

County Perspectives

The newsletter of economic development in Lincoln and Minnehaha Counties

GOED director speaks at joint annual meeting

Kim Olson, Deputy Secretary of the Department of Tourism and State Development (DTSD) and Director of the Governor's Office of Economic Development, was the keynote speaker for the Minnehaha and Lincoln County Economic Development Associations combined 2009 Annual Meeting. The event focused on the developments of the past year in both counties and a combined annual report was distributed at the meeting.

Prior to joining DTSD in September of 2007, Olson served as a Senior Policy Analyst for Governor Mike Rounds. Olson also studied government and public policy while working on Capitol Hill. Olson's background in business includes experience as a real estate analyst in Chicago where she gained valuable training in real estate leases and purchases as well as in project management.

"Minnehaha and Lincoln Counties have led the way in regional economic development," Olson said at the meeting. "The successes of this area, under the leadership of Rural Development Director Jeff Eckhoff, led us to choose Eckhoff to chair the Governor's Certified Ready Site Task Force."

Minnehaha County Economic Development Association vice president Jim Clark and Lincoln County Economic Development Association secretary-treasurer Mary Thoen each provided a report from their county and Eckhoff, executive director of both groups, addressed the growth recorded in rural development during 2009 and the excellent prospects for 2010.



LCEDA, MCEDA partner with state at firearms convention

LCEDA and MCEDA participated with a record-breaking 16 communities and one company which partnered with the state Governor's Office of Economic Development at the 2010 SHOT Show in Las Vegas. The convention, which caters to the firearms, ammunition and hunting industries, has been identified as an important

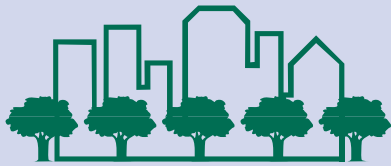
"cluster" business target for South Dakota, as over 30 companies within that industry have located in the state.

Governor Mike Rounds also attended the show, which led to several media interviews, including live tapings on NRA Radio and Scott Linden Outdoor, as well as several print media interviews. GOED also held a press conference, with more than 20 members of the media in attendance, which featured Lakota Archery and highlighted the advantages South Dakota's business climate offers firearms companies.

Jeff Eckhoff, executive director of the Minnehaha and Lincoln County Economic Development Associations, represented our area at the show, and participated with the state in presentations to potential new businesses. Eckhoff reported that the state logged 26% more leads at the Las Vegas show this year over last year's effort.

"The South Dakota contingent logged over 40 leads from the four-day day show," Eckhoff said. "The results were unprecedented in our experience with trade shows. The partnership with the state leveraged our visibility and made the SHOT Show very successful for everyone."





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Brandon one of “Best Affordable Suburbs”

Bloomberg BusinessWeek evaluated information provided by the community data company OnBoard Informatics to determine the best affordable suburb in each state. While many of the places on the 2010 list are near amenities such as country clubs and golf courses, the focus is not luxury, but rather communities where families can live well for less and enjoy good schools, low crime, and reasonable commutes.

The selected suburbs were limited to towns with populations of 5,000 to 60,000 within 25 miles of the most populated city in the state, median family incomes of \$51,000 to \$120,000, and lower-than-average crime rates. The magazine weighted a variety of factors including livability (short commutes, low pollution, green space), education (well-educated residents, high test scores), crime (low personal and property crime), economy (high job growth, low unemployment rate, high family income), and affordability (median household income, cost of expenditures). Affordability was most heavily weighted in the calculations and places with bad weather, a lack of racial diversity, high divorce rates and few children were penalized. Brandon was chosen as **number eight in the Top Ten list.**



According to *Bloomberg BusinessWeek*, “nature parks, wineries, a speedway and golf courses are some of the amenities enjoyed by the residents of Brandon, a fast-growing suburb of Sioux Falls. The Brandon Valley School District has a few elementary schools, a middle school, and a high school. About 40% of residents are married with children and the average commute is 19 minutes.” The magazine lists Brandon’s population at 9,056, median family income as \$79,040, median home price as \$138,400 and the unemployment rate as 4.8%.



Congratulations to Brandon on this national honor!



National magazine names Sioux Falls among Top 5 for warehousing and distribution

Expansion Solutions Magazine has chosen Sioux Falls as one of the Top 5 communities in the nation for warehousing and distribution. According to the national publication:

“Jet aircraft, rail and truck, people and cargo move in and out of Sioux Falls every hour of every day. The city is the ‘Crossroads of the Nation’ at the intersections of I-90 and I-29. The regional airport is connected to world-wide destinations and fleets of trucks and an active railroad industry serve the business community.

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.

South Dakota also has a very attractive business climate. There is no state corporate income tax, no state personal income tax, no personal property tax and no inheritance tax.”

Dakota BUSINESS Finance wins national SBA award

The Small Business Administration has selected Dakota BUSINESS Finance as the Community Development Corporation of the Year for those CDCs with portfolios totaling less than \$100 million. The award is one of only two national awards given by the SBA annually. Lynne Keller Forbes, executive director of South Eastern Council of Governments, which provides administrative services for Dakota BUSINESS Finance, will travel to Washington, DC in May to accept the award during Small Business Week.

Congratulations to Keller Forbes, all of Dakota BUSINESS Finance's board members and staffers Shawn Pritchett, Jessica Evans and Amber Gibson for their work in fostering economic development in our area and for this national accolade.



Jessica Evans, Shawn Pritchett, Lynne Keller Forbes and Amber Gibson.

PARTNERSHIP SPOTLIGHT *Hartford Area Development Corporation*

With quality of life front and center as the primary focus of the Hartford Area Development Corporation, the organization is seeing success in its mission to promote, preserve and enhance the lifestyle offered by this growing Minnehaha County community. It's a big job, and puts the development group right in the middle of everything that's going on in Hartford.

"We think it's important to maintain our community identity," said Jeremy Menning, president of the group. "People here like the smaller-town lifestyle, knowing their neighbors. Our job is to work on enhancement of that quality of life every day, along with finding business prospects, keeping taxes down and adding job opportunities."

To maintain that full-time job of community development, the organization hired a full-time economic development director a year ago. Clay Wilfahrt has been combining community contacts and involvement with technological advances to make a difference in Hartford. He conducted a Retail Gap Analysis that identified several targets for which there is a clear demand among Hartford residents.

Three of those targets, a veterinary clinic, a funeral home and an optometrist, were the focus of an initial advertising campaign—with dramatic results. The vet clinic has already opened, a funeral home has purchased land to construct a Hartford location, and several optometrists are in active conversation with Hartford officials to locate in town.

"Hartford has chosen a very intelligent course of action," said Jeff Eckhoff, MCEDA executive director. "They have the numbers, they've shown the need and they've been consistent in their message. They have done a good job of branding themselves and the results prove the effectiveness of their approach."

MCEDA and LCEDA are hoping to utilize Wilfahrt's Retail Gap Analysis system to quantify the economic impact of specific projects in other area communities, Eckhoff said. In the meantime, Hartford has set its sights on another target business: a hotel.

"We're doing a feasibility study," Wilfahrt said, "and working toward getting a hotel in Hartford will be a mission going forward. People are very enthusiastic about the successes in bringing services to town—and they plan to show their enthusiasm through patronage of those local services."

Wilfahrt credits mayor Paul Zimmer for his focus on community improvements. Hartford is planning a bike trail and looking toward a sports complex, in addition to a downtown revitalization program that is in the committee stage now.

"We have 80 new people actively involved in community projects now," Menning said. "That's double the number that was active in community enhancement just a year ago. Having Clay on hand has made things happen, and the mayor deserves credit for energizing people, too. We've seen exponential growth in the things we can do—and now we're doing them well."



Jeremy Menning, left, and Clay Wilfahrt

Cluster marketing leverages our strengths

One of the most vital trends in economic development today is **cluster marketing**. Simply defined, cluster marketing is targeting specific companies that are part of or serve a specific industry. One of the most recent examples of cluster marketing was our participation in the 2010 Shot Show in Las Vegas, the annual gathering of the firearms industry and the many peripheral companies that align themselves with that industry segment.

South Dakota is cluster marketing the firearms industry in part because so many companies in that field have already found a home in our state. Other companies have sprung up to serve those manufacturers who make guns, firearm accessories and hunting equipment in South Dakota. With our history of being one of the prime hunting venues in the US, it is only natural that hunting equipment manufacturers would think of us. Once they learn more about the business advantages, lower taxes and freedom from government red tape in South Dakota, the decision to locate here is easy.

But cluster marketing is not a new concept. Just take a look at the numerous companies that are located in our

area because of the presence of the meat packing industry.

John Morrell & Co. pays 2,400 bills a week, not including livestock or purchases of meat from other plants. Packaging supplies and ingredients add another \$1.5 million per week, or about \$78 million a year to the local economy. Add the impact of transportation companies hauling product in and out of the plant, and you're looking at a legacy of cluster marketing in action.

When we look at the possibilities of cluster marketing, we're talking about building on success. By leveraging the economic strengths of companies that have found corporate growth in our area, we can build for the future, add job opportunities for our local residents and continue to enhance our quality of life. Best of all, when one company succeeds, it often fuels other businesses to grow and expand. Cluster marketing is a true "win-win" proposition.



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P.O. Box 907
Sioux Falls, SD 57101

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