



Forward Sioux Falls 2021 Budget Executive Summary FY 2019-20

Workforce Attraction, Retention & Development (\$544,010)

Goal: To facilitate talent attraction, retention, and development for the Sioux Falls MSA, resulting in an expanded workforce to fill critical job openings both within existing businesses and for new businesses looking to locate to the area in the future.

- **Affordable Housing** - \$76,170 investment to support the programs and initiatives of the Sioux Empire Housing Partnership to provide more affordable housing opportunities and education about the home ownership process.
- **Build Dakota Scholarships** - Forward Sioux Falls will match \$1 for every \$3 from the business community up to \$50,000 per year.
- **Workforce Shared Focus Initiatives** - \$101,580 investment used to leverage and enhance career programs in K-12 grades, expand on-the-job training experiences by leveraging relationships between STI, University Center, and local businesses, phase 2 of a talent portal website, WIN Summit and talent campaigns to recruit workers to the region.
 - \$22,000 - WIN Workforce Summit - In-Kind Advertising.
 - \$23,430 - WIN Publication (11 issues).
 - \$27,500 - Internal Sioux Falls Talent Campaign.
 - \$15,300 - Events & Meetings – Recruitment Council + Subcommittee meetings (3 meetings annually), Corporate Lunch & Learns (3 Webinar events).
 - \$8,350 - Engagement Enhancements-Handshake Assoc. & Technology (Pathable, MailChimp, Survey Monkey, Zoom web conferencing).
- **“Be Sioux Falls” Campaign** - \$130,783 for the “Be Sioux Falls” Campaign will digitally target workforce hotbeds and targeted talent and industry clusters to constantly remind them of the opportunities in the Sioux Falls Region. We will be using ClickRain as our consultant to assist us in developing targeted digital strategies for placement of ads and calls to action (includes \$121,283 of cash and \$9,500 of In-Kind advertising).
- **Vice President of Workforce Development** - \$66,168 (net of State grant to Sioux Falls Development Foundation for this position) to identify, develop and lead workforce development initiatives for FSF Strategic Action Agenda items.

- **YPN Support Staffing** - \$32,683 to partially fund full-time program manager position to lead and direct Young Professional Network activities. Support for this position is stepping down each year.
- **Contract Services**- \$91,626 is budgeted for communications, technology and administrative costs.

Foundation Park (\$500,000)

Foundation Park is a large, rail-served industrial park combined with a megasite for a single, impactful manufacturer. One of GOED's requirement of providing an \$8.5M REDI loan for the park was the establishment of a debt service reserve fund by Forward Sioux Falls. This credit enhancement requires \$500,000/year, for a total of \$2.5M, to be placed in reserve by FSF.

USD Discovery District (\$250,000)

Goal: Creation of an innovation community bringing together research, education and business capitalizing on the region's growing medical and biotech capacity.

- **Infrastructure Match** - \$100,000 investment:
 - Investment is a match for a \$755,000 EDA grant and state general fund appropriation to construct 2,800 feet of road and utility infrastructure. Phase I infrastructure was completed in September 2017.
 - Construction of two additional streets to support the first building projects will be begin Fall 2018 and will be completed by mid-2019. Construction of these streets, streetscapes and parking lots are being funded by carryover EDA grant funds and a \$1,513,000 investment by the City of Sioux Falls.
- **Operating** - \$150,000 investment:
 - Matched by \$400,000 in USD, State (Board of Regents), and City investment.
 - Targeting construction of three private and/or public facilities in the District by end of 2021.
 - The first two building projects have been announced for the Discovery District – an 84,000 SF multi-tenant research building and a 42,000 SF therapeutic production facility.
 - At completion, the District will consist of 26 buildings totaling 1.16 million sq. feet of space and house 2,800 employees.

Entrepreneurship & Innovation (\$191,626)

Goal: To maximize the economic impact of high growth businesses, entrepreneurs and innovators in the Sioux Falls MSA.

- **Zeal Operations & Programs**- \$100,000 investment
 - Zeal's staff members are responsible for the operations of both Zeal and the USD Discovery District

- Zeal continues to evolve as the Center for Entrepreneurship in Sioux Falls developing new partner programs, education and training programs, post-secondary partnerships, and membership models.
 - To date, Forward Sioux Falls' \$100,000 investment in the Zeal Accelerator Program has been matched by \$125,000 in private sector funding and \$100,000 of in-kind services. Nine companies have graduated from this program during FSF 2021.
 - Zeal is an ongoing sponsor of Innovation Expo, the region's largest entrepreneurship event, and a partner for events such as Hey Sioux Falls, Startup Weekend and 1 Million Cups.
- **Contract Services-** \$91,626 is budgeted for communications, technology and administrative costs.

Business Recruitment, Retention & Expansion (\$607,862)

Goal: To facilitate the expansion of existing companies and actively target and recruit new businesses to the Sioux Falls MSA, resulting in more jobs, higher income and increased tax base.

- **BRE&A Software** – \$2,769 for license and maintenance of the Business Retention, Expansion & Attraction database & CRM software used for prospect tracking.
- **BRE&A Program Support** - \$21,597 to support the economic development team with industry memberships & conferences and travel to visit prospects.
- **Business Recruitment & Prospect Marketing Management** - \$142,203 is budgeted to support the Development Foundation's efforts to attract our key industries (Biotech & Medical Services, Food Processing, Advanced Manufacturing, Finance and Banking and Warehouse & Distribution).
- **Director of Marketing** - \$76,562 to support internal & external marketing efforts.
- **SiouxFalls.com Campaign** - \$45,069 to support content creation by Lawrence & Shiller for SiouxFalls.com (includes 13,296 of cash and \$31,769 of In-Kind services).
- **Developer Coops** - \$10,500 provides coop funds to partner with our local developers to market to national affiliates and site selectors. Building upon leads generated through our marketing programs we meet face-to-face with prospects or Site Selection Consultants.
- **Research & Communications** – \$92,776 to support research, internal communications and expand marketing capacity.
- **Lead Generation Development Firm** - \$20,000 provides a lead generation firm to assist with conference meetings and coordination of external marketing missions.
- **Trade Shows** - \$15,450 is budgeted to attend 3-4 key industry conferences.
- **Development Foundation Operating Support--** \$79,310 provides general support for the economic development and marketing activities of the Development Foundation.

- **Marketing Materials** - \$10,000 to update outdated marketing materials.
- **Contract Services**- \$91,626 is budgeted for communications, technology and administrative costs.

Business Advocacy & Quality of Place Enhancement (\$266,363)

Goal: To advocate for the policies, infrastructure and amenities necessary to ensure the Sioux Falls MSA grows effectively and sustainably.

- **Federal Lobbying** - \$3,500 - Our successful Washington D.C. Fly-in was September 2019 included I-29 Corridor Chamber's Brookings and Vermillion. The visit afforded candid advocacy conversations with our three Congressional members and the Assistant Secretary of the Air Force, John Henderson. Our next Fly-in is scheduled for the fall of 2020 and this budget amount represents one half of the cost, with the Chamber picking up the rest. Discussions and initial planning with the Rapid City Chamber have begun.
- **Legal Counsel** - \$2,550- In support of our lobbying efforts during the Legislative Session, we often engage legal counsel for advice on various legislative proposals.
- **Chamber Lobbyist and Research Staff** - \$141,187- This funding supports the Public Affairs and Research Manager at 100% and 50% of the Public Affairs and Communications Director.
- **Issue Advocacy** - \$27,500 – Of this amount, \$7,500 is budgeted to engage in key campaigns that are disruptive to the business community and are important to the Chamber and Development Foundation. With a large number of ballot initiatives predicted for the 2019 general election, we will likely want to engage in one or more of them to help ensure a positive result for the business community. In addition, \$20,000 is budgeted for contracted lobbying services to augment the Chamber's advocacy efforts during the state legislative session.
- **Contract Services**- \$91,626 is budgeted for communications, technology and administrative costs.

Air Service & International Trade (\$308,204)

- **Port of Entry** - \$101,578 from Forward Sioux Falls is required to maintain our region's support of the Port of Entry, as well as assist area importers and exporters. Funding is also provided through a contract for \$30,000 from South Dakota's Small Business Development Center for management and counseling services for their International Trade Center.
- **Air Service Committee** - \$115,000 is budgeted for 2019-20 to facilitate the Air Service Committee's efforts to improve air service for the Sioux Falls Regional Airport and Sioux Falls area. Passenger traffic continues to run strong as a majority of those from the Sioux

Falls area are choosing to depart from Sioux Falls instead of driving to other airports in our region. Funding to support the Airport Authority's marketing of the airport in the region will continue to position Joe Foss Field as a viable contributor to augment business attraction and retention. Within this budgeted amount is \$25,000 as a marketing incentive for carriers who may wish to add air service to destinations favorable to the Sioux Falls area residents and business community.

- **Contract Services-** \$91,626 is budgeted for communications, technology and administrative costs.

Office, Campaign & Investor Relations (\$406,418)

Goal: To manage the Forward Sioux Falls program in a fiscally responsible manner by being accountable to investors and keeping them informed of the activities and outcomes of the program initiatives.

FSF programs are managed by the staff members of the Sioux Falls Area Chamber of Commerce and the Sioux Falls Development Foundation. Annual audits verify that pledges and investments are handled correctly and responsibly. Investor communications are consistent and serve to inform and to monitor the Forward Sioux Falls investments made by individuals and businesses.

Investor Relations - \$162,469 will be used to provide communications to investors and continue to brand the Forward Sioux Falls program.

- Investor Communications:
 - Bi-monthly E-newsletter sent to all investors
 - Personalized investor meetings
 - Annual Investor Briefing
 - Forward Sioux Falls 2026 campaign promotion
- Program branding:
 - Utilize various mediums including print, radio and social media
- Capitalize on in-kind opportunities Program Coordination:
 - Manage special events
 - Pursue potential new investors
 - Grant research to leverage initiatives

Office Expense - \$31,949 includes audit, insurance, legal fees, postage, supplies, printing, etc.

Feasibility Study- \$31,000 is budgeted for the feasibility analysis and goal assessment in anticipation of the Forward Sioux Falls 2026 campaign.

Campaign Management- \$116,000 is budgeted for campaign management services/expenses for NCDS.

Forward Sioux Falls Book- \$65,000 is budgeted to publish and print a book which will provide historical context of Forward Sioux Falls since inception as well as champion reasons to continue our initiative into the future for the continued advancement of our economy. The book will serve as a "leave behind" for investors to help promote the campaign.

TOTAL BUDGET REQUEST FOR October 1, 2019 – September 30, 2020: \$3,074,485

Note: Contract Services - Communications, Technology & Administrative

For budgeting purposes, these costs are split equally among Workforce Attraction, Retention & Development; Entrepreneurship & Innovation; Business Recruitment, Retention & Expansion; Business Advocacy & Quality of Place Enhancement and Air Service & International Trade.

- **Office Space and Program & Financial Management** - Funding to provide office resources and operations for staff members carrying out the Forward Sioux Falls 2021 program, maintain financial and other required records for the program and program administration.
- **Technology support** - The Forward Sioux Falls program allows us to maintain IT/Web Development staff in house to serve all our organizations. Two staff members maintain servers, workstations and network infrastructure at the Commerce Center and two remote locations for the Chamber of Commerce, Development Foundation, Convention & Visitors Bureau, Sports Authority and Sioux Empire Housing Partnership, as well as overseeing and managing IT security and backup/disaster recovery operations. The team designs, manages and supports nine websites for Forward Sioux Falls, the Chamber of Commerce, Development Foundation and Young Professionals Network, as well as other sites such as ChamberNews.com, OpportunitySF.com, SiouxFallsEvents.com and SiouxEmpireFarmShow.org. The team also developed and manages the SiouxFalls.com Community Portal, an essential component of the Forward Sioux Falls Workforce Development efforts. New, this year is video production for Forward Sioux Falls, Chamber, Development Foundation, YPN, Livestock Show, Workforce Development (SiouxFalls.com/WIN), which can be used on websites, presentations and social media. Also provided are template design and distribution for electronic communications such as HTML email and eNewsletters for the various organizations. In-kind contributions from Forward Sioux Falls investors provide many key services used by all organizations, including: Web Hosting (TierPoint) and Managed Firewall services (SDN).



SIOUX FALLS DEVELOPMENT FOUNDATION
Operating Budget
Fiscal Year 2020

	9/30/2017 Actual	9/30/2018 Actual	9/30/2019 Forecasted	FY2019 Budget	FY2020 Budget
Operating Revenue					
City and county funding	\$ 175,500	\$ 160,917	\$ 207,000	\$ 275,500	\$ 275,500
Membership dues & sponsorships	135,427	143,282	135,000	135,000	130,000
Workforce Development -Special events funding	-	48,749	44,500	44,000	46,300
International Trade - Webinars	28,948	71,674	7,519	30,000	12,500
Forward Sioux Falls					
Workforce Development	82,207	154,045	274,215	274,215	162,747
Program and Marketing Management	77,000	77,000	77,000	77,000	79,310
Business Retention, Expansion & Attraction	278,230	327,808	315,491	353,991	222,519
Marketing, Communications & Research	-	-	-	-	345,190
International Trade	85,280	85,280	85,280	85,280	101,578
Total Forward Sioux Falls	<u>522,717</u>	<u>644,133</u>	<u>751,986</u>	<u>790,486</u>	<u>911,344</u>
Workforce Development - State funding	112,393	21,074	63,221	63,221	42,147
International Trade - Federal & State funding	30,000	30,000	30,000	30,000	30,000
MCEDA/LCEDA mgmt fee & reimbursements	215,544	215,849	213,511	174,086	34,176
Shadow Ed	32,000	-	-	-	-
Interest and investment income	16	25	-	-	-
Operating deficit funded by LOC	267,269	364,718	395,183	440,000	416,413
Miscellaneous	25,709	20,499	13,200	13,200	10,650
Total operating revenue	<u>1,545,523</u>	<u>1,720,919</u>	<u>1,861,120</u>	<u>1,995,493</u>	<u>1,909,030</u>
Expenses					
Salaries and payroll expenses	1,128,396	1,076,678	1,165,807	1,282,886	1,154,489
Direct expenses					
MCEDA/LCEDA	80,796	67,367	73,601	34,176	-
International Trade	17,770	33,892	31,776	31,776	36,050
Business Retention, Expansion & Attraction	19,680	39,579	189,501	199,501	113,476
Shadow Ed	2,292	-	-	-	-
Workforce Development	3,105	117,240	166,670	166,670	220,255
Marketing, Communications & Research	5,664	7,183	-	-	203,188
Total direct expenses	<u>129,307</u>	<u>265,261</u>	<u>461,548</u>	<u>432,123</u>	<u>572,969</u>
Operating expenses					
Professional fees	29,863	26,462	37,600	37,600	16,040
Rent and janitorial	69,066	63,598	69,926	69,926	70,828
Consulting and marketing	44,813	103,981	33,000	33,000	-
Computer and technology	22,719	20,928	17,573	17,573	29,535
Promotion and printing	10,528	9,488	2,750	-	-
Donations	-	-	-	500	-
Meetings	15,243	15,923	22,250	14,000	14,100
Office supplies and postage	8,646	9,794	11,950	8,500	29,904
Insurance	9,864	7,827	9,960	5,365	7,515
Dues and subscriptions	5,771	8,797	4,350	2,352	2,640
Sponsorships	-	-	-	1,075	3,265
Travel and entertainment	6,490	3,193	2,900	3,935	3,045
Relocation expenses	-	8,046	-	-	-
Telephone	2,085	3,149	4,297	2,500	2,520
Miscellaneous	4,819	26,433	2,330	1,480	200
Total Operating expenses	<u>229,907</u>	<u>307,619</u>	<u>218,886</u>	<u>197,806</u>	<u>179,592</u>
Total Expenses	<u>1,487,610</u>	<u>1,649,557</u>	<u>1,846,241</u>	<u>1,912,815</u>	<u>1,907,050</u>
Excess (Deficit) of Revenue over Expenses	<u>\$ 57,913</u>	<u>\$ 71,361</u>	<u>\$ 14,879</u>	<u>\$ 82,678</u>	<u>\$ 1,980</u>
Non Cash Expense					
Depreciation and amortization	\$ 7,189	\$ 7,275	\$ 9,200	\$ 8,500	\$ 9,459
Capital Expenditures 2020					
Briefing Center Audio Visual updates				\$ 15,745	
Briefing Center telephones				\$ 2,000	
Server Room A/C unit				\$ 3,600	
Total Capital Expenditures 2020				<u>\$ 21,345</u>	



SIOUX FALLS DEVELOPMENT FOUNDATION
 Budgeted Statement of Cash Flows - Parks
 Fiscal Year 2020

	FY2020 Budget
Operating Activities	
SFDF Operating Revenues	1,499,453
SFDF Operating Expenses	(1,907,050)
Park Revenues	86,200
Park Accrued Revenue	-
Park Expenses	(223,600)
Park Sales Proceeds	
Foundation Park	4,437,475
Park 7 - Campus Crossing	1,960,200
Park 8	653,400
Costs of Land Sales & City Fees	(1,368,097)
Cash Flows from Operating Activities	5,137,981
Investing Activities	
Foundation Park Land Purchase	
Gross Purchase	(2,023,500)
Closing costs - legal, zoning, testing, engin etc	(60,000)
Net Sale	(2,083,500)
Foundation Park Development Costs	
Digital signage at park entrance	(85,000.00)
Sanitary Sewer Cost Recovery Escrow	(997,895.00)
Legal, Engineering & Other	(60,000.00)
Geotechnical Testing (Geotek)	
Phase 1, Blk 2 Lots 5 & 6	(20,000.00)
Mass Grading project of Phase 1 & 2	
Engineering for mass grading, staking, roa	(1,800,780.00)
Benson Property	
Annexation & rezoning	(5,000.00)
Grading	-
Mulder Farmhouse	
Demolition & grading	(45,000.00)
Annexation & rezoning	(2,000.00)
Tree removal	
Mega site	(25,000.00)
Phase II	(12,500.00)
Phase IV	(12,500.00)
Total Foundation Park Development Costs	(3,065,675.00)
Park VII Development Costs	
Legal, Engineering & Other	(20,000.00)
N Career Ave - 2nd half of road- June 2020	(712,471.00)
Total Park VII Development Costs	(732,471.00)



SIOUX FALLS DEVELOPMENT FOUNDATION
 Budgeted Statement of Cash Flows - Parks
 Fiscal Year 2020

	<u>FY2020 Budget</u>
Park VIII Development Costs	
Legal, Engineering & Other	(20,000.00)
Relocation of Producer Lane	(280,856.00)
Total Park VIII Development Costs	<u>(300,856.00)</u>
Cash Flows from Investing Activities	<u>(6,182,502)</u>
Financing Activities	
Consortium - Line of Credit	
Interest Expenses	(663,935)
Prepayments on Land Sales	(3,468,832)
Other prepayments	-
Draw on Line of Credit for Land Purchase	2,083,500
Draws on Line of Credit	6,100,000
REDI Loan	
Prepayments on Land Sales	(1,618,667)
Re-occurring Principal Payments	-
Re-occurring Interest Payments	(104,115)
Contract for Deed(s)	
Prepayments on Land Sales	(386,294)
Re-occurring Principal Payments	(229,630)
Balloon Payments	(791,322)
Re-occurring Interest Payments	(21,019)
Cash Flows from Financing Activities	<u>899,686</u>
Total Cash Flows	<u>(144,835)</u>
Balances (FY Beginning):	
Operating Cash Balance	339,722
Consortium - Line of Credit Balance	8,513,714
REDI Loan Balance	4,964,953
Contract for Deed Balances	1,443,315
Balances (FY Ending):	
Operating Cash Balance	194,887
Consortium - Line of Credit Balance	13,228,382
REDI Loan Balance	3,346,286
Contract for Deed Balances	36,069