

Growing

**A STRONG
FOUNDATION**

2009
ANNUAL MEETING

**ECONOMIC DEVELOPMENT
PROGRESS REPORT**

Sioux Falls 
Development Foundation 

ECONOMIC DEVELOPMENT REPORT

Sioux Falls

2009 AT A GLANCE

Year to Date (January-October)

Total Value of Construction: \$253,600,000

Number of Building Permits: 5,579

Capital Investment: \$122,400,000

SIoux EMPIRE DEVELOPMENT PARKS STATISTICS

Number of Businesses: 115

Employment in the Parks: 12,700

Total Acreage: 1,351

2009 Land Sales: 15.4 Acres at a Value of \$1,300,000

2009 BOARD OF DIRECTORS

Mark Shlanta, SDN Communications, **Chairman**
Cathy Clark, Wells Fargo Bank, **Vice Chairperson**
Dave Knudson, Davenport Evans Hurwitz & Smith,
Secretary

Jack Hopkins, CorTrust Bank, **Treasurer**
Dana Dykhouse, First PREMIER Bank, **Past Chairman***
Bill Baker, The First National Bank in Sioux Falls
Jeff Erickson, Great Western Bank*
Paul Hegg, Hegg Companies
Jeff Holcomb, Southeast Technical Institute
Chris Houwman, Malloy Electric
Dale Jans, Jans Corporation
Mark Mickelson, Mickelson & Company
Becky Nelson, Sanford Health*
Kristi Niechwiadowicz

Carl Rapp, ADP
Dr. James Robl
Tom Simmons, Midcontinent Communications
Fred Slunecka, Avera McKennan Hospital &
University Health Center
Gerry Sweetman, Sweetman Construction/Concrete
Materials*

** Denotes Retiring Board Member*

Ex-Officio Members:

Anne Hajek, Commissioner, Minnehaha County
Dave Munson, Mayor, City of Sioux Falls
Mike Cooper, Mayor's Representative, City of
Sioux Falls

DEVELOPMENT FOUNDATION STAFF

Slater Barr, President
Jeff Eckhoff, Executive Director, Rural Development,
Lincoln and Minnehaha Counties
Dan Hindbjorgen, Vice President
Dean Dzedzic, Director of Strategic Initiatives
Mary Medema, Director of Workforce Development
Karen Ruhland, Director of Research &
Communication Services
Diane Andresen, Manager of Administrative &
Membership Services

Mary Archer, Administrative Assistant
Rock Nelson, South Dakota International Marketing
Director
Linda Rodman, ShadowED Coordinator
Rich Naser, Jr., Executive Director, South Dakota
Technology Business Center (SDTBC)
Pamela Boehm, Client Services Manager, SDTBC
Stephanie VanderBruggen, Receptionist/Administrative
Assistant, SDTBC

While 2009 presented economic challenges, the solid foundation of prosperity and opportunity which has characterized our region during the past decade has kept Sioux Falls growing. As you will see from this annual report, companies continue to find Sioux Falls a great place to grow a business—and inquiries made during 2009 show that businesses are planning for a strong future, a future that may include a Sioux Falls location.

Population increases for 2009 illustrate that families are also relocating to Sioux Falls.

For 55 years, the Sioux Falls Development Foundation has been a catalyst for growth. Thanks to a tradition of strong volunteer leadership from our Board of Directors, we are Growing a Strong Foundation to foster prosperity across our region.

INDUSTRIAL & WAREHOUSE DEVELOPMENT

Advance Sign & Engraving, Inc. constructed a new 5,500 square foot manufacturing facility on one acre of Sioux Empire Development Park land. The company makes outdoor furnishings from recycled plastic in addition to architectural signage.

A new 22,000 square foot expanded truck and trailer parts and service center located near I-229 and 60th Street North is home to **Catco Parts & Service**. The company employs 15 and expects future growth.

A 13-acre site near I-229 and Benson Road is home to **Dakota Fluid Power's** new 25,000 square foot office/shop facility. They retained their former facility for manufacturing and assembly operations.

Family Memorials by Gibson expanded production and manufacturing with a new 8,000 square foot facility on 258th Street, west of I-29. They will continue sales operations at their West 12th Street location.

Ruedebusch Development, based out of Madison, Wisconsin, purchased nearly 7 acres in Sioux Empire Development Park VIII. Ruedebusch broke ground in October on a new 50,000 square foot warehouse and distribution center for **FedEx**. The facility is scheduled to open Summer 2010.

Magic Makers purchased an additional 3+ acres of land in Sioux Empire Development Park III East for a new 20,000 square foot headquarters/production facility. Construction was recently completed.

Marmon/Keystone, a wholesale distributor of tubular products, completed a \$2.5 million, 62,000 square foot distribution facility on 7 acres of land near West 12th Street and Ebenezer Avenue. The company created 10 new jobs.

A company based out of Hull, Iowa, **New Tec Inc.**, opened a location on North Harvestore Road to sell, service and rent forklifts.

Novak Sanitary Service acquired 3.5 additional acres for outdoor equipment storage and a new 10,800 square foot building that will house a container-repair facility and wash bay. The facility is scheduled to be finished this month.

Work is nearing completion on the new 50,000 square foot **Variety Foods** warehouse and distribution center on 5.5 acres in Sioux Empire Development Park VIII. The new facility will triple Variety's storage capacity.



Variety Foods is constructing a distribution center in Sioux Empire Development Park VIII.

OFFICE, COMMERCIAL & MEDICAL DEVELOPMENTS

Construction continues on the new \$90 million **Avera Cancer Institute**. The 217,000 square foot Cancer Institute, scheduled for completion in fall 2010, will be staffed by 165 medical and support personnel. **Avera** relocated its outpatient mental health and chemical dependency programs to a new 11,600 square foot office complex at 33rd and Cliff Avenue.

The \$8.5 million **Hilton Garden Inn** near the intersection of 59th Street and Louise Avenue is open. The 4-story, 105-unit upscale hotel includes 3,400 square feet of conference space, a board room, restaurant and lounge.

A new call center plans to create 20 jobs initially and up to 60 over the next 18 months. **Honest Answers Customer Care LLC** is located on West Russell Street and fields sales-related calls for their parent company, Hungry Fish Media in Cambridge, MA, and other internet-based businesses.

Work was completed earlier this year on **LodgeNet Interactive's** new 2-story, 40,000 square foot corporate headquarter office addition in northwest Sioux Falls. The addition provides room for future growth.

The new 120,000 square foot headquarters facility for **Midland National Life Insurance Company** was completed earlier this year. The \$18 million facility is located on 12 acres in the Interstate Crossing Commerce Park near the intersection of I-229 and I-29.

By the end of December, **Qwest** expects to have hired 80 new employees to staff its expanding sales and service call center operation. Approximately 300 people are employed at the center that has been operational for 4 years.

Construction was completed on the **Sanford Children's Hospital**. The \$52 million, 5-story, 120-bed facility



The new Target store at Dawley Farm Village.

encompasses 160,000 square feet of space. The \$9 million addition to the labor and delivery area at **Sanford USD Medical Center** was completed earlier this year as well. **Sanford Health** purchased the former 300,000 square foot Hutchinson Technology facility in Sioux Empire Development Park V allowing them to accelerate research activities. Ground was recently broken on the 5-story 205,000 square foot **Sanford Heart Hospital** that will be located adjacent to the main hospital at 18th and Grange. The 58-bed hospital represents a \$90 million investment in terms of construction and equipment.

The 70-acre retail development, **The Shoppes at Dawley Farm Village** located near 26th Street and Highway 11 in eastern Sioux Falls, is home to a new 135,000 square foot **Target** store which opened in October. 165 jobs were created. Development plans for the area include a new **Kohl's** store with work scheduled to start next summer, and a **First Bank & Trust** branch.

Sioux Falls Federal Credit Union constructed their 5th branch at 5700 East Arrowhead Place. The facility represents a \$1.3 million investment to accommodate their membership growth.

An \$11.5 million, 43,000 square foot addition at the **Sioux Falls Surgical Hospital** is complete. The 2-story expansion adds recovery rooms, additional office space and an expanded reception-admissions area.

Soo Sports has a new location at the southeast corner of Minnesota Avenue and 85th Street. With 15,000 square feet, twice the size of their former facility, the new location allows for a larger service area and showroom.

South Dakota Lions Eye Bank is constructing a 16,000 square foot facility on land in Sioux Empire Development Park VII. The \$3.4 million facility is



Construction has begun at the new Lions Eye Bank site.

OFFICE, COMMERCIAL & MEDICAL DEVELOPMENTS

scheduled for completion Spring 2010 and will help meet the demand for eye and tissue transplants.

TCF Financial Corporation, a national financial holding company, moved their charter to Sioux Falls, opening a branch in March on South Louise Avenue. The corporation created 15 new jobs in Sioux Falls.

A new 19,400 square foot facility is home to the consolidated operations of **Urology Specialists**. The new facility, located near 69th Street and Minnesota Avenue, was completed in early 2009.



TCF, now open in Sioux Falls, relocated the company's headquarters to Sioux Falls from the Twin Cities.

QUALITY OF LIFE DEVELOPMENTS

Allegiant Air - Non-stop flights to Los Angeles

Augustana College - \$12 million Kirkeby-Over Football Stadium, Larson Field & Track Complex, soccer complex; \$7.4 Million Mikkelsen Library expansion/renovation; Huether Tennis Centre

Children's Home Society - \$2.3 million remodel and 12,000 square foot expansion

City of Sioux Falls - \$4.8 million Harmodon Park Softball Complex; \$4.7 million Drake Springs Family Aquatic Center; \$12 million Main Library expansion; Thelin Park; Prairie Meadows Park; 80-acre Family Park; \$3.5 million Sherman Park Softball Complex reconstruction; Fire Station #5; new \$4.6 million cell at the Landfill; \$4.3 million methane capture/pipeline project; \$13 million Water Plant upgrade

Colorado Technical University - Launched 6 new online advanced degree programs

Delta Air Lines - Non-stop flights to Atlanta

Dow Rummel Village - Renovating residential apartments into assisted-living apartments

Evangelical Lutheran Good Samaritan Society - 32-unit Hearthstone Assisted Living Center

Fellowship of Christian Athletes - \$3.3 million office facility near 69th & Cliff

Great Plains Zoo - \$3.5 million Black Rhino Exhibit; Face-to-Face Farm

Home Builder's Association of the Sioux Empire - \$3.2 million, 25,000 square foot **Ronald McDonald House**

Lewis & Clark - \$5 million investment; \$3 million gallon tank near 85th Street

Minnehaha County Courthouse - \$8 million 2-story addition

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

Sioux Falls Catholic School System - \$40 million upgrade of O'Gorman High School, performing arts and athletic facilities

Sioux Falls Public Schools - \$8.5 million R.F. Pettigrew Elementary School; \$14.9 million Career & Technical Education Academy; Child Nutrition Center addition/remodel

Sioux Falls Regional Airport - \$2.5 million FAA grant for runway rehabilitation; \$5.8 million, 23,000 square foot addition to the ticketing area, remodel of current area

Sioux Falls Seminary - 28,000 square foot, \$6.3 million classroom and office facility

South Dakota Achieve - Inspirations Jewelry & Art Store

South Dakota Public Universities & Research Center - \$15.7 million, 60,000 square foot classroom building; \$6.3 million, 21,000 square foot Graduate Education and Applied Research (GEAR) Center on 260-acre campus in northwest Sioux Falls

St. Francis House - \$600,000 transitional housing fourplex, 6,570 square feet

Sunnycrest Retirement Village - 60-unit independent senior apartment building

University of Sioux Falls - \$4.3 million Salsbury Science Center expansion/renovation; 30-acre, \$12 million Sanford Health Sports Complex

VA Medical Center - \$10 million renovation of the mental health unit; Eye Sight Rehab Center; Nuclear Medicine Department

Wild Water West - \$2 million expansion including a wave pool, deck with cabanas and new concession area



The addition to the Sioux Falls Regional Airport, begun this summer, will improve service to the region.

OTHER DEVELOPMENTS

Former Assam Building renovation (Downtown), Azteca Mexican Restaurant (Minnesota Avenue), Beds & Beds (East 10th Street), Breadsmith (26th & Marion Road), Carpenter Building Ballroom renovation (Downtown), Chedd's Gourmet Grilled Cheese (Downtown), Children's Play Toys (Downtown), Coffea Roasterie (Meadows on the River), Drake Orthodontics (Western Avenue), Fat Daddy's Comedy Club (Downtown), Fischer Rounds & Associates, Inc. (Kiwanis Avenue), Funky Fresh (McKenna Park area), Graham Academy Preschool (Washington Pavilion), Great Harvest Bread Company (Beakon Centre), Great Outdoor Store (Downtown Historic Rock Island Depot), Greenberg's Jewelers (Beakon Centre), Grille 26 by Minerva's (Park Ridge Galleria), Hy-Vee Food Store/Gas Station expansion and remodel (Louise Avenue), IHOP (East 10th Street), Inland Shoes (Empire Mall), Karmazin Dentistry (Remington Point Office Park), Kum & Go (Minnesota Avenue), Last Stop CD Shop (East 10th Street), Leather Legend (Empire Mall), Lumber Liquidators (Meadows on the River), The Market on Phillips (Downtown), former Maxwell Supply Building renovation (Downtown), O'Reilly Auto Parts (West 18th Street), Open Upright MRI of SD (McKenna area), Parker's Bistro (Downtown), Paystubs (Western Avenue), Play N Trade (41st Street),



Artists and art lovers interact in downtown Sioux Falls during the annual SculptureWalk installation.

Portrait Innovations (41st Street), Renewd Appliance (41st Street), Señor Wiener (41st Street), Sinful Things Gourmet Desserts (Downtown), Sioux Falls Federal Credit Union (South Cliff), Sioux Falls Winlectric (Kiwanis Avenue), Tokyo Japanese Cuisine (Downtown); UnoZoni Italian Kitchen (Downtown), Wal-Mart remodel (Arrowhead Parkway), Waterbury Plumbing LLC (near 12th & Cliff), Wayne & Mary's Nutrition Center (South Sycamore Avenue), Wild Whoopie Bakery (Downtown), Whisk & Chop (Minnesota Avenue)

RURAL HIGHLIGHTS

Bogue Inc. of Beresford added 8,400 square feet to their manufacturing facility. The company produces a variety of products including lift equipment, portable hunting blinds and surveillance equipment.

Dakota Enclosures by DTS broke ground in July on a 31,000 square foot addition in the Hagedoorn Industrial Park near Tea. The facility is scheduled for completion next month and the company expects to add another 10 employees.

AT Analytical purchased the former elementary school in Baltic. The company maintains and repairs lab equipment.



The new Schoeneman's Building Materials Center in Harrisburg.

The newly formed Brandon company, **Frank Howe & Sons Inc.**, plans to offer plumbing, ventilation, air conditioning and fire protection services starting in early December with 6 to 10 employees. The company purchased the former Kane Enterprises facility which offers room to grow.

MT Enterprises opened a 7,000 square foot facility in the Brandon Industrial Park. MT provides specialized maintenance and machine services to area manufacturers.

The new \$3.9 million **Schoeneman's Building Materials Center** on 19 acres near Harrisburg includes a 20,900 square foot facility, in addition to 8 accessory structures. The facility replaces their 6-acre downtown Sioux Falls center that is slated for redevelopment.

Tower Tech Systems, a subsidiary of Broadwind Energy, resumed construction on their 148,000 square foot wind tower manufacturing facility on 40 acres in the Corson Development Park. They plan to open in the first quarter of 2010 and will employ 150 people in their first phase. Building and equipment represent over a \$20 million capital investment.

SOUTH DAKOTA TECHNOLOGY BUSINESS CENTER

VideoPropulsion Interactive Television, Inc., a developer of hardware and software for high performance, low cost per stream digital content movement; **QuinWind, LLC**, a commercial wind farm construction management company, and **OmegaQuant Analytics**, the developer and provider of tests based on the HS-Omega-3 Index, are the newest companies at the SDTBC. The SDTBC also welcomed the **Enterprise Institute** back to the building. In 2009, the SDTBC became the first U.S. location for **FermentationExperts**, a Danish company with a unique fermentation process and products for the pork industry. FermentationExperts participates in the SDTBC's Virtual Office program.

In December, the South Dakota Technology Business Center will have completed a 7,000 square foot expansion and has already implemented a \$200,000 technology infrastructure and telecommunications system upgrade. The expansion and upgrades are funded by a \$1.24 million EDA grant secured with the assistance of South Dakota's Congressional delegation, as well as an additional \$50,000 investment by both the Sioux Falls Development Foundation and the Sioux Falls Area Chamber of Commerce.

Recent graduates include **First Financial Service Center**, an online lending firm, and **AlphaGenix**, a life sciences technology company that develops products and technologies for basic and clinical research. In addition, SDTBC graduate **DocuTAP**, an

electronics medical records and practice management software company, was named the National Business Incubator Association's 2009 Technology Graduate Company of the Year.



SDTBC STATISTICS

Years in Operation: 6 Years
Current Tenants: 10 Companies,
5 Virtual Office Participants, 8 Service Providers
Jobs Created: 329 Full-time, 7 Part-time
Average Tenant Employee Salary: \$70,600
Total Gross Sales Revenue of Tenant Companies:
\$54+ million
Equity/Grant Funding Secured by Tenant Companies:
\$27 million
Patents Awarded to Tenant Companies: 11
Patent Applications Pending for Tenant Companies: 25

ACCOLADES

In *Forbes* magazine's 11th annual ranking of the **Best Places for Business and Careers**, 400 metro areas were rated on 11 different criteria including job growth, cost of living, income growth, labor supply, quality of life information, educational attainment and two new categories, projected job growth and subprime mortgages. For the 7th year in a row, Sioux Falls ranked #1 out of the 200 small metro areas examined!

Sioux Falls ranks #5 in the *Fortune* Small Business 2009 list of **top small places to launch a business**.

Next Generation Consulting ranks Sioux Falls #8 among cities with a population between 100,000

and 200,000 as "one of the **best places for young professionals** to live and work." Scores were based on 45 measures in 7 indexes including earning, learning, vitality, around town, after hours, cost of lifestyle and social capital.

Runzheimer International calls Sioux Falls the "**most economical place to own and operate a vehicle**."

For the 4th consecutive year, Sioux Falls was ranked "**America's Safest City**" by Allstate Insurance. The report ranks the 200 largest American cities in terms of car collision frequency in order to determine which cities have the safest drivers.

Accolades continued...

ACCOLADES

South Dakota tops the list of **best state tax systems**, says the Business Tax Index 2009, published by the Small Business & Entrepreneurship Council.

Sioux Falls is among the top cities in America for new jobs, says *Forbes.com*.

Sioux Falls received a net employment outlook of 14%, ranking the city 5th out of the 200+ metro areas surveyed. The strength of the area's financial services and medical community was noted as a reason for the high ranking.

Sioux Falls ranked #7 among the top 10 tax-friendly cities in the U.S. in a survey by *Kiplinger.com*. The survey looked at income tax, property tax, sales tax, vehicle tax and the state and local tax burden, compared to the national median tax burden.

In the annual ranking of states according to their public policy climates for small business and entrepreneurship, "Small Business Survival Index 2008," **South Dakota ranked #1** for the last 7 years and #1 in 10 out of the 13 years the study has been conducted.

The most entrepreneur-friendly states are: 1) South Dakota, 2) Nevada, 3) Wyoming, 4) Florida and 5) Washington. The more difficult state policy environments for entrepreneurs include: 42) Iowa and 46) Minnesota, according to the Small Business & Entrepreneurship Council.

The U.S. Economic Freedom Index: 2008 Report, a ranking of economic freedom in the 50 states gives South Dakota, which ranked 15th in 2004 (the last time the Index was published), the top spot as the **nation's most economically free state.**

To find low-tax places to retire, *U.S. News & World Report* researched more than 2,000 U.S. places to find locales that have relatively low taxes but also offer amenities important to retirees, such as a reasonable cost of living and fine recreational and cultural choices. Sioux Falls was on the **Top Ten list of the low-tax retirement havens with no state income tax.**

Sioux Falls was one of 15 new communities around the country to be named a bike-friendly city. Criteria for the designation by the League of American Bicyclists included engineering, encouragement, education, enforcement and evaluation.

According to a national report by United Van Lines, **South Dakota ranked 6th in the nation for the most inbound household moves** during 2008 with 57.3%. Outbound moves represented 42.7%. The study, of nearly 200,000 interstate household moves in the country during 2008, tracked shipment patterns in each state.

Space constraints do not allow us to list all developments.



PO Box 907, Sioux Falls, SD 57101-0907
Phone 605-339-0103 • Toll Free 1-800-658-3373 • www.siouxfallsdevelopment.com