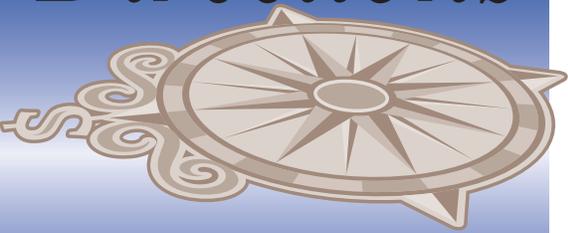


Directions



Activity shows that Sioux Falls is still attracting interest

Despite the economic downturn that is the big news story for 2009, company executives are continuing to show interest in Sioux Falls and its business advantages, according to Dan Hindbjorgen, Sioux Falls Development Foundation vice president. Hindbjorgen is in charge of hostings for the organization, along with responding to inquiries made by corporate leaders who want to know more about Sioux Falls.

“Throughout the first quarter of this year, we’ve seen national and international companies looking at our area,” Hindbjorgen said. “The fact is that certain industries in our region and throughout the country are still growing despite the current economic conditions, and they look at Sioux Falls as an opportunity, especially now.”

Leads and inquiries come from a variety of sources, Hindbjorgen said. The Development Foundation has a long and active partnership with the Governor’s Office of Economic Development, which has been fielding numerous requests this year. The GOED and Sioux Falls Development Foundation also have aggressive marketing campaigns running in neighboring Minnesota, which are also generating prospects.

“We are getting nearly as many calls as we can handle,” Hindbjorgen said. “Some are tire kickers, of course, but several are companies looking to expand as soon as it is practical to do so. And we’re also working with growing local businesses.”

While confidentiality prevents mentioning the names of any prospective new businesses looking at Sioux Falls, Hindbjorgen said he is pleased by the wide variety of industries represented by the current list of prospects.

“We’re talking to companies that range from data centers to manufacturing to warehousing,” he said. “We’re finding that, at times like these when other states look weak, Sioux Falls and South Dakota really look like excellent places to grow.”

National magazines share that judgment about Sioux Falls. *Forbes* magazine has declared Sioux Falls to be the best small metro to start or grow a business for the seventh consecutive year. It’s just the latest in a series of magazine rankings that make Sioux Falls one of the Top Ten places in the nation for business.

“We’ve been telling our story nationally for twenty years,” Hindbjorgen said, “but when the major national business magazines conduct independent ratings, using a variety of yardsticks, and end up putting us in the Top Ten, it really reinforces the idea of Sioux Falls as a serious place to consider for corporate expansion and relocation—regardless of what the economy is doing.”



Dan Hindbjorgen



The availability of high quality commercial and industrial properties in Sioux Falls is one of the reasons corporate executives are still showing strong interest in the community. The Development Foundation has fielded inquiries regarding the upcoming availability of the Hutchinson Technology building in Sioux Falls, shown above.

Technology Business Center to expand

See page 2

Sioux Falls
Development Foundation



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The Development Foundation Board of Directors recently heard a presentation from a consultant representing Market Street Services.

Technology Business Center will expand this year

Capping an extremely successful first five years, the South Dakota Technology Business Center will expand to serve more high tech businesses this year.

Executive Director Rich Naser expects that construction will begin in mid-April and continue through December on the technology incubator's additional space.

The expansion will add 7,000 square feet with a capacity for 9 additional office, lab or technology

suites, bringing the Technology Business Center up to the originally-planned 45,000 square feet of incubator space. The project is being funded primarily through a Department of the Treasury Economic Development

Administration grant of \$1.24 million. Both the Sioux Falls Area Chamber of Commerce and the Development Foundation have committed \$50,000 each to the project. The federal government allowed previous investments in the Center as the matching dollars to make the EDA grant possible.

"The leadership and commitment of the Chamber and the Development Foundation have made SDTBC successful and led to this expansion," Naser said. "Our first five years have shown the impact that an incubator can have on technology

company growth. We're excited about the potential this expansion will bring to our community."

Last year, SDTBC completed a network and telecommunications infrastructure upgrade that added call center functionality to the center's phone system and made connectivity and telecom services state-of-the-art. Now Technology Business Center tenants can utilize full sales and support functions, along with click to dial and reporting utilities. The system has greater

redundancy and capacity for the fast-growing technology firms in the center.

During its first five years of operation, the South Dakota Technology Business Center has graduated nine companies.

Occupancy has been strong throughout those years and today, ten businesses are tenants of the center, with just one 750 square foot suite available—and that space has a potential tenant, Naser said.

"Our volume of inquiries is up," he said. "We've been here long enough and worked with enough companies that there is a high level of awareness about the advantages of the Technology Business Center for high tech start-ups. We're seeing more interest, which is one reason we needed to look at expansion."



Business, Industry and Government Job Fair attracts over 1,000

Forward Sioux Falls has been a local co-sponsor of the annual Business, Industry and Government Job Fair for the past 19 years. This year, the event attracted nearly 1,200 job seekers to booths set up by 120 employers. The employment opportunities ranged from federal positions with the U.S. Border Patrol and USDA to local hospitals, banks and technology firms.

"This job fair gives local college students and job seekers a chance to visit with a wide range of employers," said Workforce Development Director Mary Medema, "and also gives employers an opportunity to see the high quality workforce we have available in the Sioux Falls area."

The one-day event was held February 24 at the Sioux Falls Convention Center. Registrants

received a directory of participating employers with contact information and statements about the business or governmental unit for further follow-up after the Job Fair.



Board Member Profile

Paul Hegg, President and CEO, Hegg Companies, Inc.

Paul Hegg, a graduate of Gustavus Adolphus College, has been with HCI since 1992. He started his real estate career selling and leasing all types of commercial real estate properties, including office, retail, warehouse, land, multi-family, and income producing properties. In January of 1999, Paul assumed responsibility for the management of the commercial real estate sales and leasing division, overseeing its day-to-day operations. In April of 2002, he was appointed President and CEO of Hegg Companies to oversee all areas of operations, including Commercial Real Estate Brokerage, Commercial Property Management, Hospitality Management, Asset Management and Development.



Paul Hegg

Hegg holds the professional designation of Certified Commercial Investment Member (CCIM) and has also been certified by and is a member of the Society of Industrial and Office Realtors (SIOR).

Hegg has been an active member of various boards and committees including Habitat for Humanity Restore Committee, The Lutheran Social Services Foundation Board and the Lutheran Social Services Capital Campaign, Washington Pavilion Fine Arts Committee, The Days Inns of America Franchise Advisory Committee, Sioux Falls Area Chamber of Commerce Diplomat and Ambassador committees, Rape and Domestic Abuse Center Board and Downtown Rotary.



Spirit of Sioux Falls Scholarship deadline July 1

The **Spirit of Sioux Falls Scholarships** are presented annually to Sioux Falls area business students who have completed at least their first year of higher education. Up to four \$2,500 scholarships are awarded each year to students taking a business-oriented course of study from an accredited post-secondary institution.

“Any business person who knows a college student taking courses in accounting, marketing, business administration or similar subjects should encourage that student to apply for this scholarship,” said Slater Barr, Development Foundation president. “We want the best students in our region to apply, whether they are attending a post-secondary school here in Sioux Falls or Sioux Falls students taking courses in another community.”

To receive an application or for more information about the **Spirit of Sioux Falls Scholarship**, please call 605-336-7055. **The deadline for application is July 1, 2009.**

Directions

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Karen Ruhland, Editor

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Working for regional economic development in partnership with:



YESTERDAY IN SIOUX FALLS

The swimming pool at Minnehaha Country Club offered a cool place to spend a hot summer day. The 1930s era “new” club house is shown in the background. Native Sioux quartzite was used for decorative borders and accents at the city’s premier Depression-era golf course.



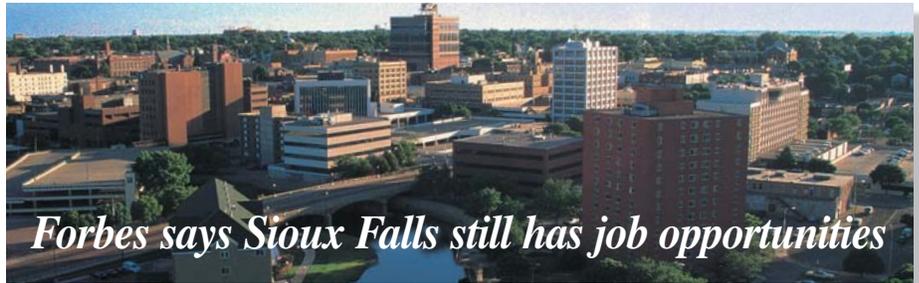
Community ranks high with national publications

Sioux Falls is one of Top Ten Best Places to Retire

To find low-tax places to retire, *U.S. News & World Report* utilized a proprietary “Best Places to Retire” search tool. The magazine sifted through 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 recreational and cultural choices. Many of the low-tax retirement havens have no state sales tax, such as Billings, MT, or no state income tax, such as Sioux Falls.

“There’s nothing like zero tax to make your retirement dollar go further,” the magazine article, published in February, states.

In addition to low taxes, the magazine cites cultural and historical attractions and gives a break-out of health care facilities, parks and other quality of life features. Other communities on the Top Ten list include Juneau, AK; Stafford, TX; Nashville, TN; Doral, FL, and neighboring Cheyenne, WY.



Forbes magazine on line is still touting Sioux Falls as a great place to find a job. The magazine’s recent “Best Cities for New Jobs this Spring” feature, published in March, lists Sioux Falls as one of the nation’s strongest economies for new jobs.

Of the 31,800 public and private sector employers surveyed in 201 metropolitan areas throughout the U.S., 15% anticipated increases in hiring, 14% said they’d likely decrease staff, and 67% foresaw no change.

Forbes editors said, “Despite recent economic news, financial services are flourishing in Sioux Falls. Citigroup built its headquarters there, and Wells Fargo, HSBC and PREMIER Bankcard employ close to 3,000 people. In addition to the banks, Avera Health and Sanford employ more than 10,000 people.”



Interns in Industry

If your company is considering offering an internship this summer, Interns in Industry can help. Just contact Mary Medema, Workforce Development Director, phone 605-339-0103 or e-mail marym@siouxfalls.com

University of South Dakota economics student wins scholarship

Matthew R. Adamson, a Sioux Falls economics major at the University of South Dakota in Vermillion, is one of four area students to receive the **2008 Spirit of Sioux Falls Scholarship** from the Sioux Falls Development Foundation to continue their post-secondary business education. The \$2,500 scholarships are awarded annually by the Development Foundation to students who are Sioux Falls residents and have completed at least one year of post-secondary work.

Adamson carried a 4.0 grade point average through his first six semesters of college study. A member of Beta Gamma Sigma, the business honorary fraternity, Mortar Board and Phi Kappa Theta, the fraternity for which he served as a founding member and president, Adamson has interned



Matthew R. Adamson

at PREMIER Bankcard, working in the Analytics department. His ultimate educational goal is to continue his studies to the graduate level, working toward a master’s degree in health administration.

“As my classes progressed I realized that economics is less a study of business and more a study of incentives and decisions,” Adamson said. “Having a background in this type of thinking has made me much more aware of how market reality is shaped by individual needs and cost restrictions. I want to be involved in making the right decisions to help our local economy stay strong.”

The Sioux Falls Development Foundation is proud to be the sponsor of the Spirit of Sioux Falls scholarships and congratulates Matt on his achievement.

President's Report



By Slater Barr

Looking toward the future

One of the most passionate proponents of approaching problems with unconventional thinking is Robert J. Kriegel, co-founder of the nation's first sports psychology institute. Kriegel, a "mental coach" for Olympic and professional athletes, realized that the same mental blocks that stymied athletes' optimum performance also kept business leaders from achieving their best. His experience led him to write an international bestseller, *If It Ain't Broke...Break It!*, followed by the equally provocative *Sacred Cows Make the Best Burgers*. Here are some of his guidelines for approaching problems:

- **Think like a beginner: ask embarrassing questions.** Look at everything with fresh eyes and an open mind. "The way it's always been done" is obsolete. Challenge your assumptions, beliefs, and practices. Nothing is sacred.
- **Don't play someone else's game: competition breeds conformity.** Redesign the rules, redefine the field, reinvent the game.

An example of this concept is the story of Dick Fosbury. In the 1968 Olympics, Fosbury introduced a radical new approach to the high jump. Instead of utilizing the prevalent "scissors" technique, he leaped into the air backward, undulating his back and legs over the bar. Derisively dubbed the "Fosbury Flop" by commentators, his method captured the gold medal and set a new record. Today it is the most popular technique in high jumping.

Sioux Falls has been incredibly successful in economic development. But if we are to continue our success, we must look at everything with "fresh eyes." We should keep those strategies that work—but let's not be reluctant to discard those that don't generate results. New strategies that fit a new economy and a new stage of Sioux Falls' history should be examined, as well.

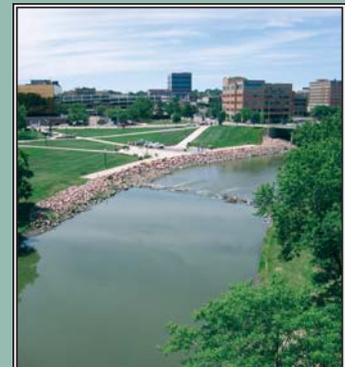
For example, many states allow the creation of development authorities which provide a way for local governments to partner with private developers to achieve public goals such as downtown redevelopment, parking garages, affordable housing and parks and recreational space. What about development districts which enable multiple local governments to pool their resources to create industrial parks and then share the tax revenues from the industries locating there?

If we truly examine the vast array of "tools" used for economic development across this nation, we are sure to find some new approaches that are a fit for Sioux Falls and South Dakota. We just need the courage to look. Who knows, we may develop a taste for sacred cows.



Sioux Falls is one of the fastest growing U.S. metros

Sioux Falls is among the nation's 50 fastest growing metro areas and Rapid City is close behind. Fargo, ND was the only other Midwestern city to crack the top 50 in a report released recently by the U.S. Census Bureau. From July 1, 2007 to July 1, 2008, the Sioux Falls metro area grew by almost 6,000 people to an estimated population of 232,930. That area includes Minnehaha, Lincoln, Turner and McCook counties. Sioux Falls ranks 19th in the nation for rapid population gains, with a growth rate of 2.6% per year. Lincoln County is the 12th fastest growing county in the nation at a rate of 5.3% annually and a population estimated at 39,713.



Sioux Falls
Development
Foundation

Chairman's Report



By Mark Shlanta

Sioux Falls looks good in this economy

As the media is fond of reminding us, the national recession—which has lowered consumer confidence, tied up credit markets and increased national unemployment numbers—is a factor here in Sioux Falls, too. But even with the lower growth numbers we're seeing today, the Sioux Falls economy is still a model for stability.

One reason for our continued strength is the diversity of our local and regional economy. From our roots as a stockyards and agriculturally-oriented market town to today's role as a banking center, regional medical destination and growth market for research and high tech, Sioux Falls has consistently found prosperity through industrial diversification. That diversification offers an especially bright future for our young people.

One of the indicators of that diversity in new businesses is the variety of companies in a wide range of industries that seek out the Development Foundation to talk about the possibilities of locating here. Naturally, the success of similar companies here in Sioux Falls drives some of the inquiries, along with our targeted marketing campaign. But it may be that our diversity—the idea that almost **any** business can do well in Sioux Falls, SD—makes decision makers think of us at expansion time. At the Development Foundation, we take advantage of that perception when meeting with new prospects—and we have testimonials to back it up. Already in 2009, we have an amazing number of inquiries and hostings. Obviously, when times are challenging—as they certainly are in the Twin Cities and some other urban areas right now—the business advantages available in Sioux Falls really get the attention of corporate leaders.

Our diversity, our aggressive marketing strategies and our willingness to make strategic plans are strengthening and preparing our community for the future. We are working and planning today to be ready when the economy turns around and businesses are ready to expand and relocate right here in Sioux Falls.



Build-ready, affordable sites are available in the Sioux Empire Development Parks. Prices include:
■ Water
■ Sewer
■ Curb and gutter
■ Hard-surface roads
■ Prices start at \$1.95/sq. ft.

Contact Dan Hindbjorgen, Sioux Falls Development Foundation
Call 1-800-658-3373,
e-mail danh@siouxfalls.com
or visit our Sioux Falls website at
www.siouxfallsdevelopment.com

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