnehaha County Director of Equalization & Lincoln County Planning Office

Assets of Sioux Falls Financial Institutions

Year	Bank Assets	S&L Assets
1980	\$1,118,334,000	\$269,308,000
1990	\$14,562,633,000	\$481,366,000
1991	\$12,656,821,000	\$468,302,000
1992	\$11,238,594,000	\$489,985,000
1993	\$13,491,718,000	\$493,114,000
1994	\$12,297,938,000	\$537,500,000

As the largest retail center between Denver and Minneapolis/St. Paul, Sioux Falls offers the consumer a vast selection of goods with 3,126 retail stores located throughout the metropolitan area. Approximately one fifth of the area's labor force are employed in retailing. The retail trade area is very large and has about 350,000 consumers.

Although Sioux Falls ranks 232nd out of 317 metropolitan areas in terms of population, it ranks 4th in the nation in per household retail sales, with \$35.01 per household, compared to the national average of \$23.209.

Effective Buying Income (EBI)

The Sioux Falls Metropolitan Statistical Area (MSA) has a median household effective buying income (EBI - all personal income less personal tax non-tax payments) of \$43,353 and ranks 30th out of the nation's 317 largest metropolitan areas. This compares to the 1994 EBI of \$40,281 which ranked 39th. The total EBI for the MSA reached \$3.0 billion in 1995, up from \$2.7 billion in 1994.

Percent Retail Sales

Automotive Dealer/Gas Service	38.4%
Food Store	4.6%
General Merchandise Store	7.4%
Eating/Drinking Places	7.5%
Apparel/Accessories Store	7.5%
Hardware/Garden/Mobile Home	7.7%
Furniture/Appliance/Furnishings	6.8%
Other Retail Stores	20.1%

Percentage of Households by EBI Group

Group	Percent
\$10,000-\$19,999	11.5%
\$20,000-\$34,999	20.0%
\$35,000-\$49,999	20.1%
\$50,000 and over	36.5%

Sioux Falls Metro Area Statistics

	Rank
Suburban Population	42,800 283
Total Population	152,700 232
Black Population	1,000 297
Hispanic Population	800 293
Asian/Pacific Islander Population	1,000 299
Population Density	110 260
Population under age 6	15,200 220
Population age 6-17	27,400 223
Population age 18-34	39,800 230
Population age 35-49	33,800 228
Population age 50+	36,500 243
Median Age	32.4 200
Total Households	58,600 227
Single Person Households	15,400 209
Total Effective Buying Income	\$3,049,103,086
Suburban Effective Buying Income	\$774,710,000 271
Median Household EBI	\$43,353 30
Households with EBI of \$50,000+	24,200 198
Households with EBI of \$150,000+	1,400 151
Buying Power Index (BPI)	0734 200
Total Retail Sales	\$2,051,606,000 186
Per Household Retail Sales	\$35,010 4
Food Store Sales	\$280,399,000 217
Eating/Drinking Place Sales	\$189,200,000 194
General Merchandise Store Sales	\$306,306,000 187
Furniture/Home Furnishing/Appliance Store Sales	\$105,418,000 180
Drug Store Sales	\$76,736,000 174
Automotive Dealer Sales	\$560,757,000 168
Apparel & Accessories Store Sales	\$97,782,000 189
Gasoline Service Station Sales	\$134,229,000 181
Building Materials/Hardware Stores Sales	\$95,915,000 217
Total Household Expenditures	\$2,305,988,000 209
Household Expenditures Food Consumed at Home	\$184,879,000 211
Household Expenditures Personal Insurance/Pensions	\$290,956,000 196
Household Expenditures for Health Care	\$116,862,000 211
Total Business Establishments	4,704 196
Total Business Employment	76,300 180

Source: Sales & Marketing Management 1996, Survey of Buying Power 1995.

Gross Retail Sales & Establishments, 1995

SIC	Sector	City of Sioux Falls Establishments	Gross Sales	Minnehaha County Establishments	Gross Sales	Lincoln County Establishments	Gross Sales
5200	Building Materials/Hardware/Mobile Home Dealers	116	\$142,079,976	157	\$229,217,963	27	\$23,159,885
5300	General Merchandise	46	\$15,370,937	87	\$37,546,793	8	\$9,222,504
5400	Food Stores	79	\$4,738,587	125	\$252,285,850	31	\$10,358,355
5500	Auto Dealers/Gas Service Stations	173	\$704,246,081	216	\$736,174,198	38	\$6,307,744
5600	Apparel/Accessories Stores	170	\$137,706,162	298	\$153,982,112	8	\$207,638
5700	Furniture/Home Furnishings & Equipment Stores	189	\$124,862,212	220	\$46,041,599	19	\$4,731,809
5800	Eating/Drinking Places	336	\$18,051,306	441	\$172,762,579	42	\$7,234,472
5900	Miscellaneous Retail	1,030	\$66,411,547	1,321	\$434,540,321	196	\$5,503,062
	Total	2,141	\$1,835,486,438	2,777	\$2,589,891,406	349	\$100,725,338

US WEST Communications is the primary provider of telecommunications services in Sioux Falls. Its computerized switching systems make available an extensive list of sophisticated voice and data telecommunications services to its business and residential customers. The company provides local telephone service, high-speed data services, in-state long distance service, South Dakota directory assistance, local and in-state long distance operator services, and local connectivity to other providers of telecommunications services.

Services provided by US West Communications that are most attractive to business customers include:

- Analog Private Line Service (dedicated circuits)
- Business Lines and Trunks
- Call Management Features, including:
 - Call Forwarding, Call Waiting, Caller ID, Priority Call
 - Speed Dialing and Three-Way Calling
- Custom Local Area Signaling Services (CLASS)
- Digipac
- Digital Data Service
- Direct Inward Dialing (DID)
- DS1 Service
- DS3 Service
- Frame Relay Service
- Integrated Digital Switched Network (ISDN)
- Intrastate Contract Toll
- Intrastate WATS
- 800 Service/800 Service Line
- Market Expansion Line
- Optional Measured Service for Local Lines
- Self Healing Network Services (Business Continuation Services)
- Standby Line
- SwitchNet 56 Service
- Traffic Busy Studies
- Transparent LAN Service
- Voice Messaging

Long distance network service is provided by AT&T, Sprint, MCI, LDDS, and a number of other independent resellers. For more information on telecommunication services, please contact US WEST Communications at 1-800-603-6000.

Natural Gas

Natural gas in Sioux Falls is provided by MidAmerican Energy. MidAmerican Energy provides service to communities in Eastern South Dakota including the Minnehaha County communities of Sioux Falls, Baltic, Brandon, Colton, Dell Rapids and Hartford, and Canton, Harrisburg, Lennox, Tea and Worthing in Lincoln County.

Residential Natural Gas Rates

Monthly Customer Charge	\$5.25
Commodity Charge	
First 250 Therms	0.4334
Balance per therm	0.3798

Current Rate Schedule as of 3/1/96:

Firm:	Total Billing Rate*
Commercial/Industrial	
Monthly Customer Charge	\$5.25
Commodity Charge	
First 250 therms	0.4338
Balance per therm	0.3798
Medium Volume	
Monthly Customer Charge	\$50.00
Commodity Charge/therm	0.3458
Dual Fuel:	
Small Volume	
Monthly Customer Charge	\$50.00
Commodity Charge/therm	0.2715
Large Volume	
Monthly Customer Charge	\$275.00
Commodity Charge	0.2458

* Rates include current FGA (Purchase Gas Agreement) fluctuation in the price of gas from the supplier.

Electricity

Northern States Power Company

Electrical service for the City of Sioux Falls is provided by Northern States Power Company. Rates are current as of 1/1/96.

Non-Residential General Service Rate

Electric General Service is available to any non-residential customer for general service. Services available include alternating current at these nominal voltages: Secondary Voltage single or 3 phase at 208 Volts (V) or higher or Primary Distribution Voltage - 3 phase at 2,400 V or higher. Monthly charges are listed below:

	October-May	June-September
Basic Charge	15.25	15.25
Service at Secondary Voltage		
Demand Charge per kilowatt (KW)	6.74	9.35
Energy Charge per kilowatt hour (KWH)	0.0309	0.0309
Voltage Discount at Primary Distribution		
Demand Charge per KW	0.80	0.80
Energy Charge per KWH	0.0006	0.0006

Time-of-Day Rates*

Under Time-of-Day optional rate, the energy price is higher during on-peak times when electricity is more expensive to generate and lower during off-peak times when it is less expensive to generate. If you choose the Time-of-Day rate, you must take your entire service on that rate and remain on it for one year.

	October-May	June-September
Basic Charge	18.25	18.25
Service at Secondary Voltage		
Demand Charge per KW	6.74	9.35
On-peak period	2.05	2.05
Off-peak period in excess of on-peak		
Energy Charge per KWH	0.0356	0.0356
On-peak period	0.0267	0.0267
Off-peak period		
Voltage Discount at Primary Distribution	0.80	0.80
Demand Charge per KW	0.0006	0.0006
Energy Charge per KWH		

* On-peak times are 8:00 a.m. to 5:00 p.m. Monday-Friday, excluding these holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. If a holiday falls on a Saturday, the previous Friday is off-peak time. If a holiday falls on a Sunday, the following Monday is off-peak time. All other hours are off-peak time.

Residential Electric Rates

Customer Charge per month:

	October-May	June-September
Energy Charge per KWH	\$6.55	0.0721
Charge per KWH first 1000	0.0621	
Excess KWH's	0.0569	

Adjustment Clause: Fuel Cost, use Adjustment, city fee or city tax where applicable, state sales tax and late payment charge apply to this service.

Maximum Demand: The maximum demand in KW is the greatest 15-minute load during the billing month.

Power Factor: Permanently installed metering equipment will determine the monthly power factor for customers taking 3-phase service above 200 amperes or above 480 volts.

In rural areas of Minnehaha County, electric service is provided by Sioux Valley-Southwestern Electric. In rural areas of Lincoln County electric service is provided by Lincoln Union Electric Company.

Lincoln Union Electric Company

Lincoln Union Electric serves much of the rural area south of Sioux Falls. The locally owned cooperative provides service to residential, commercial and industrial customers. For more information on services provided and rates, contact Lincoln Union Electric Company at 1-800-333-2859.

3 Phase Service 150 KW or less

Facility Charge	\$35,000
Demand Charge	\$9,000
Energy Charge	
First 100 KWH/KW	0.0500
Excess	0.0340

3 Phase Service over 150 KW

Facility Charge	\$35,000
Demand Charge	\$9,000
Energy Charge	
First 75 KWH/KW	0.0480
Excess	0.0320

General Determination of Demand: The adjusted demand in KW for billing purposes is the maximum actual demand in KW divided by the power factor expressed in percent (but by not more than a 90 percent power factor), multiplying the quotient by 90 percent and rounding to the nearest whole KW. But in no month shall the billing demand be greater than the value in KW determined by dividing the KWH sales for the billing month by 75 hours per month.

- DS1 Service
- DS3 Service
- Frame Relay Service
- Integrated Digital Switched Network (ISDN)

- Traffic Busy Studies
- Transparent LAN Service
- Voice Messaging

Long distance network service is provided by AT&T, Sprint, MCI, LDDS, and a number of other independent resellers. For more information on telecommunication services, please contact US WEST Communications at 1-800-603-6000.

Sioux Falls

Utilities

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Natural gas in Sioux Falls is provided by MidAmerican Energy. MidAmerican Energy provides service to communities in Eastern South Dakota including the Minnehaha County communities of Sioux Falls, Baltic, Brandon, Colton, Dell Rapids and Hartford; and Canton, Harrisburg, Lennox, Tea and Worthing in Lincoln County.

Residential Natural Gas Rates

Monthly Customer Charge	\$5.25
Commodity Charge	
First 250 Therms	0.4334
Balance per therm	0.3798

Current Rate Schedule as of 3/1/96:

Firm:	Total Billing Rate*
Commercial/Industrial	
Monthly Customer Charge	\$5.25
Commodity Charge	
First 250 Therms	0.4338
Balance per therm	0.3798
Medium Volume	
Monthly Customer Charge	\$50.00
Commodity Charge/therm	0.3458
Dual Fuel:	
Small Volume	
Monthly Customer Charge	\$50.00
Commodity Charge/therm	0.2715
Large Volume	
Monthly Customer Charge	\$275.00
Commodity Charge	0.2458

* Rates include current PSA (Purchase Gas Agreement). Variation in the price of gas from the supplier.

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Time-of-Day Rates*

Under Time-of-Day optional rate, the energy price is higher during on-peak times when electricity is more expensive to generate and lower during off-peak times when it is less expensive to generate. If you choose the Time-of-Day rate, you must take your entire service on that rate and remain on it for one year.

	October-May	June-September
Basic Charge	18.25	18.25
Service at Secondary Voltage		
Demand Charge per KW		
On-peak period	6.74	9.35
Off-peak period in excess of on-peak	2.05	2.05
Energy Charge per KWH		
On-peak period	0.0356	0.0356
Off-peak period	0.0267	0.0267
Voltage Discount at Primary Distribution		
Demand Charge per KW	0.80	0.80
Energy Charge per KWH	0.0006	0.0006

* On-peak times are 8:00 a.m. to 5:00 p.m. Monday-Friday, excluding these holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. On a holiday falling on a Saturday, the previous Friday is off-peak time. On a holiday falling on a Sunday, the following Monday is off-peak time. All other hours are off-peak time.

Residential Electric Rates

Customer Charge per month		\$6.55
	October-May	June-September
Energy Charge per KWH		0.0721
Charge per KWH first 1000	0.0621	
Excess KWH's:	0.0569	

Adjustment Clause: Fuel Clause Adjustment, city fee or city tax, where applicable, state sales tax and late payment charge apply to this service.

Maximum Demand: The maximum demand in KW is the greatest 15-minute load during the billing month.

Power Factor: Permanently installed metering equipment will determine the monthly power factor for customers taking 3-phase service above 200 amperes or above 480 volts.

General Determination of Demand: The adjusted demand in KW for billing purposes is the maximum actual demand in KW divided by the power factor expressed in percent (but by not more than a 90 percent power factor), multiplying the quotient by 90 percent and rounding to the nearest whole KW. But in no month shall the billed demand be greater than the value in KW determined by dividing the KW sales for the billing month by 75 hours per month.

industrial customers. For more information on services provided and rates, contact Lincoln Union Electric Company at 1-800-333-2859.

3 Phase Service 150 KW or less

Facility Charge	\$35,000
Demand Charge	\$9,000
Energy Charge	
First 100 KWH/KW	0.0500
Excess	0.0340

3 Phase Service over 150 KW

Facility Charge	\$35,000
Demand Charge	\$9,000
Energy Charge	
First 75 KWH/KW	0.0480
Excess	0.0320

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Sioux Falls

continued

Sioux Falls

Business Climate

Sioux Valley-Southwestern Electric

Sioux Valley-Southwestern Electric, headquartered in Colman with offices in Brandon and Pipeline, provides electricity and a wide range of related services, including wireless cable television programming, to consumers in Minnehaha, Brookings, Lake, Moody and eastern Kingsbury Counties in South Dakota and Rock and Pipestone Counties in Minnesota. The Cooperative has built and maintains more than 5,200 miles of distribution line serving 17,200 farm, rural and urban residential, commercial and industrial accounts, including the federal government's EROS Data Center located near Baltic. Besides basic central station electric services, the Cooperative offers consumers electrical wiring and repair, energy use advice and assistance programs, reduced rate and rebate programs for consumers using electricity for space heating, controlled use air conditioning and water heating and residential commercial energy conservation assistance. For information about programs, rates and services call Sioux Valley-Southwestern Electric at 1-800-234-1960.

Large Power Service (Demand exceeds 50 KW)

First 50 KW	No Charge
Over 50 KW	\$6.40
First 1,000 KWH	Energy Charge per KWH \$0.1000
Next 11,500 KWH	0.0775
Next 37,500 KWH	0.0460
Over 50,000 KWH	0.0365

General Service (Demand not exceeding 50 KW)

Demand Charge	None
First 50 KWH	\$0.2550
Next 50 KWH	0.1270
Next 400 KWH	0.0900
Next 4,500 KWH	0.0760
Next 10,000 KWH	0.0675
Next 15,000 KWH	0.0480

Wastewater Treatment - Sioux Falls

The Sioux Falls Department of Water Reclamation oversees wastewater treatment for the City. The City currently has primary secondary and tertiary treatment facilities. A \$56 million dollar state-of-the-art wastewater treatment facility has an average flow capacity of 19.7 million gallons per day and can handle a peak flow of up to 42 million gallons per day. The plant is designed to meet the needs of an expanding Sioux Falls to the year 2000 and beyond.

Commercial and Industrial Rates

Commercial Rates	\$1.21 per 100 cubic feet
Industrial Rates	\$1.55 per 1,000 gallons

The following rates apply if the concentration of wastes exceeds 210 mg/l BOD, 220 mg/l TSS, or 100 mg/l grease. The surcharge is based on the amount of waste that exceeds the above concentrations.

Flow	\$0.50 per 1,000 gallons
TSS	0.08 per pound
Grease	0.25 per pound
BOD	\$0.08 per pound
TKN	0.32 per pound

Residential Sewer Rates

Usage Rate	\$1.23 per 100 cubic feet
Customer Charge	\$1.38 per Month

Water - Sioux Falls

Five sources of water are available to the City of Sioux Falls. The Big Sioux Aquifer provides 42 percent of the water from 50 wells. The Big Sioux River provides 46 percent of the water from a pump station, two wells in the Split Rock Creek Aquifer produce 88 million gallons, the Lower Skunk Creek Aquifer produces 7.5 million gallons from one well and the Middle Skunk Creek Aquifer produces 632 million gallons from 13 wells.

A total of 21,900,000 gallons of water can be stored, with 2,900,000 gallons in six elevated tanks, 14,000,000 gallons in four underground concrete reservoirs, and 5,000,000 gallons in a steel ground storage reservoir.

Residents in rural communities throughout Minnehaha and Lincoln Counties are served by local municipalities, rural water systems or individual water sources. For information on rates in Minnehaha County contact the Minnehaha County Economic Development Association at 339-0103. For information on Lincoln County rates, contact Lincoln County Rural Water System at 743-2966. South Lincoln Rural Water at 372-4211, or the local municipality.

Residential Water Rates - Sioux Falls

Monthly Water Rate	
Customer Charge (depending on meter size)	\$1.07-\$62.63
Commodity Charge	\$1.35 per 100 cubic feet

Commercial Water Rates - Sioux Falls

The City of Sioux Falls oversees the municipal water system. The following per month rates apply to consumers taking water from the municipal water system for commercial purposes in quantities not exceeding 6.5 million cubic feet per month.

Demand Charge (depending on meter size)	\$4.44 - 62.63
Charge per 100 cubic feet	\$1.10

Large Industrial Water Rates - Sioux Falls

The following per month rates apply to consumers taking water from the municipal water system for commercial or industrial purposes in excess of 6.5 million cubic feet per month.

Monthly Demand Charge	\$568.32
Commodity Charge (per 100 cu. ft. of water used)	\$0.80

Water Analysis

	mg/L	Raw Range	Treated Average
Total Hardness as CaCO ₃	176-686		273
Calcium (Ca) as CaCO ₃	70-460		160
Magnesium (Mg)	40-312		113
Manganese (Mn)	0-3.72		-0.02
pH	7.0-8.9		8.84
Total Alkalinity, M.O.	92-330		38
Total Iron (Fe)	0.05-3.1		-0.05
Nitrite (NO ₂)	<0.01		-0.01
Chloride (Cl)	11-22		26
Fluoride (F)	0.02-0.21		1.27
Sulfate (SO ₄)	35-355		236

South Dakota has a very attractive business climate. In addition to an extremely favorable mixture of low taxes with high quality state and municipal services and facilities, South Dakota has:

NO Corporate Income Tax**NO State Personal Income Tax****NO Personal Property Tax****NO Inventory Tax****Property Tax Abatement**

The City of Sioux Falls has an ordinance that allows new industrial structures or additions to existing industrial structures to be taxed at a lower rate. This abatement ordinance results in a savings of property tax normally paid during the first five years following construction. The following chart illustrates the percentage of taxable value used through the first five years.

Years Following Construction	Percent of Taxable Value Used
1st	--
2nd	20
3rd	40
4th	60
5th	80
6th plus	100

A number of the smaller communities within Minnehaha and Lincoln Counties have also enacted property tax abatement ordinances. For information, contact the Minnehaha County Economic Development Association at 605-339-0103.

Unemployment Insurance Tax

New employers are subject to the following: 1.9% of the first year and 1.7% of the second and third years of the first \$7,000 paid to each employee during a calendar year. For a construction employee, the rate is 6.7% of the first year and 3.7% the second and third years. Employers of three years or more: 2 - 7.7% depending on the employer's benefit and contribution experience in relation to his total taxable payroll for a certain period and the remaining balance in the state fund.

Workers Compensation

South Dakota has traditionally been known as having one of the lowest worker compensation rates in the country. The average worker's compensation net insurance cost for manufacturers in South Dakota is \$4.52 per \$100 of payroll compared to \$5.97 in California, \$5.49 in Illinois, \$4.64 in Minnesota, \$4.43 in Nebraska and \$6.32 in Texas.

Real Property Tax

Real property is defined as land and buildings. Equipment and inventory are classified as personal property and are not subject to the property tax. In Sioux Falls, the taxable value of a property is 100% of the full and true value. The 1995 levy for the City of Sioux Falls is:

Water	0.024
City	4.240
School	18.810
County (Minnehaha)	2.467
Total	\$25.541/\$1,000 valuation

Market value for assessment is established by the County Assessor using any combination of sales, income, and/or cost less depreciation, with right of appeal to County and State Boards of Equalization.

Property Taxes vary significantly depending on the School District. 1995 levies for communities in Minnehaha and Lincoln Counties are listed below:

Minnehaha County:			
City/Town	District	Total	
Baltic	49-1	36,052	
	49-1A	21,340	
Brandon	49-2A	25,977	
	49-2A	20,910	
Colton	49-6	30,582	
	49-6A	26,130	
Crooks	49-6	25,651	
	49-6A	20,009	
Deli Rapids	49-3	25,028	
	49-3A	21,148	
Garretson	49-4	33,059	
	49-4A	20,785	
Hartford	49-7	33,105	
	49-7A	27,055	
Humboldt	49-7	32,054	
	49-7A	26,804	
Sherman	49-4	28,604	
	49-4A	24,330	
Valley Springs	49-2	27,740	
	49-2A	22,673	
Lincoln County:			
Canton	41-1	33.94	
Tea	41-4	30.05	
Lennox	41-4	34.92	
Harrisburg	41-2	26.64	
Beresford	61-2	23.88	

* In Lincoln County, the taxable value of property is 90% of the full and true value.

Business Tax Comparison

City	State Corporate Income Tax	Real Property Tax	Total
Denver, CO	\$50,000	\$35,310	\$85,310
Des Moines, IA	\$112,500	\$64,327	\$176,827
Flag, ND	\$103,335	\$35,140	\$138,475
Milwaukee, WI	\$79,000	\$52,845	\$131,845
Minneapolis, MN	\$98,000	\$100,860	\$198,860
Omaha, NE	\$76,985	\$37,410	\$114,395
Sioux Falls, SD	0	\$38,312	\$38,312

Income Tax is based on \$1 million in federal taxable income. Source: State Tax Handbook as of December 31, 1999.
Real Property Tax is based on \$1 million assessed value.

Sales & Use Tax

Sales Tax: 6 percent (4 percent State and 2 percent City) of gross receipts from rentals of lodging establishments and from retail sales of tangible personal property, public utility services, admissions to places of amusement, mechanical amusement devices, etc., and from services and professions. The Use Tax is collected on tangible personal property used or consumed in the state. South Dakota has a reciprocal statute on its sales and use tax. Sioux Falls also has a 1 percent entertainment tax.

Revolving Economic Development & Initiative Fund

The REDI-Fund provides for a low interest revolving loan fund for economic development. The loan fund, created by a 1 percent sales tax for one year, provides financing assistance for qualifying start-up firms, existing businesses, and existing businesses moving into South Dakota.

The REDI-Fund can provide permanent financing for the purchase of land and the associated site improvements, construction, acquisition, and renovation of buildings, fees, services, and other costs associated with construction.

The REDI-Fund can provide up to \$5,000 per job created (total not to exceed 45 percent of the project cost) and requires the applicant to secure the matching funds before applying to the South Dakota Board of Economic Development for the REDI-Fund, including a 10 percent minimum equity contribution. The interest rate offered by the REDI-Fund is determined by the Board of Economic Development on a semiannual basis; however, each loan has a fixed rate of interest, currently 3.0 percent. The loans are amortized over a period of time, up to 20 years, with a balloon after five years.

Bank and Financial Corporation Excise Tax

This tax is imposed at a graduated rate from 6 percent on the first \$500 million of net income to 1 percent on net income that exceeds \$600 million.

Environmental Regulations

The State of South Dakota is noted for its clean air, fresh water and unspoiled landscape. The state's environmental legislation is designed to maintain this quality environment without imposing excessive restrictions on business and industry. With this in mind, most state environmental regulations approximate minimum federal standards. Additional information on environmental regulations is available from the South Dakota Department of Water & Natural Resources; 605-773-3351.

New Business Checklist

- Determine the legal structure of your business - Sole Proprietorship, Partnership or Corporation.
- Register your business with the County Register of Deeds.
- Some business structures require registering with the South Dakota Secretary of State's Office.
- Contact the Secretary's Office.
- Depending on the type of business, you may need a special license or registration from the city, county or state. Contact the Governor's Office of Economic Development or the appropriate state agency.
- Contact city and county offices for local licensing information.
- Contact the Internal Revenue Service for appropriate business forms and information.
- Contact the Department of Revenue, Sales & Use Tax Division, to obtain a sales tax license.
- Contact the Department of Labor, Unemployment Insurance Division, for information on the rights and responsibilities of employers and employees.

Motor Vehicle Excise Tax

3% is imposed on the purchase price or fair market value, whichever is greater, of motor vehicles, recreational vehicles, and motor homes.

Sioux Falls City Government

The City of Sioux Falls is a home rule city governed by a strong mayor, council form of government. Three council members are elected at large and five are elected by the voters of each of the five council districts. The mayor is elected at large for a term of four years.

The City provides a wide range of municipal services including police and fire protection, construction and maintenance of highways, bridges and streets, public utilities, public parking and transit, health and social services, cultural and recreational activities, planning and zoning enforcement and general administrative services. In addition, the City has oversight of the Sioux Falls Regional Airport Authority, the Sioux Falls Building Authority and the Sioux Falls Regional Emergency Medical Service Authority.

Police Department

The Sioux Falls Police Department maintains a force of 185 persons, including 155 officers and 30 non-sworn employees. During 1995, the Sioux Falls Police Department received 68,706 calls for assistance and service. The SFPD maintained an average response time of 4:53 minutes.

Crime Statistics for Sioux Falls 1995

Criminal Homicide	5
Rape	81
Robbery	58
Aggravated Assault	329
Burglary	954
Larceny	4,263
Auto Theft	262

Source: City of Sioux Falls Police Department

Sioux Falls Fire Rescue Department

The Sioux Falls Fire Rescue Department has a total force of 158 people, including the Chief, Deputy Chief and four Assistant Chiefs. The department responds to fire and EMS calls from seven stations, strategically located throughout the city. One is located in the Sioux Empire Development Park. Sioux Falls has an ISO fire rating of III. Average response time is 3.5 minutes.

Total Annual Fire Loss in Sioux Falls

1990	\$1,396,057
1991	\$3,296,221
1992	\$1,273,211
1993	\$2,585,701
1994	\$2,200,069
1995	\$2,289,100

City of Sioux Falls Zoning Districts

A-1: Agricultural	C-1: Neighborhood Commercial
AG: Agricultural	C-2: General Commercial
RR: Rural Residential	C-3: Central Business
RS-1: Residential	C-4: Planned Commercial
RS-2: Residential	I-1: Light Industrial
RD: Residential	I-2: General Industrial
RA-1: Residential	O: General Office
RA-2: Residential	S: Institutional
RC: Recreation/Conservation	PD: Planned Development

Source: Building Services Department, City of Sioux Falls

Vital Statistics - City of Sioux Falls

Date of Incorporation	March 20, 1889
Charter Adopted	May 24, 1889
Area	49.61 square miles
Altitude	1,421 feet above sea level
Latitude	43°34'51"
Longitude	96°44'30"
Paved Streets	551 miles
Storm Sewers	242.9 miles
Sanitary Sewers	446 miles
Street Lights	9,565
City Employees	871

Streets & Highways

The City of Sioux Falls maintains over 551 miles of paved streets. Several state highways and U.S. Interstates make up part of the city's total transportation network. During winter snow storms, emergency snow routes are kept clear at all times and snow removal in residential areas is normally completed in 12 to 16 hours following an accumulation of more than two inches of snow.

Minnehaha County Government

Minnehaha County, created in 1862 is a political subdivision of the State encompassing 810 square miles. Minnehaha County is governed by five elected part-time Commissioners, with day-to-day operations governed by 20 full-time Department Heads. The County, employing over 360 full-time and 55 seasonal part-time employees, provides such services as: law enforcement, highway property valuation, planning & zoning, maintenance, civil defense, relief to the poor, and a juvenile court system. The County maintains two parks, a natural history system, the Siouxland Heritage Museum system and a county extension service.

Sheriff's Department

The Minnehaha County Sheriff's Department has 126 employees in three divisions. The Patrol Division has 32 sworn officers and provides contract law enforcement to Baltic, Cotton, Crooks, Dell Rapids, Hartford, Humboldt and Valley Springs. The Sheriff's Department has an average county-wide response time of 7.74 minutes. The Jail Division has 23 sworn officers to supervise 155 jail inmates and 170 Correction Center inmates. The Air National Guard Security Division has 11 sworn officers that provide contract security for Air National Guard equipment and facilities.

Lincoln County Government

Lincoln County was organized by the Territorial Legislature in 1876 and encompasses an area of approximately 576 square miles.

Governed by a five member board of commissioners with a staff of sixty employees, Lincoln County provides the traditional services common to county government. Lincoln County also owns and operates the Great Plains Airport located just south of Sioux Falls.

The Lincoln County Sheriff's Department has three professional law enforcement officers including the Sheriff and two Deputies.

Sales & Use Tax

Sales Tax - 6 percent (4 percent State and 2 percent City) of gross receipts from rentals of lodging establishments and from retail sales of tangible personal property, public utility services, admissions to places of amusement, mechanical amusement devices, etc., and from services and professions. The Use Tax is collected on tangible personal property used or consumed in the state. South Dakota has a reciprocal statute on its sales and use tax. Sioux Falls also has a 1 percent entertainment tax.

Revolving Economic Development & Initiative Fund

The REDI-Fund provides for a low interest revolving loan fund for economic development. The loan fund, created by a 1 percent sales tax for one year, provides financing assistance for qualifying start-up firms, existing businesses, and existing businesses moving into South Dakota.

The REDI-Fund can provide permanent financing for the purchase of land and the associated site improvements, construction, acquisition, and renovation of buildings, fees, services, and other costs associated with construction.

The REDI-Fund can provide up to \$5,000 per job created (total not to exceed 45 percent of the project cost) and requires the applicant to secure the matching funds before applying to the South Dakota Board of Economic Development for the REDI-Fund, including a 10 percent minimum equity contribution. The interest rate offered by the REDI-Fund is determined by the Board of Economic Development on a semiannual basis; however, each loan has a fixed rate of interest, currently 3.0 percent. The loans are amortized over a period of time, up to 20 years, with a balloon after five years.

Environmental Regulations

The State of South Dakota is noted for its clean air, fresh water and unspoiled landscape. The state's environmental legislation is designed to maintain this quality environment without imposing excessive restrictions on business and industry. With this in mind, most state environmental regulations approximate minimum federal standards. Additional information on environmental regulations is available from the South Dakota Department of Water & Natural Resources, 605-773-3351.

New Business Checklist

- Determine the legal structure of your business - Sole Proprietorship, Partnership or Corporation.
- Register your business with the County Register of Deeds.
- Some business structures require registering with the South Dakota Secretary of State's Office.
- Contact the Secretary's Office.
- Depending on the type of business, you may need a special license or registration from the city, county or state. Contact the Governor's Office of Economic Development or the appropriate state agency.
- Contact city and county offices for local licensing information.
- Contact the Internal Revenue Service for appropriate business forms and information.
- Contact the Department of Revenue, Sales & Use Tax Division, to obtain a sales tax license.
- Contact the Department of Labor, Unemployment Insurance Division, for information on the rights and responsibilities of employers and employees.

Crime Statistics for Sioux Falls 1995

Criminal Homicide	5
Rape	81
Robbery	58
Aggravated Assault	329
Burglary	954
Larceny	4,263
Auto Theft	262

Source: City of Sioux Falls Police Department

Sioux Falls Fire Rescue Department

The Sioux Falls Fire Rescue Department has a total force of 158 people, including the Chief, Deputy Chief and four Assistant Chiefs. The department responds to fire and EMS calls from seven stations, strategically located throughout the city. One is located in the Sioux Empire Development Park. Sioux Falls has an ISO fire rating of III. Average response time is 3.5 minutes.

Total Annual Fire Loss in Sioux Falls

1990	\$1,396,057
1991	\$3,296,221
1992	\$1,273,211
1993	\$2,585,701
1994	\$2,200,081
1995	\$2,289,572

City of Sioux Falls Zoning Districts

A-1 Agricultural	C-1 Neighborhood Commercial
AG Agricultural	C-2 General Commercial
RR Rural Residential	C-3 General Business
RS-1 Residential	C-4 Planned Commercial
RS-2 Residential	I-1 Light Industrial
RD Residential	I-2 General Industrial
RA-1 Residential	O General Office
RD-2 Residential	I Institutional
RC Recreational/Conservation	PD Planned Development

Source: Building Services Department, City of Sioux Falls

Minnehaha County Government

Minnehaha County, created in 1862 is a political subdivision of the State encompassing 810 square miles. Minnehaha County is governed by five elected part-time Commissioners with daily operations governed by 20 full-time Department Heads. The County, employing over 360 full-time and 55 seasonal part-time employees, provides such services as: law enforcement, highway property valuation, planning & zoning, maintenance, civil defense, relief to the poor, and a juvenile court system. The County maintains two parks, a rural library system, the Siouxland Heritage Museum system and a county extension service.

Sheriff's Department

The Minnehaha County Sheriff's Department has 126 employees in three divisions. The Patrol Division has 32 sworn officers and provides contract law enforcement to Baltic, Cotton, Crooks, Dell Rapids, Hartford, Humboldt and Valley Springs. The Sheriff's Department has an average county-wide response time of 7.74 minutes. The Jail Division has 23 sworn officers to supervise 155 jail inmates and 170 Correction Center inmates. The Air National Guard Security Division has 11 sworn officers that provide contract security for Air National Guard equipment and facilities.

Lincoln County Government

Lincoln County was organized by the Territorial Legislature in 1876 and encompasses an area of approximately 576 square miles.

Governed by a five member board of commissioners with a staff of sixty employees, Lincoln County provides the traditional services common to county government. Lincoln County also owns and operates the Great Plains Airport located just south of Sioux Falls.

The Lincoln County Sheriff's Department has three professional law enforcement officers including the Sheriff and two Deputies.



Cost of Living



Education

Cost of Living

Cost of Living Index

American Chamber of Commerce Research Association's Cost of Living Indicators
Inter-City Index (US Average is 100) - 1st Quarter, 1996

Component Weight	100.0	17.0	22.0	11.0	13.0	7.0	30.0
All Items	Food	Housing	Utilities	Transportation	Health	Misc. Services	
Boston	135.6	113.6	183.6	136.5	119.2	136.3	109.6
Los Angeles	117.1	114.8	134.6	99.1	110.1	111.0	110.9
Denver	103.1	98.9	114.7	75.4	112.0	121.3	96.2
Cincinnati	98.3	103.0	96.2	92.5	106.2	91.5	98.2
Dallas	97.8	97.8	90.7	103.3	102.2	108.2	99.4
Minneapolis	100.9	98.2	93.2	98.6	109.3	121.6	103.5
Phoenix	103.1	103.2	95.3	110.8	112.6	121.4	102.0
St. Louis	97.0	105.9	93.9	92.3	93.8	109.5	95.0
Houston	95.2	95.1	85.8	96.4	106.4	101.5	98.1
Sioux Falls	95.3	97.1	92.9	89.7	92.7	102.3	97.3

Residential Housing Costs - Sioux Falls

Median Home Price

4th Quarter 1993	\$75,800
4th Quarter 1994	\$80,100
4th Quarter 1995	\$85,500

Source: National Association of Realtors

Monthly Apartment Rent - Sioux Falls

Type of Apartment

Range
Efficiency \$250 - \$375
1 Bedroom \$290 - \$500
2 Bedroom \$410 - \$650
3 Bedroom \$500 - \$750

Area Map



Education

Public Education

The public schools of Sioux Falls provide the education needed by today's graduates, stressing the traditional areas of study while incorporating the practical skills required for many of today's jobs. The system is composed of 24 elementary schools, five middle schools, and three senior high schools.

Total enrollment for the fall of 1995 was 18,359. The number of teachers working for the system is 1,155. The cost for each student in the district is \$4,739 for the 1995-1996 school year. In 1995, 959 students graduated from the public high schools.

1995 ACT Scores

Sioux Falls	21.9
South Dakota	21.2
National Average	20.8

Non-Public Schools

Sioux Falls has many opportunities for elementary and secondary education in non-public schools. There are 15 non-public schools in Sioux Falls with a combined enrollment of approximately 2,100 students. The grade levels offered differ from school to school, with K-6, K-8, 9-12, 7-12 and K-12 opportunities. Religious denominations operating these schools include Roman Catholic, Lutheran, Wisconsin Synod, Lutheran, Missouri Synod, Christian Interdenominational, Baptist and Independent Fundamental. These elementary and secondary schools provide a solid scholastic foundation in a Christian educational community environment.

Special Needs Education

The Sioux Vocational School for the Handicapped operates a sheltered workshop serving mentally and physically handicapped adults. The Children's Care Hospital and School serves disabled children in the state with therapy, education and special care to help them to capitalize on individual capabilities. The South Dakota School for the Deaf provides academic and vocational education for deaf children, with programs from preschool through high school.

Higher Education

Sioux Falls is the home of a number of post-secondary schools ranging from vocational schools with programs of a few months' duration to the two four-year liberal arts

colleges with graduate programs.

Augustana College

Augustana College, founded in 1860, is the largest private college in the state of South Dakota. Affiliated with the Evangelical Lutheran Church of America, the college has an annual enrollment of about 1,800 students. The college offers the B.A. degree in over 40 areas of study, as well as the M.A.T. degree in Elementary, Secondary and Special Education.

University of Sioux Falls

The University of Sioux Falls was established in 1883 and is affiliated with the American Baptist Church. The university offers majors in 31 areas of study, granting the B.A., B.S., and Master of Education degrees. Two-year degrees are offered in 7 areas as well as Degree Completion Programs for students with junior standing. Accredited by the North Central Association of Colleges and Schools, it has an enrollment of 900 students. The Rueben Jeschke Fine Arts Center is one of the best fine arts facilities in the Upper Midwest and the Stewart Center houses the Wellness Center serving both the community of Sioux Falls and the academic wellness programs.

Southeast Technical Institute

Southeast Technical Institute is the only publicly-funded post-secondary institution in Sioux Falls. Fully accredited by the North Central Association of Colleges & Schools, SETI offers over 30 degree programs to students from throughout South Dakota and neighboring states. Through strong business partnerships with area industries, classroom materials are tailored to meet the needs of the marketplace allowing graduates to find gainful employment. In addition to working closely with business, SETI also has articulation agreements with some state universities, allowing students to transfer credits to those schools. While attending SETI, students are able to earn Diplomas, Certificates or Associate Degrees through day and evening courses. During the 1995-96 school year, SETI recorded over 1,300 full-time equivalent students with a total credit enrollment of 2,890. The institute trains over 9,000 adults per year in both credit and non-credit offerings.

USD / SDSU / DSU

The University of South Dakota, South Dakota State University and Dakota State University provide a number of undergraduate and graduate course offerings in Sioux Falls. The courses are offered primarily at night and weekends in order to accommodate the schedules of working adults.

Other Educational Opportunities

Kilian Community College, National College, Nettleton College, North American Baptist Seminary, Huron University, Stenotype Institute of South Dakota, Stewart School of Hairstyling, and Dale Carnegie Courses.

Numbers to Note:

SF Public School System	367-7900
Christian Center (K-8)	361-4300
Good Shepherd Lutheran (K-8)	371-0072
Catholic Schools	
Christ the King (K-8)	336-5103
St. Joseph's (K-8)	336-3159
St. Lambert's (K-8)	336-7042
St. Mary's (K-8)	334-9881
St. Michael's (K-8)	336-1260
O'Donnell High School (9-12)	336-3644
Sioux Falls Christian High (7-12)	334-1422
Sioux Falls Lutheran (K-8)	335-1923
Cornerstone School (K-12)	335-1779
Grace Bible Academy (K-12)	361-3093
Empire Baptist (K-12)	339-2038
Faith Christian Academy (K-12)	336-1034
Seventh Day Adventist (K-8)	361-8184
Augustana College	336-5516
Dakota State University	367-5380
Huron University	331-5159
Kilian Community College	336-1711
Nettleton Junior College	334-5430
North American Baptist Seminary	336-1837
University of Sioux Falls	336-6588
South Dakota State University	331-6600
Center for Public Higher Education	367-5641
Southeast Technical Institute	367-7624
Stenotype Institute of South Dakota	336-1442
Stewart's School of Hairstyling	336-7080
University of South Dakota	367-5646
Center for Public Higher Education	367-1300
USD School of Medicine	336-1840
Children's Care Hospital & School	367-5200
South Dakota School for the Deaf	367-5200

Houston: 95.2
Sioux Falls: 95.3

95.1
97.1

85.8
89.7

96.4
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Huron University	331-5159
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National College	334-5430
Northwestern Junior College	336-1637
North American Baptist Seminary	336-6568
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University of South Dakota	
Center for Public Higher Education	367-5646
USD School of Medicine	357-1300
Children's Care Hospital & School	336-1840
South Dakota School for the Deaf	367-5200

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Sioux Falls

Quality of Life

Sioux Falls

Climate

Health Services

Sioux Falls is recognized as the finest major medical center between Rochester, MN, and Denver. Acute care hospitals include McKennan and Sioux Valley Hospitals. In addition to Royal G. Johnson Veterans Memorial Hospital, and Children's Care Hospital serving children with disabilities. The city's medical professionals and facilities serve people in a four-state area and beyond. The University of South Dakota Medical School is located in Sioux Falls and enhances health care in all five hospitals. Over 420 doctors staff the hospitals, with many also serving as faculty for the School of Medicine.

Mental Health Services

Sioux Falls is served by a variety of mental health care professionals, including psychiatrists, psychologists, counselors, and social workers. Southeastern Mental Health Center is active in public education and their professional staff offers a full range of counseling services. Charter Hospital, a 60-bed psychiatric hospital provides a wide range of programs for children, adolescents, and adults.

Media

Newspapers include the Sioux Falls Argus Leader, Sioux Falls Shopping News and The Neighbor. The City boasts a number of television stations including KLEO-TV/CBS, KSFY-TV/ABC, KDLT-TV/NBC, KTTW-TV/Fox, and Sioux Falls Cable Television along with multiple AM and FM stations.

U.S. Postal Service

The Postal Service provides cost effective and convenient mailing and shipping options for all your business needs. From Express Mail Overnight Service, Priority Mail Service to International Services, The Post Office in Sioux Falls is classified as a category "A" facility. On an average day the 550 employees process in excess of 1.2 million pieces and deliver to 58,000 addresses.

Retail operations can be found at the Main Post Office. Western Mail and contract stations located in every Lewis Drug Store and Valley View Grocery Store. The Dakotas District Office, located in Sioux Falls, is responsible for all Customer Service Operations in the Dakotas and part of Minnesota.

To respond to space requirements and city

growth, the delivery functions operate from two carrier stations, located at the Western Mail and at 630 South Cliff Avenue. The Postal Business Center in Sioux Falls helps businesses with mail piece design, mailing list maintenance and shipping services.

Convention Facilities

Visitors to Sioux Falls enjoy a variety of local hotels/motels providing modern and professional meeting facilities. Over 4,000 meeting rooms are available as well as facilities to accommodate various size meetings and conventions.

Sioux Falls will soon become the home of a new state-of-the-art convention center. The Convention Center, currently under construction, will be adjacent to the existing Arena. Scheduled to open in 1997, the new Center will offer approximately 140,000 square feet, including over 50,000 square feet of exhibition space, a ballroom, and 14 meeting rooms.

Parks & Recreation

The Sioux Falls Park and Recreation Department maintains 68 parks totaling over 1,945 acres. The parks, ranging from one-fifth of an acre to 260 acres in size, are located throughout the city. Facilities within the parks include community centers, picnic shelters, amphitheaters, baseball fields, 15-mile river front bike trail, 3 municipal golf courses, a hockey rink, horseshoe courts, soccer fields, lighted skating areas, tennis courts, softball fields, supervised playgrounds, swimming pools, sand volleyball courts, shuffleboard courts, sliding hills and cross-country ski trails. The Sioux Falls Municipal Band performs 36 concerts in the parks during the summer months.

Sioux Falls is the gateway to many recreational areas throughout the state. To the north is the glacial lakes region, excellent for water activities and camping. To the west and south stretches the Missouri River, providing beautiful scenery and an unspoiled atmosphere. South Dakota's walleye fishing on the Missouri is considered to be the best in the United States.

In the autumn, the most popular form of outdoor recreation is hunting. In South Dakota, known as the ring-neck pheasant capital of the world, hundreds of thousands of hunters bag their limits each season. There is also high quality waterfowl hunting in the state.

For winter recreation, Sioux Falls residents don't have to travel far to enjoy the excitement of downhill skiing. Great Bear Ski Valley, owned by the Sioux Falls Parks and Recreation Department, provides the convenience of downhill and cross-country skiing and snowboarding at the northeast edge of the city.

City Sports Complexes

Howard Wood Field, with seating for 10,000, is one of the finest football and track facilities of its kind. The Sioux Falls Arena, home of the Continental Basketball Association Sioux Falls SkyForce, provides seating for 10,000 and has 48,800 square feet of floor space. The Sioux Falls Baseball Stadium, located south of the Arena has seating for 5,000 and is home to the Sioux Falls Canaries.

Great Plains Zoo

The Great Plains Zoo is located on a 45-acre site in Sherman Park. The zoo, opened in 1963, is home for 106 species and houses over 450 animals. Feature exhibits include a new Asian cat exhibit, prairie house, penguin exhibit and children's zoo. Adjoining the zoo is the DeBorde Museum, which houses the Brookhouse animal collection.

Cultural Activities

Area residents enjoy and support an unusually wide range of cultural activities. Sioux Falls is rapidly becoming a showcase of the arts in the Upper Midwest. City arts organizations include the South Dakota Symphony Orchestra, Civic Dance Association, Civic Fine Arts Association, the Sioux Empire Arts Council, the Sioux Falls Community Playhouse and the Siouxland Heritage Museum.

Scheduled to open in 1997 or early 1998 the Washington Pavilion of Arts & Science will provide a new home for performing arts, visual arts and science education. The Pavilion will feature a state-of-the-art performance hall, a multi-use "black box" theater, and a Science/Discovery Center featuring interactive exhibits and an OMNI theater.

Dining and Entertainment Establishments

Sioux Falls has 218 dining establishments serving all types of cuisine from fast foods to fine dining. Many entertainment establishments provide Sioux Falls with excellent opportunities for enjoying from excitement to relaxation.

Sioux Falls' climate, with its four distinct seasons, allows for a pleasant variety and an invigorating life-style. A broad range of outdoor recreational opportunities are available because of our unique climate.

Average Temperatures - Degrees F

	Mean	High	Low
January	12.4	22.9	1.9
February	19.1	29.3	8.9
March	30.4	40.1	20.6
April	46.3	58.1	34.6
May	58.2	70.5	45.7
June	68.4	80.3	56.3
July	74.0	86.2	61.8
August	71.8	83.9	59.7
September	61.0	73.5	48.5
October	49.4	62.1	36.7
November	33.0	43.7	22.3
December	19.7	29.3	10.1

Annual Average Temperature	45.3°F
Average Relative Humidity	60% (Noon)
Annual Precipitation	24.12 inches
Annual Percentage of Possible Sunshine	63%
Average Annual Wind Speed	11.1 MPH
Annual Total Snow and Sleet	39.8 inches
Annual Heating Degree Days (65°F Base)	7,885
Annual Cooling Degree Days (65°F Base)	749
First Fall Freeze Date	October 1
Last Spring Freeze Date	May 10

Sioux Falls Development Foundation	605-339-0103	Sioux Falls Media	605-331-2200
Minnehaha County Economic Development Association	605-339-0103	Sioux Falls Argus Leader	605-336-1100
Governor's Office of Economic Development	800-872-6190	KLEO-TV (CBS)	605-336-1100
		KSFY-TV (ABC)	605-336-1300
Utility Companies		KDLT-TV (NBC)	605-361-5555
Northern States Power (Electricity)	605-339-8200	KTTW-TV (Fox)	605-338-0017
MidAmerican Energy (Natural Gas)	605-336-0530	Sioux Falls Cable TV	605-339-3339
Sioux Falls Municipal Water Division	605-367-7031	Sioux Falls Shopping News	605-339-3633
Municipal Water Reclamation	605-367-7088	The Neighbor	605-335-7300
US WEST Communications	800-922-2491		
City of Sioux Falls		Sioux Falls Area Chamber of Commerce	605-336-1620
Mayor's Office	605-367-7200	Main Street Sioux Falls	605-338-4009
Planning/Zoning	605-367-7130	Small Business Development Center	605-367-5757
Engineering Department	605-367-7048	US Small Business Administration	605-330-4231
Minnehaha County		US Postal Service (Sioux Falls)	605-333-2600
County Commission Office	605-367-4206	US Department of Commerce	605-330-4264
Motor Vehicle Registration	605-367-4212		
Planning & Zoning	605-367-4204	Hospitals	
Lincoln County		Sioux Valley Hospital	605-333-1000
Planning & Zoning Department	605-987-2938	McKernan Hospital	605-339-8000
Sioux Falls Public School System	605-367-9000	Charter Hospital	605-361-8111
Driver's License Division	800-952-3696	SD Labor Market Information Center	605-626-2311
		SD Department of Revenue	605-773-3311
		SD Secretary of State	605-773-3537

Sioux Empire Development Parks

The first Sioux Empire Development Park was established in 1970. The 600+ acre Sioux Empire Development Parks are completely developed and available for immediate occupancy. Paved roads with curb and gutter serve the property. The parks are zoned I-1 for light industrial, and have a wide variety of businesses, from a corrugated box manufacturer to major credit card operations.

The Development Parks have been designed to provide a quality business environment. Protective covenants have been adopted to develop and protect the productive and pleasant surroundings and to enhance property values. Since the Sioux Falls Development Foundation is a non-profit organization, property in the Sioux Empire Development Parks is available at the lowest possible price.

The Sioux Empire Development Parks provide excellent access to national markets. The Parks are located minutes from the intersection of Interstate 29 and Interstate 90 and less than one mile from the Sioux Falls Regional Airport.

Port of Entry/Customs Office:

The Federal Government approved a Port of Entry for Sioux Falls in 1995. The Port began operations in January of 1996. The Port's Customs Office allows freight and passengers to clear customs in Sioux Falls rather than another state. Persons interested in accessing Port Services are encouraged to contact the Port Director at 605-338-4384.

Foreign Trade Zone:

Sioux Falls and the State of South Dakota have an application pending for a Foreign Trade Zone. The Zone will include part of the Sioux Falls Regional Airport, Sioux Empire Development Parks III & IV, and two warehouse facilities. For further information contact the Sioux Falls Development Foundation at 605-339-0103.

Specifications:

Soil Conditions: Predominant soil type - sand, with lean clay and silty sand overlying the sand; soils support loading of up to 3,000 pounds per square foot.

Interior Roads: Heavy industrial. 45' turning radius at intersections.

Railroad: Roadbed capable of 263,000 pounds per car.

Electricity: Northern States Power. 13.8 KV under ground distribution feeder off a 65 KVA double circuit main.

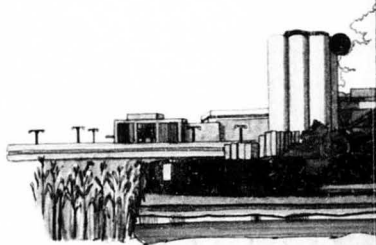
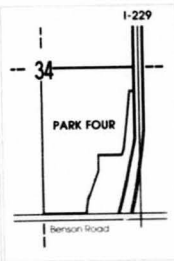
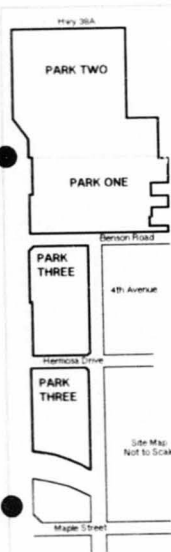
Natural Gas: MidAmerican Energy. 6" pressure main and 2" laterals.

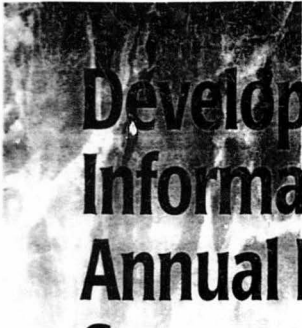
Water: Municipal. 20" main lines and 10" & 20" laterals. Static pressure - 75 pounds per square inch. Hydrant flow - 28,000 gallons per minute. Residual pressure - 64 pounds per square inch.

Sewer: Municipal. Sanitary - 20" main with 8" & 10" laterals. Laterals can be expanded as needed. Storm - Parks I, II, and III have storm sewer systems through out. Development continues on Park IV.

For More Information:

For information on available sites in the Sioux Empire Development Parks contact Dan Scott at 605-339-0103 or 1-800-658-3373.





Development Information and Annual Report Summary

City of Sioux Falls
Planning and Building Services

January 1996



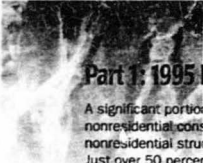
The following pages contain a summary of 1995 development activity for Sioux Falls plus basic demographic information about the community as well as population, housing, and land use projections.

In addition, housing and population data is provided for the Sioux Falls Metropolitan Statistical Area (MSA) which includes all of Lincoln and Minnehaha Counties.

Should you wish to obtain more information, please contact the Sioux Falls City Planning Office at 367-7130.

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Part II: Demographic Trends	7



Part 1: 1995 Development Summary

A significant portion of 1995 building activity in Sioux Falls was in new nonresidential construction and additions and remodeling of existing nonresidential structures, which typically are related to economic development. Just over 50 percent of the 1995 construction value was related to nonresidential development. Some of the major nonresidential building projects permitted during 1995 included:

Tel-Drug	1.4 million
Country Inn and Suites	2.4 million
MB 3 office	10.9 million
A-Y McDonald office	1.0 million
Convention Center	14.5 million
Novus office	1.4 million
Lewis Drug addition	1.1 million
Marquette Bank	1.9 million
St. Michael's Church addition	1.3 million
Inn on Westport addition	1.9 million
Four Hills Plaza	1.1 million
Meadows Square	1.1 million
Juvenile Detention Center	2.4 million

Approximately one-half of 1995's building permit valuation was in residential construction and remodeling. The housing market continued strong for both single-family and apartments. Some of the major apartment project permits included:

Cumberland Apartments	20 units
School for the Deaf Apartments	15 units
Oxbow Apartments	42 units
Somerset Apartments	90 units
Hill View Apartments	52 units
Trailridge Apartments	62 units
Northridge Apartments	60 units
Western Comfort Apartments	48 units
Waterford at All Saints Apartments	120 units

Table 1. Residential and non-residential construction value by year (millions \$), 1990-1995

	1990	1991	1992	1993	1994	1995
New residential	37.9	60.2	59.8	72.5	74.2	67.9
Res. add., remodel	9.1	10.8	12.4	17.7	16.9	21.7
New non-residential	33.1	32.9	10.8	34.5	52.5	29.7
Non-res. add., remodel	33.1	65.2	57.4	46.5	55.2	61.5
Total	116.2	169.1	140.4	171.2	198.8	180.8
New non-residential						
Manufacturing	1.0	2.7	1.9	2.9	5.6	4.7
Commercial	9.9	4.5	2.4	4.1	6.3	9.1
Office, Inst.	22.1	23.4	4.9	20.2	33.7	8.9
Other	3.1	2.3	1.6	7.3	6.9	7.0

Table 2. New residential building permits by type, 1990-1995

	1990	1991	1992	1993	1994	1995
Single-family units	380	426	540	491	453	426
Duplexes	8	4	14	22	42	72
Townhouse units	18	39	32	21	36	19
Multi-family units	175	539	259	652	679	547
Total	581	1,008	845	1,186	1,210	1,064
Mobile home placements (new and existing units)	224	222	224	201	198	198

Table 3. Population 1990 - 1996
City of Sioux Falls

April 1, 1990 Census		January 1996 Estimate	
1,409	Lincoln County Portion	3,900	Lincoln County Portion
99,405	Minnehaha County Portion	110,100	Minnehaha County Portion
100,814	Total City	114,000	Total City

Table 4. Housing Units 1990 - 1996
City of Sioux Falls

April 1, 1990 Census		January 1996 Estimate	
473	Lincoln County Portion	1,750	Lincoln County Portion
41,095	Minnehaha County Portion	46,175	Minnehaha County Portion
41,568	Total City	47,925	Total City

Table 5. Building permits and construction value, 1985 -1995

Year	# Permits Issued	Total Valuation (millions \$)
1985	2,455	52.3
1986	2,336	65.9
1987	2,624	74.1
1988	3,249	101.3
1989	3,479	139.5
1990	3,990	116.2
1991	4,183	169.1
1992	4,440	140.4
1993	6,833	171.2
1994	5,591	198.8
1995	4,513	180.8

City of Sioux Falls Building Permit Data
January through December

1995		1994	
# Permits Issued	Total Construction Value	# Permits Issued	Total Construction Value
4,513	\$180,784,738	5,591	\$198,779,881
(Millions)		(Millions)	
New Residential	\$67.9	New Residential	\$74.2
Res. Add. & Remodel	21.7	Res. Add. & Remodel	16.9
New Non-Residential	29.7	New Non-Residential	52.5
Non-Res. Add. & Remodel	61.5	Non-Res. Add. & Remodel	55.2
TOTAL	\$180.8	TOTAL	\$198.8
NEW NON-RESIDENTIAL		NEW NON-RESIDENTIAL	
Manufacturing	\$4.7	Manufacturing	\$5.6
Commercial	9.1	Commercial	6.3
Office, Institutional	8.9	Office, Institutional	33.7
Other	7.0	Other	6.9
TOTAL	\$29.7	TOTAL	\$52.5
Single-Family Units	426	Single-Family Units	453
Two-Family Units	72	Two-Family Units	42
Townhouse Units	19	Townhouse Units	36
Multiple-Family Units	547	Multiple-Family Units	679
TOTAL	1,064	TOTAL	1,210
Mobile Home Placement Permits	198		198
Change in Number of Permits 1994-95		-19%	
Change in Construction Value 1994-95		-9%	

Source: Planning and Building Services Department

Housing Unit Data for Lincoln County

Townships	1-1-95 # of Dwellings	1995 # Permits	Total Units
Eden	70	1	71
Nonewy	91	0	91
Pleasant	105	0	105
Brooklyn	82	0	82
Fairview	46	0	46
Highland	97	3	100
Lincoln	75	3	78
Delaware	72	0	72
Canton	140	2	142
Lynn	99	1	100
Grant	120	4	124
Dayton	155	7	162
La Valley	137	9	146
Perry	186	11	197
Springdale	405	29	434
Delepre	401	21	422
Township Total	2,281	91	2,372
Municipalities			
Beresford (Lincoln Co.)	133	0	133
Hudson	144	0	144
Fairview	35	0	35
Canton	937	6	943
Worthing	199	16	215
Lennox	1,349	7	1,356
Tea	449	39	488
Harrisburg	225	26	251
Sioux Falls (Lincoln Co.)	1,500	250	1,750
Municipal Total	4,971	344	5,315
County Total	7,252	435	7,687

Source: Lincoln County Planning Department

Housing Unit Data for Minnehaha County

Townships	No. of Units		Units Added							Units Annexed	Total
	'90 Census	90-91	1992	1993	1994	1995	1996	Total			
Benton	200	7	10	9	8	6		40		240	
Brandon	217	10	5	5	2	2		24	-9	232	
Buffalo	86	0	0	0	0	1		1		87	
Burk	102	2	4	2	3	1		12		114	
Clear Lake	68	1	0	2	1	0		4		72	
Dell Rapids	117	7	4	2	7	4		24		141	
Edison	122	3	2	1	8	2		16		138	
Grand Meadow	94	2	2	2	2	1		9		103	
Hartford	173	12	4	4	4	6		30		203	
Highland	64	2	1	0	1	2		6		70	
Humboldt	105	2	3	3	2	4		14		119	
Logan	98	0	0	1	0	0		1		99	
Lyons	210	4	2	2	4	1		13		223	
Mapleton	630	22	18	21	17	8		86		716	
Palisade	95	3	1	2	2	3		11		106	
Red Rock	113	2	3	3	2	3		13		126	
Split Rock	715	37	25	45	52	34		193		908	
Sverdrup	218	8	10	3	3	4		28		246	
Taopi	115	2	2	3	0	4		11		126	
Valley Springs	112	9	2	3	1	2		17		129	
Wall Lake	305	12	5	13	6	8		44		349	
Wayne	435	6	13	13	15	10		57		492	
Wellington	101	3	2	3	1	2		11		112	
Township Total	4,495	156	118	142	141	108	0	665	-9	5,151	
Municipalities											
Baltic	249	4	6	9	5	2		26		275	
Brandon	1,143	135	46	47	69	79		376	9	1,528	
Colton	284	5	2	0	1	0		8		292	
Crooks	215	14	14	9	6	7		50		265	
Dell Rapids	955	37	27	74	27	26		191		1,146	
Garretson	380	6	3	8	4	19		40		420	
Hartford	465	20	19	21	50	27		137		602	
Humboldt	188	1	6	7	1	11		26		214	
Sherman	29	0	0	0	0	0		0		29	
Sioux Falls*	41,095	1,325	805	1,040	1,060	850		5,080		46,175	
Valley Springs	282	1	1	2	2	3		9		291	
Municipal Total	45,285	1,548	929	1,217	1,225	1,024		5,943	9	51,237	
County Total	49,780	1,704	1,047	1,359	1,366	1,132	0	6,608		56,388	

*Minnehaha portion only.

Source: Minnehaha County Planning Department



Part II: Demographic Trends

Population Trends

The city population growth rate over the past 5 years has averaged just over two percent per year, from 100,800 in 1990 to 112,000 in 1995. Projections over the next five year period indicate that the annual growth rate will be approximately two percent with a year 2000 estimate of 122,000.

This projected increase in growth can be attributed to Sioux Falls' continued appeal as a "very livable city," and to its expanding role as a regional economic hub. Assuming that existing patterns continue, many of those entering Sioux Falls after the turn-of-the-century will be young, educated, and seeking employment in one of the many expanding occupations. There will also be an anticipated influx of elderly moving to the city to take advantage of the city's expansive health care facilities and public transportation.

The number of persons aged five to 19 will increase by 1,000 through the year 2000. The largest population increase will be the "baby boomers" in the 40 to 64 year age group. The number of persons in this group will increase by approximately 6,500 from 1995 to the year 2000.

Housing Trends

From 1990 to 1995, the average number of housing units permitted was 980 per year. Based on population growth figures, the projected new housing construction demand will be 4,500 dwelling units from 1996 to the year 2000.

New housing has been almost evenly divided between single-family units and apartments. Average household size has dropped to less than 2.4 persons per unit and the overall vacancy rate is under five percent. New single-family housing will continue averaging about 350 to 450 units per year, primarily in the medium to upper price range. Growth in numbers of persons in the 40 to 65 year age group means more persons moving into the higher end of the housing market.

In the immediate future, single-family residential units will increase to accommodate second and third time home owners with the market essentially satisfied by the year 2000. As the "Baby Boomers" age, demand will be targeted more at the "empty-nester" and senior housing market. The result is the need for more alternative group home units such as assisted living centers. In addition, as Sioux Falls expands its strong economy, the influx of young individuals to the city in search of jobs will cause a demand for an increase in affordable housing such as multiple family units and manufactured homes.

1990 Census Facts

April 1990, City of Sioux Falls

Population Facts

Total Population	*100,836	Median Age	31.3	Years
Breakdown by Sex				
Male	48,020 (47.6%)	Female	52,794	(52.4%)
Breakdown by Age Group				
Under 5 years	7,987 (7.9%)	35 - 39	8,296	(8.2%)
5 - 11	10,668 (10.6%)	40 - 44	6,626	(6.6%)
12 - 15	5,070 (5.0%)	45 - 49	4,827	(4.8%)
16 - 18	3,681 (3.7%)	50 - 54	3,961	(3.9%)
19 - 24	10,251 (10.2%)	55 - 59	3,875	(3.8%)
25 - 29	10,342 (10.3%)	60 - 64	3,862	(3.8%)
30 - 34	9,593 (9.5%)	65+	11,775	(11.7%)

Total school age children (ages 5 - 17) 17,282. Total persons of working age (ages 16 - 64) 63,339

Breakdown by Race				
White	97,627 (96.8%)	Black	733	(.7%)
American Indian/ Aleutian/Eskimo	1,574 (1.6%)	Asian/Pacific Islander	688	(.7%)
		Other	192	(.2%)

Housing Facts

There are 41,568 total housing units in Sioux Falls with an average of 2.43 persons per household.

Total owned housing units = 24,240	} *41,576
Total rental housing units = 17,328	

Total occupied owned housing units = 23,416	} 39,790
Total occupied rental housing units = 16,374	

Total vacant owned housing units = 824	} 1,778
Total vacant rental housing units = 954	

There are 25,683 family households in Sioux Falls with an average of 3.04 persons per family.

There are 11,438 one-person households in Sioux Falls.

4,919 (21.0%) of homeowners are between the ages of 25 and 34.

5,587 (34.1%) of renters are between the ages of 25 and 34.

The average value of a single-family detached home in Sioux Falls is \$69,156.

The average rent asked in Sioux Falls is \$347

The total number of persons living in group quarters is 4,161.

Data prepared by the SF Planning & Building Services Dept. based on April 1990 Census results. *Corrected Total.

City of Sioux Falls Population Estimates

	Year	Population	
*Census	1960	65,466	
	1961	66,100	
	1962	66,800	
	1963	67,100	
	1964	67,500	
	1965	68,200	
	1966	69,000	
	1967	69,700	
	1968	70,500	
	1969	71,500	
*Census	1970	72,488	Including an estimated 3,300 persons in Group Quarters.
	1971	73,300	
	1972	74,250	
	1973	75,100	
	1974	76,000	
	1975	76,900	
	1976	77,800	
	1977	78,750	
	1978	79,700	
	1979	80,500	
*Census	1980	81,343	Including as estimated 3,700 persons in Group Quarters.
	1981	83,300	
	1982	85,200	
	1983	87,200	
	1984	89,300	
	1985	91,400	
	1986	93,600	
	1987	96,000	
	1988	98,100	
	1989	99,500	
*Census	1990	100,836	Including an estimated 4,000 persons in Groups Quarters.
	1991	103,700	
	1992	105,700	
	1993	108,000	
	1994	110,000	
	1995	112,000	
	1996	114,000	Including an estimated 4,500 persons in Group Quarters.

*Census figures are actual counts, all other numbers are estimates.

Table 6

**Population Projections
City of Sioux Falls**

	1990	1995	2000	2005	2010	2015
Low	-	-	119,000	129,000	140,000	152,000
Medium	100,836	112,000	122,000	132,000	144,000	156,000
High		-	125,000	135,000	148,000	160,000

Table 7

**Population Projections by County
City of Sioux Falls**

	1990	1995	2015
Lincoln	1,421	3,500	18,000
Minnehaha	99,415	108,500	138,000
Total	100,836	112,000	156,000

Table 8

**Population Projections by Age
City of Sioux Falls**

	1990	1995	2000	2005	2010	2015
Total	100,836	112,000	122,000	132,000	144,000	156,000
0-4	8,006	8,500	8,500	9,000	9,500	10,000
5-19	21,130	23,000	24,000	25,000	27,000	28,000
20-39	36,895	38,500	39,500	40,000	40,500	41,500
40-64	23,020	28,500	35,000	41,000	47,500	54,000
65+	11,785	13,500	15,000	17,000	19,500	22,500

Table 9

**Population Estimate and Projections
Sioux Falls MSA**

	Minnehaha County Total Population	Lincoln County Total Population	MSA Total Population
1990	123,809	15,427	139,236
1995	135,800	18,200	154,000
2000	145,000	22,500	167,500
2005	155,000	26,500	181,500
2010	163,000	31,000	194,000
2015	170,000	35,000	205,000

Table 10

**Projected Housing Demand
City of Sioux Falls**

	1990 (census)	1995	2000	2005	2010	2015
Total Population	100,836	112,000	122,000	132,000	144,000	156,000
Household Size (Persons per unit)	2.42	2.36	2.35	2.35	2.34	2.33
Total Housing Units	41,568	47,500	52,000	56,000	61,500	67,000

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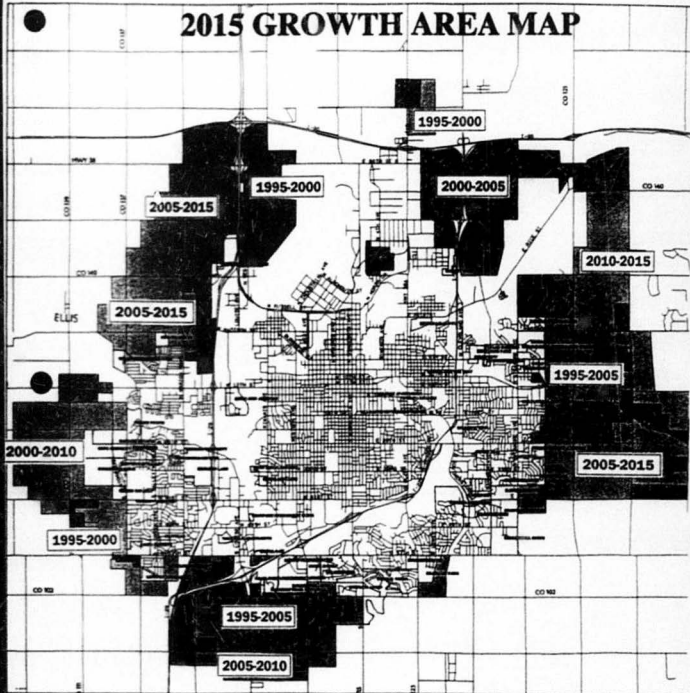
Land Use

In order for a city to accommodate future development, land must be designated for both residential and economic uses. Based on future population projections, the existing service area will increase from 50 to 65 square miles by the year 2015. Over 9,600 acres, or nearly 15 square miles of land, is needed to provide for the increased demand for residential.

Employment forecasts indicate Sioux Falls will have growth in almost every type of industry. Nonresidential acreage will be required to provide for economic development, including new and expanded businesses in the city. The continuation of growth in Sioux Falls is expected to proceed into the next century with a projection of 3,200 acres or five square miles of land areas needed to provide for the expected economic growth over the next 25 years.

The attached map shows projected growth areas for the city to the year 2015.

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LINCOLN

COUNTY

ECONOMIC

DEVELOPMENT

ASSOCIATION

(LCEDA)

Investors

*The following entities
have made investments in LCEDA:*

City of Canton

City of Harrisburg

City of Lennox

City of Tea

City of Worthing

Lincoln County

Dakota Telecommunications

East River Electric

Farmers State Bank

First American Bank

Lincoln-Union Electric Company

MidAmerican Energy

Northern States Power

North Lincoln Rural Water

South Lincoln Rural Water

Valley Exchange Bank

Lennox & Tea



*Lincoln County
Economic Development Association*

200 North Phillips Avenue, #101

PO Box 907

Sioux Falls, SD 57104

phone: (605) 339-0101

(800) 658-3273

fax: (605) 339-0055

*Celebrating
our
Partnership*
LCEDA

*Lincoln County
Economic Development
Association*

Representing

*Canton
Harrisburg
Lennox
Tea
Worthing*

**Lincoln County
Economic Development Association
LCEDA**

*The Lincoln County Economic Development Association is a partnership between Lincoln County and the communities of **Anton, Harrisburg, Lennox, Tea & Worthing**, for the promotion and leadership of economic development efforts within those cities and the County.*

The goal of the Association will be to place an emphasis on building for the future from within a community's capacity. While growth will benefit the entire County, emphasis will be placed on each community making their own decisions (with guidance) and success will not occur with investment of staff alone. Rather success is wholly dependent upon each community's focus and commitment to positive and responsible growth as they draw from the resources of staff and the Association.

*Incorporated in December of 1996, this Association will draw upon the expertise of the **Sioux Falls Development Foundation** who will provide a designated staff person to provide the services and support to the leadership of the Association. This leadership will be in the form of a board of directors representing the communities, Lincoln County and the investors to the Association.*

As the demographic and corporate landscape changes for rural South Dakota, unified efforts such as LCEDA will send a positive message to individuals and companies wishing to do business in Lincoln County. Member communities will also derive very specific benefits from a unified effort, such as:

❖
Professional economic development staff, services & resources

❖
Enhanced business attraction due to combined resources

❖
Ability to draw input and expertise from wider base of communities

❖
Greater impact on Legislators and other governmental units in matters related to economic development

❖
Facilitate planning, communication and cooperation

*You and a guest are cordially invited
to attend the*

Kick-Off Celebration

for the newly formed

***Lincoln County
Economic Development Association***

*Wednesday, February 26, 1997
6:00 - 7:30 p.m.
at the
Worthing American Legion
113 Main Street
Worthing, South Dakota*

*Hors d'oeuvres will be served
with a brief program at 6:30.*

*Please R.S.V.P. to Mary
at
605-339-0103 or 1-800-658-3373*

003 64-114108

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

Kucera retires from MCEDA position

Tom Kucera, director of the Minnehaha County Economic Development Association, or MCEDA, has announced his retirement from that position. Kucera was chosen to direct the efforts of the group at the time of its inception, when the Sioux Falls Development Foundation joined with the Minnehaha County Mayors Association to form MCEDA. Working from the offices of the Development Foundation, Kucera has served the organization for nearly five years, coordinating the growth of the ten MCEDA member communities.



"The most rewarding element of my job has been working with the volunteer leaders in the communities of this county," Kucera said. "Things are getting done in those towns, and it's because of the dedication and determination of those leaders."

There has been significant growth in the rural areas of Minnehaha County since MCEDA was born in 1991. Housing construction, business growth and the location of new enterprises in the communities around Sioux Falls have all been strong throughout the 1990s. Those elements of growth promise to continue strong, as businesses and individuals look for alternatives to locating inside the city limits of Sioux Falls.

Kucera, a native of Flandreau, was public affairs manager for the Sioux Falls Area Chamber of Commerce before emigrating to Minnesota to pursue a career in economic development. He served the communities of Fairmont and Austin before returning to his home state to direct the activities of MCEDA.

Kucera enjoys motorcycling, "puttering around the yard," and spending time with his family, which includes Shirley, his wife, and their children Stephanie, 20; David, 18; and Jennifer, 15. Tom and Shirley also have one grandchild, Dustin.

All of us at the Sioux Falls Development Foundation wish Tom well, and thank him for his dedication to economic development in Minnehaha County.

"Some people just feel more comfortable living in a smaller town, in being a part of the business community in a smaller town. Our goal has been to assist those people in turning their dreams into reality, and in doing so, to help the member communities of MCEDA prosper."

—Tom Kucera

MCEDA names new director

Jeff Eckhoff, formerly director of operations for Turning Point in Sioux Falls, has been chosen as the new Director of Rural Development for the Minnehaha County Economic Development Association. Eckhoff will coordinate development in the ten communities of MCEDA: Baltic, Brandon, Crooks, Colton, Dell Rapids, Garnettson, Hartford, Humboldt, Sherman and Valley Springs.

Eckhoff will be headquartered in the Development Foundation offices in the Commerce Center in downtown Sioux Falls, but will spend much of his time meeting with and assisting economic development officials in the individual communities and directing the marketing activities of MCEDA. His background includes stints as executive director of the Career Learning Center in Madison and with the State Department of Labor.

"It's very impressive to be associated with such a progressive organization," Eckhoff said. "The people are great—and all very committed to what they do. I enjoy the uniqueness of each community and the variety of challenges we will face together."

Eckhoff and his wife, Gea Gjesdal, have one daughter, Lynnea, who will be four in November. Jeff enjoys golf, sporting clays and the performing arts in his spare time. Congratulations to Jeff Eckhoff on his new position!



MINNEHAHA

ECONOMIC

DEVELOPMENT

ASSOCIATION

We wish to recognize the generous support of our contributors

The Communities of . . .

Baltic
Brandon
Colton
Crooks
Dell Rapids
Garretson
Hartford
Humboldt
Sherman
Valley Springs

In Addition to . . .

Baltic Telecom Cooperative
Dakota State Bank
Douglas Communications
East River Electric Co-op
First Bank of South Dakota
First National Bank in Garretson
First National Bank in Sioux Falls
Garretson Weekly
Home Federal Savings
MidAmerican Energy
Minnehaha Community Water Corp.
Minnehaha County
Northern States Power Company
Norwest Bank of South Dakota
Satellite Cable Service
Sioux Valley-Southwestern Electric
Sioux Valley Telephone
Splitrock Telecom Cooperative
Union Telephone
Valley Cable TV Company
WMW Cable TV Company

Refreshments & hours discussed have been provided by:

*East River Electric Co-op
Northern States Power Company
Sioux Valley-Southwestern Electric*

*Entertainment compliments of
MidAmerican Energy Company*

**1996
Annual Meeting
of the
Membership**



**Minnehaha County
Economic Development
Association
(MCEDA)**

Minnehaha County
Economic Development Association

1996 Board of Directors

Jim Wilcox, Chairman
Northern States Power Company

Wayne Peters, Vice Chairman
Sioux Valley-Southwestern Electric

Dennis Olson, Secretary / Treasurer
City of Brandon

Myron Nohava, Past Chairman
City of Baltic

Mike Dunn, City of Hartford

Evan Ingebrigtsen
First Bank of South Dakota

James Jarding, City of Humboldt

Dennis Kleinvachter
Chairman, Rural Mayor's Association

Kathryn Larsen, City of Valley Springs

Roger Sieps, City of Dell Rapids

Cheryl Van Duyn, City of Colton

Marvin Wieman, City of Crooks

Owen Wiese, City of Garretson

Neil Winterton, City of Sherman

James Zweep
Commissioner, Minnehaha County

MCEDA Staff

Jeff Eckhoff
Director of Rural Development

"Fifth Anniversary"

Minnehaha County
Economic Development Association

1996 Annual Meeting

PROGRAM

- Welcome -

Jim Wilcox, Chairman
Minnehaha County Economic
Development Association

- Report to the Membership -

Jeff Eckhoff, Director
Minnehaha County Economic
Development Association

- Investor's Report -

Dennis Olson, Treasurer
Minnehaha County Economic
Development Association

"Five Years of Progress"

- A Historical Review -

Dennis Kleinvachter, Chairman
Minnehaha County Rural Mayor's Association

- Introduction of Speaker -

Jim Wilcox

- Guest Speaker -

Jerry Prostrullo, Chairman
SD Board of Economic Development

- Closing Comments -

Jim Wilcox

HOW TO REACH US

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Article on page 60: Steve Felt, South Dakota Thursday, Nov. 14, 1986

Advice to small towns: Build houses, industry will follow

S.D. development leader shares growth strategy

By ROB SWENSON
 Argus Leader Staff

Small towns should encourage housing development to help attract new businesses and industries, says the head of the South Dakota Board of Economic Development.

"The only way you're going to get people to move to South Dakota is to make housing available — affordable housing," Jerry Prostrullo said.

"We're missing a lot of economic growth because we don't have housing," he said.



Jerry Prostrullo

Prostrullo, a former automobile dealer from Madison, chairs the board that oversees the state's Revolving Economic Development and Initiative Fund, or REDI Fund, which provides reduced interest loans to businesses.

"Industry follows the people," he said. "Housing is a big factor in economic development."

Prostrullo made his comments on a Tuesday night speech at the annual meeting of the Minnehaha County Economic Development Association and in a subsequent interview.

Other development and small-town officials agreed Wednesday with Prostrullo's assessment.

Jeff Eckhoff, director of rural development for the county association, said housing availability can be an important consideration for businesses and industries.

Tipping the balance

"That can eliminate towns," Eckhoff said. "If one has housing for employees and two or three don't, it can make a difference."

Eckhoff and Prostrullo each said the housing problem is more severe beyond Minnehaha County, which benefits from developments in Sioux Falls.

Dennis Kleinvachter, the mayor of Brandon, chairs the Rural Mayors Association, which represents towns in Minnehaha County. He said more housing would help in commercial development more than industrial development. But he agreed that small towns should encourage housing development.

"I thought that was a very good idea," he said. "I had never given

Prostrullo, a former automobile dealer from Madison, chairs the board that oversees the state's Revolving Economic Development and Initiative Fund, or REDI Fund, which provides reduced interest loans to businesses.



Greg Latzer/Argus Leader

Builders work Wednesday on a new house in Brandon, where permits for more than 50 single-family homes have been taken out so far this year. Development leaders stress adequate housing as a base for attracting businesses to small towns.

that too much thought as a form of economic development — housing," he said.

A shortage of housing is not a big problem in Brandon, however, Kleinvachter said. Building permits for more than 40 single-family homes have been taken out so far this year in Brandon. About 50 were taken out each of the two previous years.

Baltic project lauded

Eckhoff said a project planned in Baltic is a good example of the kind of housing that would help small towns. Ground has been broken there for 27 units of affordable housing, he said.

Prostrullo told development representatives that Gov. Bill Janklow has advised larger cities not to rely on REDI loans for economic development as much as they have in the past.

"He really wants to help smaller cities," Prostrullo said. The 1987 Legislature created

the REDI Fund at the urging of then-Gov. George Mickelson to provide low-interest loans to businesses to help create jobs and diversify the economy. A temporary 1 percent sales tax was imposed to raise the initial \$40 million for the fund.

REDI success story

At the close of the state's 1996 budget year in July, REDI loans had helped create more than 10,400 jobs in South Dakota, according to the Board of Economic Development. In all, there were 61 active loans in fiscal 1996.

"If we can help you, we're ready with the REDI Fund," Prostrullo told development officials from Minnehaha and Lincoln counties.

The Minnehaha County Economic Development Association is celebrating its fifth year. Towns in neighboring Lincoln County are forming a similar organization.

1996 NSP-SD "Economic Assistance" Program

S D Procurement Technical Assistance Center Conference	\$ 4, 000
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SD Rural Enterprise, Inc.	\$ 5,000
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Mainstreet Sioux Falls Incentive Fund	\$ 8,500
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Total	\$17,500
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SOUTH DAKOTA PROCUREMENT TECHNICAL ASSISTANCE CENTER



UNIVERSITY OF SOUTH DAKOTA • SCHOOL OF BUSINESS

405 S. Third Ave., Suite 101 • Sioux Falls, SD 57104-5067 • Phone: (605) 367-4955 • Fax: (605) 367-5253

August 23, 1996

Mr. Jim Wilcox
Northern States Power Company
P.O. Box 988
500 West Russell
Sioux Falls, South Dakota 57101-0988

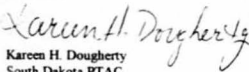
Dear Mr. Wilcox:

The South Dakota Procurement Technical Assistance Center and the Small Business Administration are in the planning stages of a procurement conference that will be offered to South Dakota businesses who are interested in obtaining government contracts. We hope to hold this conference in Sioux Falls the week of November 11, 1996. The conference will be an excellent opportunity for business to learn about the new ways the government is buying products and services and develop important contacts with procurement personnel.

In the past, Northern States Power has been a sponsor of our procurement conference and I am writing to ask you to consider sponsoring this event again. Your sponsorship would enable us to keep the cost down and enable more businesses to attend.

If you are interested in sponsoring this event, please let me know. I can be reached at 605-367-5252. We appreciate the support you have given us in the past and look forward to working with you in the future. Thank you for your consideration.

Sincerely,



Karen H. Dougherty
South Dakota PTAC



SOUTH DAKOTA
PROCUREMENT TECHNICAL ASSISTANCE CENTER



UNIVERSITY OF SOUTH DAKOTA • SCHOOL OF BUSINESS

414 East Clark Street • Vermillion, SD 57069-2390 • Phone: (605) 677-5287 • Fax: (605) 677-5427

August 27, 1996

Mr. Jim Wilcox
Northern States Power
P.O. Box 988
500 West Russell
Sioux Falls, South Dakota 57101-0988

Dear Mr. Wilcox:

The South Dakota Procurement Technical Assistance Center and the Small Business Administration are proud to announce our co-sponsorship of the Ninth Annual Procurement Conference "The Business and Government Marketing Conference" on November 14, 1996, in Sioux Falls, South Dakota. This seminar will give South Dakota businesses the opportunity to learn about topics that can impact the way they sell their products or services to the government and its suppliers. Topics will include Electronic Commerce and Electronic Data Interchange, Government Credit Card Use, Bonding Assistance, Improving Your Market Share, and more.

In the past, NSP has supported our procurement conference through a financial contribution. We would like you to consider investing in this conference in the amount of \$4,000. We believe we will be able to offer businesses an interesting experience that will prepare them to be more competitive in today's competitive market.

J. Wilcox
Economic Development

I am enclosing a preliminary agenda for your review. We thank you for your past support and hope you will consider sponsoring this event again. Please call me at 605-367-5252 if you have any questions or would like additional information on the conference.

Sincerely,

Karen H. Dougherty

Karen H. Dougherty
South Dakota PTAC

9TH ANNUAL PROCUREMENT CONFERENCE

Thursday, November 14, 1996 • 7:30-5:00 PM
Ramkota Inn • Sioux Falls

KEY TOPICS TO BE COVERED:

- ✓ How to Sell to the Government Using Your Computer
- ✓ Business Financing
- ✓ Base Level Contracting Changes
- ✓ The Ins and Outs of Government Construction Contracting
- ✓ The Government is Purchasing More with Credit Cards
- ✓ Selling to the State and Local Governments
- ✓ Bonding Programs
- ✓ Improving "X," a Market Share
- ✓ Getting Started in Government Contracting
- ✓ Subcontracting Opportunities
- ✓ Strategic Planning for Growth

COST:
\$25 per person

(\$40 for two persons
from same company)

To register or receive more information, contact the Business Research Bureau Training & Development Center, 605-677-5287.

The Conference is Co-sponsored by:

Office of Senator Tom Daschle • US Small Business Administration
Small Business Development Center • SFB Training & Development Center
Sioux Falls Area Chamber of Commerce • Procurement Technical Assistance Center

Thuringer's Team Wins Mo

Brenda Thuringer's team accumulated the most points of the five Diplomats teams to win Team of the Month honors. Thuringer, Air Guard Federal Credit Union, is in her first year as team captain for the Diplomats Committee.

The team consists of Doreen Rinehart,

Olson Named M.E. Schirme

by Shelly Amundson
CVB Sales Representative

Danny Olson, KELO Radio Sportscaster, has been named the 1995-1996 M.E. "Mike" Schirme Volunteer of the Year by the Sports and Recreation Committee of the Sioux Falls Area Chamber of Commerce.

Olson, a sports broadcaster for 28 years with KSOO Radio before his current 14-year career with KELO, was a key volunteer in hosting the 1996 South Dakota Amateur Baseball Tournament in Sioux Falls. Olson did everything from soliciting sponsors to overseeing production of the tournament commemorative program.

Other Sports and Recreation Committee members recognized at the com-

WE'RE KNOWN BY THE COMPANY WE KEEP



Retired General
Colin Powell



Former President
George Bush



Former President of
the Soviet Union
Mikhail Gorbachev



Pe

Augustana has provided important educational, recreational, and cultural opportunities for the area for more than 78 years. No wonder, then, that former Governor Nils Boe established a trust fund through the college's Center for Western Studies to support a major lecture series to be hosted here -- a series which will have a lasting impact on citizens and students alike.

Colin Powell, George Bush, and Mikhail Gorbachev are outstanding representatives of leaders of the twentieth century. We've been proud to bring them here. And we're proud to place you in their company.

Now, we take a moment to introduce to you one of Augustana's leaders. Paul Krueger found a certain inspiration in messages brought by our Boe

Forum guests. The fact that he had the opportunity to meet each of these guests may have encouraged him to strive for elective office as President of the Augustana Student Association graduates this spring with a major in communications and been an active volunteer in a variety of Sioux Falls service taken a major role in the college's annual Community Service

Paul Krueger exemplifies the kind of student company we keep at Augustana -- students who are set to become the leaders of the twenty-first century.



Augustana
in 1996

01411370

SDREI

SOUTH DAKOTA RURAL ENTERPRISE, INC.

P. O. Box 296 • Pierre, SD 57501

June 10, 1996

Mike Hanson
NSP
500 W Russell
Sioux Falls SD 57104

Dear Mr. Hanson:

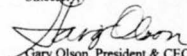
I am writing to you concerning a promising new organization in our state, South Dakota Rural Enterprise, Inc. (SDREI). This organization is dedicated to serving as a catalyst to revitalize our small communities and rural areas. If you are like me, you receive many requests for assistance and are involved in a variety of local and statewide development organizations. All of these organizations play different, but key, roles in keeping the South Dakota and local economies strong and vital. SDREI has been created to fill an important niche in the development field with a mission to broaden entrepreneurial opportunities through partnerships, advocacy and access to resources. Through its work SDREI will support the important efforts of existing and evolving development organizations in rural South Dakota.

An overview describing SDREI is attached along with a list of the board of directors. Please take a moment to read this overview. I hope you will find the organization worthy of your support. SDREI typifies the entrepreneurial, collaborative, integrated, and technically competent development organization we need to develop if rural South Dakota is to prosper in the next century.

The key ingredient to lasting success, however, will be the dedication and commitment of organizations like yours from throughout the state. A commitment of \$15,000 over the next three years from NSP will be used to match federal funds already committed to start the organization. I will call you soon to discuss SDREI, why Norwest Bank has chosen to be a part of this organization, and to answer questions you may have. Please, call me or any other board member listed on the attachment if you have questions.

With best wishes...

Sincerely,


Gary Olson, President & CEO
Norwest Bank South Dakota, N.A.

Attachments

SDREI

SOUTH DAKOTA RURAL ENTERPRISE, INC.

South Dakota Rural Enterprise, Inc. (SDREI) is a statewide non-profit development corporation whose mission is to enhance the economic vitality of rural South Dakota communities by broadening entrepreneurial opportunities through partnerships, advocacy and access to resources. It is private-sector driven. The twelve member board of directors will ensure that the corporation is professionally managed, non-partisan, entrepreneurial, proactive and assertive in accomplishing its mission, and flexible in responding to new challenges and opportunities. SDREI will target its work toward communities of less than 5,000 people, reservation and rural citizens, businesses and organizations. It will seek to generate additional support for successful local, regional, and statewide programs.

WHY WAS SDREI FORMED?

- To offer development services in geographic areas where services are currently lacking.
- To support the work of effective organizations currently not able to adequately reach their constituency due to lack of resources.
- To offer an action-oriented rural development focus in organizing coalitions on rural issues, initiating innovative models, or brokering projects.
- To tap non-South Dakota financing sources that prefer to use a statewide, private-non-profit entity as a funding conduit.
- To raise additional venture and seed capital.

SDREI HISTORY

This corporation is the result of a two year systematic strategic planning effort to identify difficulties, obstacles, opportunities, and resources needed to develop our state's small rural communities. The planning was undertaken by a group of public, non-profit and private sector development professionals representing all areas of the state. This initiative included 1) a survey of leaders representing all GOLD (Guide to Opportunities in Local Development) certified communities, 2) the identification of programmatic and operational needs of South Dakota's rural communities, 3) an assessment of the current capacity of governmental, non-profit and private sector development entities to adequately respond to these needs, and 4) a review of how other rural states are successfully revitalizing rural communities.

HOW WILL YOUR FUNDS BE USED?

SDREI is conducting a campaign to raise initial seed funds. The corporation will take a business-like approach in using your funds, keeping its organization lean so the emphasis is on providing a quality service and product. It will take advantage of in-kind contributions of operational costs such as office, equipment, printing, utilities, etc. Once the short-term fund-raising goal has been met, SDREI will hire an executive director to develop the primary programs. Additional fund-raising will be targeted to specific programs areas. Staff will be hired only as the program work load dictates. An application is pending with the Internal Revenue Service for tax-exempt status.

SDREI will provide investors and contributors with financial information necessary to assure them that funds are being used wisely. Budgets will be approved on an annual basis to reflect the latest programmatic initiatives.

SERVICES TO RURAL COMMUNITIES

Financing intermediary for local development organizations

As a financing intermediary, SDREI will seek to address financing gaps in areas where there is limited local infrastructure to structure and deliver alternative financing incentives to business and community projects by:

- Identifying, accessing, and distributing capital to rural development projects through a network of organizational partners.
- Leveraging significant foundation, public and private capital resources for the benefit of a range of rural development activities, rather than seeking funding for individual, local projects.
- Developing a network of partner organizations that may offer a more comprehensive range of financial assistance than is currently available.

Areas of potential involvement may include, but are not limited to, venture capital, micro-business lending, housing development, Indian business development, and geographic replication of successful programs.

Capacity building for local community revitalization efforts

SDREI will seek to assist and identify new and innovative ways to resolve problems, plan strategically, develop sustainable resources, strengthen economies, and provide continuous, hands-on learning. The corporation will serve as a catalyst for building coalitions and partnerships to address common development problems among organizations, government entities, tribal groups, communities and key private and public sector institutions.

Rural development policy and program innovations

The corporation will address rural development issues that can be resolved by collaborative development of new public policies and private sector initiatives by:

- Identifying public policy barriers, developing solutions and collaborating to resolve service delivery and other rural development issues.
- Creating an environment open to change, new ideas, innovative solutions, and models for success.
- Demonstrating that multi-community collaboration can increase local potential for social and economic vitality.

FOR MORE INFORMATION:

Contact us at P O Box 296 • Pierre, SD 57501
or Call a member of the Board of Directors

SDREI

SOUTH DAKOTA RURAL ENTERPRISE, INC.

P. O. Box 296 • Pierre, SD 57501

BOARD OF DIRECTORS

President

Gary Olson, President & CEO
Norwest Bank South Dakota, N.A.
101 N. Phillips, Ste 200
Sioux Falls, SD 57117-5128
605-339-7496 / FAX 3: 3-4815

Vice President

Elsie Meeks, Owner
LaCreek Store
HCR 53 Box 15
Interior, SD 57750
605-462-6622 / FAX 462-6651

Secretary Treasurer

Cindy Walz, Executive Director
Custer County Chamber of Commerce
447 Crook Street
Custer, SD 57730
605-673-2244 / FAX 673-3726

Chair, Capacity Building

Bernie Hunhoff
South Dakota Senate
P. O. Box 175
Yankton, SD 57078
605-665-6655 / FAX 665-6659

Chair, Financial Intermediary

Dennis Hagny, General Manager
Northern Electric Cooperative, Inc
P. O. Box 457, Hwy 12
Bath, SD 57427-0457
605-225-0310 / FAX 229-5927

Chair, Internal Affairs

Paul Christen, President
First Western Bank Corporation
778 Iowa S.E.
Huron, SD 57350
605-352-8561 / FAX 352-3923

Chair, Public Policy

Jeffrey Nelson, General Manager
East River Electric Cooperative
P. O. Drawer E
Madison, SD 57042
605-256-4536 / FAX 256-8058

Gregg J. Bourland, Chairman

Cheyenne River Sioux Tribe
P. O. Box 590
Eagle Butte, SD 57625
605-964-4155 / FAX 964-4151

Sharon Casey, Owner

Casey Rexall Drug & Jewelry
Welcome West Plaza
Chamberlain, SD 57325
605-743-6530 / FAX 743-6671

Bob Hull, Executive Director

NESDECC
414 3rd Avenue East
Sisseton, SD 57262
605-698-7654 / FAX 698-3038

Richard Negstad

South Dakota Senate
RR 1 Box 46
Volga, SD 57071-9723
605-826-4385 / FAX 826-4385

Marilyn Peters

Route 1, Box 64
Britton, SD 57430
605-448-2578 / FAX (call first)



Northern States Power Company
South Dakota

Jim Wilcox, Manager,
Government & Community Relations
500 West Russell Street
P.O. Box 968
Sioux Falls, SD 57101-0968
Telephone (605) 339-8350 fax 339-8204
internet James.C.Wilcox@nspco.com

June 18, 1996

Gary Olson, President & CEO
Norwest Bank South Dakota
P.O. Box 5128
Sioux Falls, SD 57117-5128

Dear Gary:

Thank you for your letter regarding the South Dakota Rural Enterprise corporation. NSP is authorized by the South Dakota Public Utilities Commission to invest in economic development projects in our service territory in South Dakota. I am pleased to respond that NSP will be able to pledge \$15,000 over the next three years to support the newly established South Dakota Rural Enterprise corporation. Enclosed, please find a check with our first year's commitment.

This appears to be an exciting new direction for rural economic development. An important aspect of this venture is that it seems to be meeting a need that has been going unmet in rural South Dakota.

I want to commend you and the SD REI Board for your vision and your leadership in making this project a reality.

Please let me know if there is anything else NSP can do to support the start-up of this new organization.

Sincerely,

Jim Wilcox

c. Mike Hanson

•

DOWNTOWN
ECONOMIC
DEVELOPMENT
• **I**NCENTIVE
FUND
•



Main Street Sioux Falls

230 South Phillips Avenue, Suite 110 • Sioux Falls, SD 57104-6321
(605) 338-4009 FAX: 338-8816

October 15, 1996

Michael Hanson
Northern States Power
500 West Russell Street
Sioux Falls SD 57104

Dear Mr. Hanson,

Don Dunham, Jr., asked me to forward a template to you regarding the Downtown Economic Development Incentive Fund investment to be made by Northern States Power.

Feel free to use this language or change it as you desire.

Thank you for your generous support of downtown Sioux Falls!

Sincerely,

Carole Pagones
Executive Director

Downtown Economic Development Incentive Fund (DEDIF)

Executive Summary

In 1988, a dedicated group of civic and business leaders in Sioux Falls established Main Street Sioux Falls to launch the successful revitalization of downtown Sioux Falls. Originally chartered by the National Trust for Historic Preservation's Main Street program, Main Street Sioux Falls is a unique partnership between the public and private sectors within the community. The Main Street Sioux Falls Downtown Economic Development Incentive Fund (DEDIF) is designed to leverage existing public and private investment capital to enhance and expedite the continuing revitalization of downtown Sioux Falls.

In December 1992, DEDIF received its seed funding when the United States Department of Housing and Urban Development approved a \$100,000 grant. Since then, DEDIF has played a prominent role in the continuing revitalization of downtown Sioux Falls by participating in a number of highly visible business projects.

DEDIF consists of two components: 1) a Revolving Loan Fund that makes low-interest (3.00% below the New York Prime Rate at the time of closing) and long-term (up to 20 years) subordinated loans available to downtown business and property owners; and 2) a Loan Guaranty Fund that makes low-cost (2.00% of the guaranteed loan amount) loan guaranties available to downtown business and property owners to help them secure financing with private lenders.

To be eligible, an applicant must be located within the Main Street Sioux Falls Project Area. Proposals targeting blighted or undeveloped areas of downtown may be given preference as well as proposals involving structures of historical significance. Eligibility for DEDIF assistance is based on the financial strength of the applicant; the feasibility and economic viability of the project; and finally, whether the project or proposal is consistent with the goals and objectives of Main Street Sioux Falls. Revolving Loan Fund and Loan Guaranty applicants must have secured the commitment of a qualified private lender before requesting financing assistance from DEDIF. This commitment may be contingent on DEDIF participation.

The principal advantage of DEDIF is that it will enable the continual reutilization of a single "pool" of money. As with most successful economic development financing programs, DEDIF is designed to fill a financing gap. "Gap" financing means that DEDIF will only fund enough of a project to make that project financially feasible for both the borrower and the private lender. The gaps in existing financial markets inhibit economic development activities important to downtown Sioux Falls. Thus, the effectiveness of the DEDIF funds will be maximized.

As you can see, DEDIF has some extremely attractive incentives to offer both private investors and private lenders. However, DEDIF is not a panacea. DEDIF does not change the fundamental economic principle that a worthwhile investment must offer a reasonable return in light of the risk involved. DEDIF cannot make a fundamentally sound investment out of a poor business. DEDIF can, however, make a wise investment opportunity even more viable. DEDIF is the economic "pump primer" that, if used properly, can stimulate private investment in the continuing revitalization of downtown Sioux Falls.

DEDIF has achieved its initial goals of seed funding and becoming a factor in downtown redevelopment. We have a track record but \$100,000 only goes so far. To become truly successful, we need to raise an additional \$300,000, which, when combined with our existing funds, will enable DEDIF to make truly meaningful investments in downtown. This is why we are asking the Sioux Falls business community to make an investment in the ongoing restoration of a vibrant downtown - the focal point of our community. Research has shown that there is no better, nor any more economical way, to enhance the overall image our city, both within and beyond our city limits. To accomplish this vision, we need your help.

Although DEDIF cannot make any guaranties to its investors, our goal is to return your principal investment on the tenth anniversary of your last pledge payment. Therefore, the real contribution that you make to DEDIF is the opportunity cost on your investment in one of five investor levels, ranging from \$1,000 to \$25,000. The intangible return on your investment, however, will be substantial; you will have made a meaningful and lasting contribution to the continuing revitalization of downtown Sioux Falls.

Conditions, Terms and Requirements for DEDIF Loan

1. The **purpose** of the DEDIF loan is to stimulate private investment in the defined Business Improvement District (BID) of downtown Sioux Falls by lending funds to a proposed or existing downtown business owner(s).
2. The borrowing business enterprise must maintain a **location** within the BID for the duration of the DEDIF loan.
3. The DEDIF loan **amount** will not exceed ten percent (10%) of the DEDIF fund nor fifty percent (50%) of the total project costs.
4. The maximum **amount** of DEDIF funds that can be held outstanding by any business owner is ten percent (10%) of the DEDIF fund.
5. The maximum **term** of the loan is five (5) years.
6. The maximum loan **amortization** is twenty (20) years for loans secured by real estate and ten (10) years for other business loans.
7. The interest **rate** will be fixed for the original term of the loan at three percent (3.0%) below the New York Prime Rate on the date of loan closing.
8. The borrower must pay a two percent (2.0%) loan origination **fee** at the time of loan closing. This fee may be deducted from loan proceeds.
9. The business owner(s) must provide at least twenty percent (20%) of the total project funding in the form of **equity** investment.
10. The borrower must provide evidence supporting their ability to secure funding for at least fifty percent (50%) of the total project cost through equity and/or other **nongovernmental** financing.
11. The borrower must present documentation (such as **invoices**) supporting project costs.
12. A business project involving **structural changes** must be approved by the Main Street Sioux Falls Design Committee.
13. The business owner(s) must each be willing and able to provide personal **guaranties** for the amount of the loan.
14. The borrower(s) must maintain (and provide evidence of) adequate property, casualty and liability **insurance**, naming DEDIF Corp. as loss payee.
15. The borrower(s) must provide evidence to confirm that they possess sufficient financial **strength** and commitment for the project.
16. The borrower(s) must be determined to be **creditworthy** by the DEDIF Credit Committee.
17. The DEDIF Corporation shall have the ability to hold a **lien** on the assets of the borrowing business.



Main Street Sioux Falls

230 South Phillips Avenue, Suite 110 • Sioux Falls, SD 57104-6321
(605) 338-4009 FAX: 338-8816

February 25, 1997

Michael Hanson
Northern States Power
500 West Russell Street
Sioux Falls SD 57104

Dear Mr. Hanson,

On behalf of the Board of Directors of Main Street Sioux Falls, and on behalf of the entire downtown Sioux Falls community, our heartfelt thanks to Northern States Power for your \$10,000.00 investment commitment to the Downtown Economic Development Incentive Fund (DEDIF). As downtown Sioux Falls continues to grow and develop, your "reinvestment" will play an important role in restoring pride in the focal point of our community.

We are delighted to report that we now have unaudited pledges totaling approximately \$350,000, putting us well over our \$300,000 goal.

If you have any questions or desire additional information please do not hesitate to contact the Main Street Sioux Falls office.

Sincerely,

Christopher M. Schiltz, AIA
President

01411302

South Dakota Governor's Office of Economic Development
1996 NSP-SD Service Territory G.O.L.D. Program Communities

G.O.L.D. Program Communities	Grant Given
Baltic, SD	\$ 500
Bridgewater, SD	\$ 500
Canton, SD	\$ 500
Centerville, SD	\$ 500
Dell Rapids, SD	\$ 500
Emery, SD	\$ 500
Garretson, SD	\$ 500
Harrisburg, SD	\$ 500
Lennox, SD	\$ 500
Marion, SD	\$ 500
Salem, SD	\$ 500
GOED Conference G.O.L.D. Program Award Co-Sponsor	\$1,000
TOTAL	\$6,500

GOLD Community Achievement Awards Program

The GOLD Community Achievement Awards Program is a new initiative designed to recognize innovative and progressive projects taking place in GOLD communities statewide. Sponsorship from the state's utility companies made it possible to provide cash awards. Following is a list of corporate sponsors -- who were also the program judges.

*Black Hills Power & Light Company
MidAmerican Energy Company*

*Northern States Power Company
Northwestern Public Service Company*

*Otter Tail Power Company
East River Electric Power Cooperative*

*Rushmore Electric Power Cooperative
West River Electric Association*

Following is a brief summary of award winners in each of the six program categories:

Agricultural Development -- recognizes community efforts to take advantage of ag development opportunities.

Excellence Award (\$500) Corsica

- The Corsica Development Corporation, city council and Cenex Land O' Lakes company worked together to establish a feed mill AND swine production facility. Both facilities provide local farmers with a value-added market for their corn.

Merit Awards (\$250 each)

- Hot Springs for agri-business promotional efforts which include an annual Stockman's Banquet to show appreciation to area ranchers, and an annual Ag Business Seminar that teaches business principles to farmers and ranchers.
- Rosholt for work in helping Bell Farms Genetic Research and Farrowing Operation locate in the area. The project will add 30-50 jobs to the area.

Beautification and Enhancement -- recognizes efforts to maintain the visual quality of the community.

Excellence Award White Lake

- Everyone in town, from individual citizens to civic organizations, participates in White Lake's "Clean Up Our City Campaign." Each local clean up project is recognized in the local newspaper. A new swimming pool project is also nearing completion in this community of 400 people.

Merit Awards

- Dell Rapids for its Dells of the Sioux Scenic Trail and clean up project. More than 1,400 volunteer hours have already gone into this project which will increase tourism opportunities for the area.
- Wessington Springs for its Shakespeare Garden and Anne Hathaway Cottage restoration project. More than 200 volunteers work annually at restoring this source of community pride and cultural activity.

Business and Industrial Development -- recognizes community efforts to create economic development opportunities relating to commercial and industrial development.

Excellence Award Lennox

- Within a year's time, Lennox community leaders purchased and established an industrial park, conducted a local labor availability phone survey, designed marketing pieces for industrial recruitment, and met with GOED marketing staff to develop a marketing plan.

Merit Awards

- **Freeman** for efforts to retain 50 jobs in the community after a major employer closed its doors. H S Industries expanded to the community, while another business started-up. All told, the 50 jobs were retained and more jobs created due to local efforts
- **Gettysburg** for business retention and expansion efforts. More than seven new businesses were started using Gettysburg's \$178,000 revolving loan fund. An industrial park and 10,000 square foot spec building have also been developed within the last two years.

Community Innovation -- involves a community stating a problem and how it overcame the problem to the benefit of the community.

Excellence Award Midland

- This town of 235 people, needing an ambulance for emergency medical attention, raised more than \$25,000 in less than a year to purchase an ambulance. Nineteen volunteers also took EMT training, bringing the total number of volunteer EMTs in Midland to 24.

Merit Awards

- **Deadwood** for its "Paint the Town Project," where volunteers paint an elderly person's home each summer. The community also has a rehabilitation program in place to fix-up older homes for resale to first-time home buyers.
- **Emery** for raising more than \$30,000 toward the renovation of its community auditorium. Every local community group in this town of 418 has been involved in the project, and more fund raisers are planned.

Community Promotion -- recognizes creative ways a community promotes itself to others.

Excellence Award Spearfish

- For efforts to establish a 24-hour visitor center, which also houses the chamber of commerce and economic development staff. A display area and community meeting rooms are also available.

Merit Awards

- **Groton** for its new \$270,000 American Legion facility that will accommodate more than 200 people allowing area events and gatherings to be held in the community. Two-thirds of the project was paid for through local fund raisers.
- **Onida** for its annual "'Twas the Night Before Christmas" promotion, a downtown event designed to increase retail sales and community pride.

Education, Training and Youth Involvement -- recognizes educational projects involving all ages.

Excellence Award Flandreau

- In recognition of the Flandreau Invitational Art Show, designed to promote self-esteem and recognition of area youth. The art show also educates youth about the different cultures that make up the Flandreau community.

Merit Awards

- **Custer** for its annual Custer County Customer Service Training program. Local promotional efforts and volunteer recognition make the program one of the best in the state.
- **Lead** for its community-wide business needs survey -- designed, distributed and compiled for the local development corporation by the Lead Future Business Leaders of America.

U.S. GOVERNMENT PRINTING OFFICE: 1964 O - 345-000

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

S.D. Newspaper
Services, Inc.
Clipping Bureau
Box 2230
Brookings, SD
57007

MAY 2 1996

Dell Rapids Tribune

Trails project earns GOLD award

The Dell Rapids Trails Committee will have an extra \$250 to work with this summer, thanks to an award from the Governor's Office of Economic Development (GOED) and GOLD Committee.

Lynn Culey, co-chairperson of the Dell Rapids GOLD Committee, accepted the Beautification and Enhancement Award Tuesday, April 16 at a GOED conference in Pierre. This spring, Culey and Jay Nebben, Dells GOLD committee co-chairpeople, nominated the Dells of the Sioux Scenic Trails project at a district GOLD meeting.

Eighteen South Dakota GOLD communities were presented with GOLD Community Achievement Awards April 16 at the Governor's Economic Development conference.

A total of \$6,000 was awarded in \$500 and \$250 amounts in recognition of local community projects.

The Awards are a new initiative from GOED designed to recognize innovative, individual community projects taking place in communities statewide.

Northern States Power Company sponsored the award Dell Rapids



Dells GOLD committee co-chairman Lynn Culey (right) presents Trail Committee member Carolyn Drew with an "Enhancement and Beautification" award for the trails.

received, with other utility companies sponsoring awards in their service area. Representatives from each utility company also served as the program's judges.

Communities competed for awards in six separate categories:

- Agricultural Development-Cornica, \$500; Hot Springs, \$250; Rosholt \$250.

- Beautification and Enhancement-

- White Lake, \$500; Dell Rapids, \$250; Wessington Springs, \$250.
- Business and Industrial Development-Lennox, \$500; Freeman, \$250; Gettysburg, \$250.
- Community Innovation-Midland, \$500; Emery, \$250; Deadwood, \$250.

- Education, Training and Youth Involvement-Flandreau, \$500; Custer, \$250; Lead, \$250.

S.D. Newspaper
Services, Inc.
Clipping Bureau
Box 2230
Brookings, SD
57007

MAY 2 1996

Emery Enterprise

§1

Emery GOLD effort receives Merit Award

Eighteen South Dakota GOLD (Guide to Opportunities for Local Development) communities were presented with GOLD Community Achievement Awards Tuesday, April 16, at the Governor's Economic Development Conference.

A total of \$6,000 was awarded in \$500 and \$250 amounts in recognition of local community projects. More than 2,000 volunteers and 30,000 volunteer hours were documented in all the community project applications received.

The GOLD Community Achievement Awards Program is a new initiative from the Governor's Office of Economic Development (GOED) designed to recognize innovative, individual community projects taking place in communities statewide. This spring, communities were invited to compete with other GOLD communi-

ties in the state by nominating a local project for recognition.

Sponsorship of the program was provided by the following utility companies: Black Hills Power and Light Company, MidAmerican Energy Company, Northern States Power Company, Northwestern Public Service Company, Otter Tail Power Company, East River Electric Power Cooperative, West River Electric Association and Rushmore Electric Power Cooperative. Representatives of each utility company also served as the program's panel of judges.

"The purpose of the GOLD Community Achievement Awards Program is to showcase and recognize the many innovative community projects happening around the state," said GOED Commissioner Bonnie Untereiner. "It's phenomenal when you

look at the number of dollars our state's communities are raising locally, as well as the amount of volunteer time put into projects.

"Together with our utility company partners, we were able to recognize several of those projects. We owe a big 'thank you' to the utility companies for their participation as sponsors and judges," said Untereiner.

Communities competed for awards in six categories.

In the Community Innovation category, involving a community stating a problem and how they overcame it to the benefit of the community, Midland received an "Excellence Award" for raising nearly \$20,000 to purchase an ambulance and training 19 volunteers to become emergency medical technicians. Receiving "Merit Awards" were Emery for raising more than \$30,000 toward the renovation of their community auditorium, and Deadwood for its "Paint the Town" project where volunteers paint elderly persons' homes each summer.



Mayor Steve Ollerich and Baltic Community GOLD coordinator Mike Wendland accept a \$500 check from Darrell Donelan of NSP for continued community development. Photo by Bruce Barham

NSP donates to Baltic GOLD

Mary Thoen, Community Relations, and Darrell Donelan, Dells area supervisor for Northern States Power Company, presented a check for \$500 to Mike Wendland, co-coordinator of the GOLD Committee for Baltic and Mayor Steve Ollerich.

According to Thoen, "The \$500 is a tool for stimulating rural economic development and is an investment by NSP in the future of these communities." NSP makes the same gift to 10 other rural communities it serves in

eastern South Dakota, including Bridgewater, Canton, Centerville, Dell Rapids, Emery, Garretson, Harrisburg, Lennox, Marion and Salem.

Only GOLD (goal-oriented local development) Communities receive the donation. The GOLD Community program is about development of all kinds. Committees are formed to work on key projects and support one another.

The GOLD committee is an all-volunteer group whose purpose is to keep groups communicating and to be a clearinghouse for information.

The Governor's Office of Economic Development (GOED) supplies the groups with information, guidance and various other forms of non-monetary

support. Dell Rapids will host the Southeastern South Dakota meeting of GOLD communities March 13 at Barnaby's from 11 a.m. to 4 p.m.

The Governor's Conference on Economic Development is April 1-2 in Pierre.

5-27-97



NSP DONATES FUNDS: On February 13, Joel Bias (right), representative of Northern States Power Company, presents \$500 check to the BBC Treasurer Roy Kreeger and Evelyn Hofer. Northern States Power Company is pleased to again support the South Dakota GOLD program effort by investing \$500 in eleven rural communities NSP serves in eastern

South Dakota. The \$500 is a tool for stimulating rural economic development and is an investment by NSP in the future of these communities. The communities are: Baltic, Bridgewater, Canton, Centerville, Dell Rapids, Emery, Garretson, Harrisburg, Lennox, Marion and Salem.

BRIDGEWATER 2-20-97

NSP gives \$500 to Dells GOLD

Mary Thoen, Community Relations, and Darrell Donelan, Dells area supervisor for Northern States Power Company, presented a check for \$500 to Lynn Culey, co-coordinator of the GOLD Committee for Dell Rapids. According to Thoen, "The \$500 is a tool for stimulating rural economic development and is an investment by NSP in the future of these communities."

Only GOLD (goal-oriented local development) Communities receive the donation. The GOLD Community program is about development of all kinds - "whatever makes a town a better place to live," Culey says. "You have a big town meeting once a year to assess what's important to your town, and then you go from there." Committees are formed to work on those key projects and support one another.

The GOLD committee is an all-volunteer group whose "purpose is to keep groups communicating and to be a clearinghouse for information," Culey says. The Governor's Office of Economic Development (GOED) supplies the groups with information, guidance and various other non-monetary support.

Culey says the NSP donation will probably be turned over to the



Darrell Donelan and Mary Thoen of NSP present the Dell Rapids GOLD Community with a check for \$500 to go towards further community development efforts. Receiving the check is GOLD co-coordinator Lynn Culey (right).

Photo by Bruce Benham

Dell Rapids Economic Development Corporation, with a proviso that they may withdraw if they need it. Economic development and tourism development are usually closely allied with GOLD Committee work and Dell Rapids is no exception. The most popular of the goals voted on at the last GOLD Community meeting was to work on funding for an

industrial park. Not only has that goal been realized, but the development corporation has already received four inquiries from businesses considering locating here.

Dell Rapids will host the Southeastern South Dakota meeting of GOLD communities March 13 at Barnaby's from 11 a.m. to 4 p.m. The Governor's Conference on Economic

Development is April 1-2 in Pierre. Direct any input to co-coordinators Lynn Culey 428-0110 or Jay Nebben 428-5755.

You can now find the Dell Rapids web site under the state of South Dakota home page <http://www.state.sd.us> under "Community Profiles" or you can go directly to it at <http://www.state.sd.us/state/executive/oeod/profiles/dells.htm>

2-26-97

Garretson 2-6-97



Showing support for the South Dakota G.O.L.D. program, NSP District Representative Denny Garry presented a check of \$500 to Garretson's G.O.L.D. program, represented by Bruce Rektad. The gift from Northern States Power is for stimulating rural economic development and is an investment by NSP in the future of communities.



NSP invests in South Dakota GOLD program

Pictured above is Keith Reif, a representative of Northern States Power Company, presenting a \$500 check to Margaret Meyer, Lennox GOLD coordinator. Standing to the right is Mary Thoen, community relations director for NSP. The donation will be used to purchase playground equipment for the Lennox park.

Northern States Power is supporting the SD GOLD program by investing \$500 in eleven rural communities NSP serves in eastern South Dakota. The money is a tool for stimulating rural economic development and is an investment in the future of these communities. Communities receiving the support are: Baltic, Bridgewater, Canton, Centerville, Dell Rapids, Emery, Garretson, Harrisburg, Lennox, Marion, and Salem. *LENNOX 2-20-97*



Development Foundation
President Laura Wilson
receives a \$500 check from
Marion's NSP
representative, Joel Bialas

NSP donates \$500 to Marion's Gold program

Northern States Power Company is pleased to again support the South Dakota G.O.L.D. program effort by investing \$500.00 in eleven rural communities NSP serves in eastern South Dakota.

The \$500.00 is a tool for stimulating rural economic development and is an investment by NSP in the future of these communities.

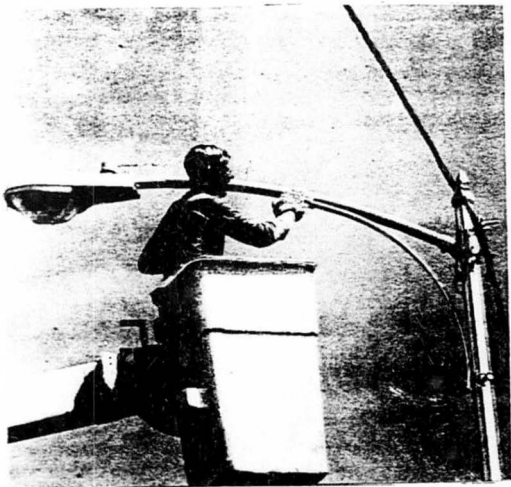
The communities are: Baltic, Bridgewater, Canton, Centerville, Dell Rapids, Emery, Garretson, Harrisburg, Lennox, Marion and Salem.

MARION 2-20-97



NSP DONATES FUNDS: Mary Thoen, Community Relations representative from Northern States Power Company, presents a \$500 check to Salem PSA President Randy Sabers. Thoen said, "Northern States Power Company is pleased to again support the South Dakota GOLD program effort by investing \$500 in eleven rural communities NSP serves in eastern South Dakota." The \$500 is a tool for stimulating rural economic development and is an investment by NSP in the future of these communities. The communities are Baltic, Bridgewater, Canton, Centerville, Dell Rapids, Emery, Garretson, Harrisburg, Lennox, Marion and Salem.

Salem 2-6-97



Enlightning

Twenty-seven light poles in downtown Canton were painted last week for the first time in many years. Christlansen Tree Service did the painting and Coast to Coast donated the silver paint for the project. The donated paint is valued at over \$200 and the cost to get the job done was \$1080. The City used the \$500 grant from Northern States Power to help pay for the work.

DELL RAPIDS GOLD PROGRAM

LYNN CULEY / JAY NEBBEN, CO-COORDINATORS 508 EAST NINTH DELL RAPIDS, SD 57022 605-428-0110

February 12, 1997

Ms. Mary Thoen
Northern States Power
500 West Russell
P. O. Box 988
Sioux Falls, SD 57101-0988

Dear Ms. Thoen:

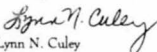
I want to thank Northern States Power for its recent donation to the Dell Rapids GOLD Program and to thank you for your efforts in obtaining the donation.

The Dell Rapids GOLD Program continues its work on six goals for 1997. These goals were established at a community-wide meeting.

1. Develop an industrial park.
2. Improve the truck route through Dell Rapids.
3. Continue to improve the Dells area as a walking trail and recreational area.
4. Revitalize the historic downtown business district.
5. Develop an athletic field complex on the South side of the Sioux River.
6. Work toward establishing a community and youth center.

Your help is greatly appreciated as we work toward these goals. I believe many of these goals would remain dreams and not become reality without the GOLD program. Thank you for your support.

Sincerely,


Lynn N. Culey

Postage & Insurance
to be received from
Lynn L. & R. M.

Alta Margulieson



January 18, 1997

Dear Mary

I wanted to let you know
you and Nelson Blöke have
for the check to the Lenny
Bird Program. This money will
be added to our joint project

Sincerely
Margaret Meyer
Coordinator

MARION DEVELOPMENT FOUNDATION
P. O. Box 492
Marion, SD 57043

September 23, 1996

Ms. Mary Thoen
NSP Representative
P. O. Box 988
Sioux Falls, SD 57101

Dear Mary:

The purpose of this letter is to report how the \$500 grants from Northern States Power to the Marion GOLD Program have been spent.

In November, 1995, the Marion Development Foundation announced in its weekly newspaper, The Marion Record, that it was seeking applicants in need of assistance in outdoor beautification involving renovation or demolition. Applicants could apply for a grant of up to 50% of the cost of the project.

To date two applicants have received funds, one for \$300 and one for \$788 resulting in the demolition of three houses. Two other requests for renovation of the fronts of downtown buildings have been granted and funds will be paid upon completion of these projects. These two requests total \$1500.

We thank you for your interest in the development of Marion and your generous contributions.

Sincerely,

Iva Becker
Iva Becker, Secretary
Marion Development Foundation

NSP-SD - 1996

"INTEREST BUY DOWN"

PROGRAM



Northern States Power Company
South Dakota

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

NSP-SD Economic Development "Interest Buy Down" Program

Fact Sheet

Background and Purpose

NSP-SD has an interest in maintaining the economic vitality of our region. The South Dakota Public Utilities Commission has authorized NSP to invest in economic development activities in South Dakota. These economic development activities are intended to encourage the startup of new business or the expansion of existing business.

Program

NSP is working with local banks to provide a one-time grant to effectively reduce the borrowing cost to a prospective new business or a business expansion project. The business must be a customer or a prospective customer of NSP to be considered. Attached is a NSP application form.

NSP's Selection Criteria

As an energy services company, NSP is primarily interested in encouraging new business to our service area or the expansion of business in our service area that require electric energy. Secondary to that criteria is the number of new employees that this venture will require. The only obligation to NSP is to allow us to photograph the business and business owners, and allow us to use the business name and photographs in a publication or annual report.

Contingent Upon

Eligibility for this program also depends upon a credit approval and loan approval from the lending institution. Note, NSP's participation with this program may enhance your opportunity for approval by the lending institution. Also, note that NSP's annual authorization for this program is limited. Once the budget for the calendar year is reached, the program will necessarily be suspended until the following approved calendar year.

If you have questions, please feel free to telephone me at 339-8343.

Respectfully,

Bill Kullander
NSP-SD Area Relations Representative

mltacts - 04/96



U.S. GOVERNMENT
SMALL BUSINESS ADMINISTRATION
SUITE 200
FIRST FINANCIAL CENTER
110 SOUTH PHILLIPS AVENUE
SIOUX FALLS, SOUTH DAKOTA 57104-6727
605/330-4231

December 12, 1996

COPY

Mr. William E. Kullander
Area Relations Representative
Northern States Power Company
PO Box 988
Sioux Falls, South Dakota 57101

Dear Mr. Kullander:

Bill

Thank you for meeting with members of our staff to inform us of the interest "Buy Down" Program available through NSP. We were pleased to find that such a program is available to assist small businesses in those counties serviced by NSP.

As we discussed, SBA is interested in pursuing various ways to promote economic development and to support small businesses in the creation of new job opportunities in South Dakota. We consider NSP's program an excellent opportunity to help new and expanding businesses during a critical time in their development.

It appears from the information which you presented that the NSP program will be beneficial to applicants under our guaranteed loan program--either through assistance with the payment of the guaranty fee or to accommodate a reduction in their interest costs. We are also examining additional possibilities of utilizing such a program in conjunction with our "504" loans, which have a primary emphasis on creating additional employment.

We look forward to working with you in the future in an effort to promote economic development in South Dakota. Please advise us of any further developments in this program as they arise.

Sincerely,

E. George Peterson III
E. George Peterson III
Deputy District Director

0114113135B11

NSP-SOUTH DAKOTA INTEREST "BUY DOWN" PROGRAM

Organization _____ Date _____

Contact Person _____ Telephone _____

Address _____

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

Number of New Jobs Created _____

Annual Electrical Demand and Useage _____

Additional Comments _____

Please contact Bill Kullander at 339-8343 for more information.

OCT-20-95 FRI 13:52

SIOUX FALLS SER CTR

FAX NO. 3398204

P.05

Draft

NSP-SOUTH DAKOTA INTEREST "BUY DOWN" PROGRAM

Organization Precision Tune Franchise Date 11/14/95Contact Person Lane Hawkins Telephone 504/698-0923Address 3065 Dakota Street
Batesville, AR 72501

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

Precision Tune is an automobile repair and Maintenance
service Franchise. We ~~are~~ will be opening a
service center in early 1996. It will be a
new start-up business. A new building will be
erected on Western Avenue. My wife & I
will be relocating to Sioux Falls. We are both South
Dakota natives that want to come home.

Number of New Jobs Created 5 at start-up
known - 6 bay garage facility
Annual Electrical Demand and Usage with office & waiting roomAdditional Comments: Please contact me or my wife if
more information is needed, or if we qualify
for your program.ThanksLane

Please contact Bill Kullander at 339-8343 for more information.



Norwest Bank South Dakota, N.A.
101 North Phillips Avenue
Post Office Box 5128
Sioux Falls, South Dakota 57117-5128
605/339-7300

December 20, 1995

Bill Kullander
Northern States Power Company
500 West Russell Street
P.O. Box 988
Sioux Falls, SD 57101-0988

Re: Lane and ^{TINA}~~Time~~ Hawkins

Dear Bill:

It is my understanding that you have received an application for the "Buy Down" program from the Hawkins'. Norwest Bank South Dakota, N. A. has received guaranty approval from the Small Business Administration for a \$49,000.00 loan which carries a guaranty fee of \$980.00.

Any aid to pay for the SBA fee will be appreciated by the borrowers.

Sincerely,

J. David Danciger
Assistant Vice President
Business Banking

PRECISION TUNE
4019 SO. WESTERN AVE
SIOUX FALLS, SD 57105

METER # 59551137

8141131118

ECONOMIC DEVELOPMENT ACTIVITY

IN

NSP-SD COMMUNITIES

NSP-South Dakota Economic Assistance Program

- Financial Request Form -

Organization Therm-Dynamics Mfg., Inc. Date 10/27/95

Contact Person Vervin Hybertson, Owner Phone 335-3232

Address 1115 Railroad St.

Centerville, SD

Amount Requested \$ 2,500

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

Therm-Dynamics Mfg., Inc. is building a new 60' X 120' facility.

Portable industrial heaters will be manufactured in this new
building. These heaters are marketed and sold on a world wide
basis.

Number of New Jobs Created 16 to 20 by end of 1998.

Annual Electrical Demand and KW Usage Projected demand of 115 KW

Additional Comments: This new business will help keep Centerville,
SD a viable and prosperous community.

NSP-SD Representative Joel Bialas / Bill Kullander

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1
3
.
1
1
2

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND



Verlyn Hybertson, left, is pictured with employees Ty Toussaint and Jeff McGregor. Hybertson and his wife Judy opened Therm Dynamics in April in Centerville. They were assisted in their efforts by the Centerville Economic Development Corporation. (Journal photo by Allison Morley)

Couple makes commitment to community, selves with industry

BY ALLISON MORLEY

In the summer of 1995 Verlyn and Judy Hybertson made a commitment to build a manufacturing company in Centerville. The idea wasn't new to them -- since 1986 it was something they had considered. But the timing never seemed quite right. In June of last year everything seemed to fall together, and the project was underway.

Therm Dynamics opened its doors on April 15 of this year, and the Hybertsons fulfilled their commitment to themselves, and the community of Centerville.

As of today, Therm Dynamics employs five people -- Verlyn, his wife Judy who keeps the books, Ty Toussaint, Jeff McGregor and Sherne Zweifel.

"We have two more already hired," said Verlyn. "They'll start as soon as we can use them."

The Centerville Economic Development Corporation assisted the Hybertsons in constructing their building at 1049 Railroad Street. Verlyn gives the corporation all due credit, and acknowledges that the assistance provided helped him decide to build in Centerville, and make his home there.

"My wife and I lived in Rapid City for 21 years, although I was born and raised in Centerville," said Verlyn. "We moved to Sioux Falls in

1988, and initially wanted to start the project there, but for one reason or another Centerville became more appealing to us."

Therm Dynamics produces a flameless, portable heater to be used for industrial purposes. Clients include construction contractors, the military, airlines, utility companies, etc.

"Primarily the heater can be used in industrial areas that can't have contamination, and to avoid a fire hazard," said Verlyn.

The idea of producing the industrial heaters occurred to him after he heard of someone else who was doing something similar.

"The market for them is much larger than I ever dreamed," he said. "We're finding places to put them we'd never thought of."

Therm Dynamics does its marketing primarily through trade shows and advertisements in magazines such as Equipment World. On July 25 the company shipped several heaters to Peoria, IL. The order before that went to Santee, CA.

"I'm definitely keeping busy here," Verlyn said. "My responsibilities include checking stock as it comes in, to make sure it works, and testing our heaters before they go out, to make sure they work."

"Right now I'm probably putting in 60 hours a week," Verlyn added with a smile. "And it's only going to get worse the busier we get. But that's alright for now."

The Hybertsons are both pleased with their decision to return to Centerville.

"I don't miss the traffic in Rapid City or Sioux Falls," Verlyn said. "It's nice to be able to go home for lunch in two minutes, instead of spending 20 minutes driving home. What we've lost in convenience we've gained in other areas by moving back here."

In addition to the lack of traffic problems in town, Verlyn says he prefers the relative stability of the economy in this part of the state.

"In Rapid City it's a tourist economy," he said. "It isn't stable, and when tourism is down it filters through to every type of business there is in that part of the state. Every time there was a scare about closing Ellsworth Air Force Base the economy faltered. It isn't the best business environment."

In contrast, the addition of Therm Dynamics to the Centerville business community definitely seems to be a positive step.

"We plan to be here a while," said Verlyn. "At this rate, business should only get better."

Centerville Journal 8-1-96

■ LENNOX

Argus Leader 3-3-96

Lennox wooing 25 industries in area

City of 1,800 uses state marketing-assistance program to target companies

By **RANDY HASCALL**

Argus Leader Staff

Lennox is entering new territory in economic development strategy.

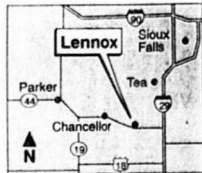
Volunteers are letting 25 industries in southeast South Dakota know that if they're interested in expanding, Lennox is interested in them.

"If we can get one industry out here, I think others will come," said Virgil Musch, president of the all-volunteer Lennox Area Industrial Development Corp. "It's our field of dreams."

The city of 1,800 is one of the first in the state to be part of a marketing-assistance program through the Governor's Office of Economic Development.

Lennox bought a list of 25 company names, addresses and phone numbers through the state's computer system.

Development leaders will write the companies and include cards they can return for more information. Volunteers will make follow-up phone calls to each industry and send more extensive



information to those who are interested.

Lennox will be able to purchase additional lists of companies at 80 cents a name.

"We can target the type of company that's best for us," Musch said. "We can target southwest Minnesota, northwest Iowa or central South Dakota — any place in the United States."

The marketing strategy is part of a full-blown state training and assistance program, said Connie Halverson of the Governor's Office of Economic Development.

Lennox leaders will try out their

sales pitch on state economic development officials in a mock interview March 13. Then, the state officials will provide tips and suggestions, Halverson said.

The main emphasis of the state program is to help determine what is a good fit for each community and to assist with strategic planning, said Bonnie Untereiner, commissioner of the Governor's Office of Economic Development.

The Lennox board has decided to contact companies with more than 100 employees.

The city completed a labor survey and community profile, and the state implemented a marketing and research program. An additional phone line has been installed at the Lennox City Hall to take calls from industry representatives.

Rhonda Beach, secretary of the 30-year-old industrial development corporation, said Lennox should be an appealing geographic location for a company.

The city is at the intersection of state highways 17 and 44, five miles off Interstate 29. It's 20 miles from

a major airport in Sioux Falls and 10 miles from a business airport near Tea.

A 21-acre industrial park is on the southeast edge of town. The city bought the land in January 1994 and water and sewer lines were extended last year. Luring an industry is the next goal.

The city has a new water system and natural gas is available. An open house will be held this spring at the industrial park.

Beach said the area has a good work force of dedicated people. According to a labor survey of Lennox and the surrounding towns of Tea, Chancellor and Worthing, many residents who work elsewhere would be interested in jobs in the community.

Musch said Lennox also needs to concentrate on residential growth. "We can't bring 100 new employees to town without houses."

The city's largest employers are the school district and Good Samaritan Center. Koyker Manufacturing, the main industry, employs about 75 people.

NSP-SOUTH DAKOTA 1997 ECONOMIC DEVELOPMENT PROPOSED BUDGET

Forward Sioux Falls III Campaign \$ 25,000

Minnehaha County Economic Development Association (MCEDA) \$ 10,000

Lincoln County Economic Development Association (LCEDA) \$ 15,000

NSP-SD "Economic Assistance" Program \$ 23,520

Continuing Commitment Assistance

(Mainstreet Sioux Falls Economic Development Incentive Fund \$ 1,500)

(SD Rural Enterprise, Inc. \$ 5,000)

NSP-SD G.O.L.D. Program Support \$ 6,500

Sioux Falls Development Foundation

Training Fund \$ 15,000

Tenant Improvement \$ 10,000

Continuing Commitment Assistance

(University of Sioux Falls, Technology Partnership \$10,000)

TOTAL \$105,020



Northern States Power Company
South Dakota

Jim Wilcox, Manager,
Community & Government Relations
500 West Russell Street
P.O. Box 968
Sioux Falls, SD 57101-0968
Telephone (605) 339-8350 fax 339-8204
email James.C.Wilcox@nspco.com

April 30, 1997

Mr. Robert Knadle, Staff Analyst
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RECEIVED

MAY 02 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Bob:

Enclosed please find 10 copies of additional documents to complete our economic development report for 1997.

Under tab 1, please replace the "NSP-SD 1996 Economic Development Actual Expenditures". Although we disbursed \$15,000 in 1996 to the Sioux Falls Development Foundation, the Small Business Development Center had actually only requested \$10,000. The Sioux Falls Development Foundation is holding the remaining \$5,000 for us for some other purpose in 1997 and that amount is shown as a carry forward to our 1997 budget.

Under tab 2, insert the letters from Forward Sioux Falls and the South Dakota SBDC. These letters document the commitments we made in 1996 to those respective organizations.

Under tab 8, please replace the "NSP-SD 1997 Economic Development Proposed Budget". Please note that this revised budget reflects the \$5,000 carry forward mentioned above.

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

Sincerely,

Jim Wilcox

*I put the new pages
in the original filing.*

c. Mike Hanson
Bill Bullard

**NSP-SOUTH DAKOTA
1997 ECONOMIC DEVELOPMENT
PROPOSED BUDGET**

Forward Sioux Falls III Campaign..... \$ 25,000

Minnehaha County Economic Development Association (MCEDA) \$ 10,000

Lincoln County Economic Development Association (LCEDA) \$ 15,000

NSP-SD "Economic Assistance" Program \$ 18,500

NSP-SD G.O.L.D. Program Support \$ 6,500

Sioux Falls Development Foundation

Training Fund \$ 15,000

Tenant Improvement \$ 10,000

TOTAL \$100,000

This was replaced

**NSP-SOUTH DAKOTA
1996 ECONOMIC DEVELOPMENT
ACTUAL EXPENDITURES**

Forward Sioux Falls III Campaign	\$ 25,000
Minnehaha County Economic Development Association (MCEDA)	\$ 10,000
Lincoln County Economic Development Association (LCEDA)	\$ 15,000

NSP-SD Economic Assistance Program:

Interest Buy Down Program - Performance Tune	\$ 980
SD Procurement Technical Assistance Center Conference	\$ 4,000
SD Rural Enterprise, Inc. - (\$5,000.00 x 3 years)	\$ 5,000
Mainstreet Sioux Falls Economic Development Incentive Fund	\$ 8,500

Program Total \$ 18,480

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

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

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

Program Total \$ 6,500

Sioux Falls Development Foundation

Training Fund S B A	\$ 15,000
Tenant Improvement - University of Sioux Falls - Technology Partnership..... (\$10,000 x 2 years)	\$ 10,000

TOTAL \$ 99,980

This was replaced

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY)	ORDER APPROVING 1996
NORTHERN STATES POWER COMPANY FOR)	ECONOMIC DEVELOPMENT
APPROVAL OF AN ECONOMIC)	REPORT AND 1997
DEVELOPMENT PLAN)	ECONOMIC DEVELOPMENT
)	PLAN
)	EL97-007

On April 8, 1997, the Public Utilities Commission (Commission) received Northern States Power Company's (NSP's) 1996 Economic Development Annual Report and proposed Economic Development Plan for 1997. The proposed plan was filed in accordance with the settlement agreements reached between NSP and Commission Staff, and approved by the Commission, in the company's most recent rate case filings, Dockets EL90-13 and EL92-016. The company filed additional data in regard to this matter on May 2, 1997. The Commission approved NSP's Economic Development Plan for 1994 on April 28, 1994, for 1995 on June 26, 1995, and for 1996 on May 22, 1996.

For 1997, NSP's proposed economic development investment budget is \$105,020. The actual expenditures for the 1996 Economic Development Plan were \$94,980. Fifty percent of the 1997 budget would be recovered through rates, with the remaining 50% funded by shareholders.

At its regularly scheduled May 13, 1997, meeting, the Commission reviewed NSP's 1996 Economic Development Annual Report and Economic Development Plan for 1997. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, SDCL 49-34A-4 and 49-34A-6. After review of the report and plan, the Commission found that they are just and reasonable and voted to approve them. It is therefore

ORDERED, that NSP's 1996 Economic Development Annual Report and Economic Development Plan for 1997 are approved as filed.

Dated at Pierre, South Dakota, this 21st day of May, 1997.

CERTIFICATE OF SERVICE The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon. By: <u><i>Sharon Kato</i></u> Date: <u><i>5/22/97</i></u> (OFFICIAL SEAL)

BY ORDER OF THE COMMISSION

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner