

# GROWING PROSPERITY



*Lincoln and Minnehaha County  
Economic Development Associations*



## Keys to growing prosperity reflected in 2011 successes

The past year was filled with announcements of expansions and relocations within Minnehaha and Lincoln Counties as a wide range of companies made the decision to grow in our area. While all of these companies chose to remain or to locate here because of our business advantages, each had a specific factor that provided the “tipping point” for a Minnehaha or Lincoln County location. Those strengths illustrate the key factors that will continue to drive economic development in our region.

The announcement by Terex that the Bid-Well manufacturing facility will stay in Canton, housed in a new state-of-the-art plant, was not a spur of the moment decision. Conversations about the need for a new facility began ten years ago, and throughout the process, planning for the future was key to the final announcement.

“A willingness to look years down the road really paid off for Terex Bid-Well and for Canton,” said Jeff Eckhoff, executive director of LCEDA. “By planning ahead, the company and the community were able to move quickly when conditions were right for constructing a new plant.”

In the Corson Development Park near Brandon, Integra Plastics had a different deciding factor in their decision to build a new plastics manufacturing operation there. The Madison, South Dakota-based company needed rail service for an economical supply of raw materials. The Corson park has grown specifically because it was developed as a rail park. The current construction of a new \$400,000 runaround



*Construction is nearing completion at the Integra Plastics manufacturing facility in the Corson Development Park near Brandon.*

track enhances rail service to existing companies in the park and adds flexibility for future growth.

In 2007, Wilson Trailer built their manufacturing plant in Lennox, citing the available land and infrastructure as important in their choice of location. Since then, the company has reaffirmed their choice by doubling the capacity of their Lennox operation and doubling their workforce. Adding square footage and jobs illustrates that Wilson Trailer found a home in our area—a place where they could achieve solid growth.

Eckhoff said that prospective companies looking at our region have a checklist that often includes build-ready sites, infrastructure improvements in the community and a growing workforce as evidenced by increasing population numbers. Communities that show a willingness to grow are high on the list of possible locations when the time comes to make a decision.

Legacy Electronics relocated to South Dakota from California earlier this year. In searching for a site, the company’s chief criterion was an available building that would allow them to be up and running quickly, minimizing down time during the multi-state move. A spacious facility in Canton proved to be convertible into exactly what the high tech manufacturer needed.

“Legacy was looking at other communities in our area,” Eckhoff said. “It really came down to the best building that would meet their needs and a community that could react quickly. That kind of practical decision is the driving force in expansions and relocations. Because we have so much to offer, 2011 was another great year for growth in our area.”



*State, local and company officials, including Governor Dennis Daugaard, gathered for the Terex Bid-Well groundbreaking in Canton.*



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**LCEDA and MCEDA**

in cooperation with the

**Sioux Falls Development Foundation**

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**LCEDA PRESIDENT'S MESSAGE**

*By Bob Lier*

*Still building a bright future*

**A**s we continue to wait for the national economic recovery that always seems to be just around the corner, it's easy to see that the unique combination of business advantages and quality of life attractions that has made us one of the fastest-growing regions in America is still working. Here in Lincoln County, South Dakota, we are still experiencing growth, still seeing new families and new companies and still building a bright future.

This year we have seen excellent growth—and significant new construction—by both new and well-established companies. Housing construction, long the driving force of our county's development, continued throughout our area, as families realize the opportunities which await them here in Lincoln County.

Fifteen years ago, Lincoln County Economic Development Association was created to maintain and enhance those advantages which keep us growing. We thank the dedicated and committed members of our volunteer board and our executive director, Jeff Eckhoff, for keeping our organization strong. By joining forces to share new ideas, create innovative solutions and work together for planned, professional economic development, we help to build a brighter future for everyone in our member communities. With our partners at the Sioux Falls Development Foundation, the Governor's Office of Economic Development and especially our colleagues at MCEDA, we work to make economic development success a consistent element in our region.



**MCEDA PRESIDENT'S MESSAGE**

*By Jim Clark*

*Celebrating 20 years of partnership*

**A**s we celebrate our first twenty years of economic development success in Minnehaha County, it is worth remembering that the formation of the Minnehaha County Economic Development Association came about through **partnership**. Communities, regional utilities and financial institutions banded together in a bold new enterprise designed to make regional economic development work—and to improve the local economy of each member community.

During those twenty years, we have enjoyed an excellent relationship with the Governor's Office of Economic Development and the Sioux Falls Development Foundation. Along with LCEDA, our 15-year partners in Lincoln County, MCEDA has been held up as an example of what can be achieved through regional economic development collaboration. Throughout the state today, communities are banding together as we did two decades ago to make their regions better places to live and work—and they are doing it because of our success.

All it takes is dedicated people, remarkable patience and strategic planning. Dozens of volunteer board members serving LCEDA and MCEDA as well as the local development groups with the awareness that economic development is a long-term proposition, have made a genuine impact on our two-county area. It's really all about those individuals, in addition to our executive director, Jeff Eckhoff, the mayors, council members, city finance officers and the citizens who join our efforts and applaud our accomplishment.

Thanks to all of you, we really have something to celebrate!



**BERESFORD**

Beresford continues to see additional commercial growth with the completion of a new Ace Hardware store and expansions at Jerry's Chevrolet that include a new Corvette Center. The city has completed water and wastewater facilities plans to help identify and target improvements to be made to both utilities. Continued improvements to the city's park systems include walking path expansions as well as new playground equipment. Beresford, with a population of 2,200, issued 89 building permits valued at over \$2.1 million in 2011.

**CANTON**

Canton, with a population of 3,057, was the Governor's Small Community of the Year in 2011, in addition to seeing major new construction by Adams Thermal Systems and Terex Bid-Well. Legacy Electronics relocated their manufacturing operation from California to a remodeled building in Canton this year. Building permits in Canton for 2011 totaled 56 at a value over \$10 million, and five new single-family homes were built this year.



Governor Dennis Daugaard, left, congratulates Mike Adams, CEO of Adams Thermal on the company's new fabrication plant in Canton.

**HARRISBURG**

This year, 23 single-family homes were built in Harrisburg, now with a population of 4,372. The community approved 207 building permits with a total value of over \$6.1 million, \$4.55 million of which was for family homes. Utility and street replacement projects continued during 2011, and the City Hall Committee moved to the next level and hired an architect to begin



South Dakota Governor Dennis Daugaard recognized Canton as the Small Community of the Year at the annual Governor's Economic Development Conference. Canton boosters joined Governor Daugaard at the awards ceremony.

determining need so the evaluation of sites for the new city hall can continue. Freedom Elementary opened its doors this year and the community continues to plan for growth in the school district following passage of a \$38 million bond issue.

**LENNOX**

Lennox, with a population of 2,200, experienced \$760,000 in construction during 2011, spread over 127 projects. The community completed a \$3.3 million mechanical wastewater treatment plant that will provide adequate sewer capacity for over 20 years. Wilson Trailer also constructed a 73,900 square foot addition that will add 100 employees and almost double the company's workforce in Lennox.

**TEA**

In Tea, Highway 111, newly renamed Heritage Parkway, has been fully completed with the expansion of the road from two to four lanes and the installation of water and sewer lines to permit commercial development. New businesses in Tea this year are Tangled Tree gift shop, Verizon Wireless, K Craft Upholstery, AMA Antiques & Coins and Olson & Waltner Law Office. Construction has started on Prescott Apartments, with 48 units in its first phase. Casey's Gas Station is planning to start

building soon, and Neighborhood Dental is expanding into a new clinic and home office. The Tea Area Intermediate School added eight classrooms in 2011. Building permit total for this year was 172, with a valuation over \$10 million and 22 new single-family homes.

**WORTHING**

Worthing, home to 1,000 people, experienced over \$400,000 worth of construction in 2011, spread over 33 new projects. One new single-family home was built, while the city continues planning toward future residential, commercial and industrial growth. Planning for several quality of life projects has begun, including completion of a Master Parks Plan to guide the development of the Worthing Municipal Park, which will feature basketball and tennis courts and a walking trail. The LifeLight Music Festival continues to be a major economic benefit and regional attraction.



Wilson Trailer expanded their manufacturing operation in Lennox during 2011, adding 73,900 square feet to the facility.

**BALTIC**

Baltic, with a population of 1,089, added two new single-family homes, with available lots for new family homes currently open in both the Baltic Heights Addition and the Valley View Addition. Commercial land is now available on both the north and south side of Lovely Avenue. Improvements continue on the community baseball fields and RiverPark camping area, and this year saw the replacement of playground equipment in RiverPark. The Baltic Independent School District's new track and stadium project is nearly finished, completing the overall school complex. Last year, 45 building permits were issued, with \$510,391 in total construction activity approved.

**BRANDON**

Brandon, with a 2011 population of 8,887, issued 428 building permits at a valuation of over \$17.8 million. Major commercial projects included Horizon Pet Care and Chiro Sport Clinic. Integra Plastics constructed a manufacturing plant at a cost of \$2.2 million and Bethany Meadows is moving 58 nursing beds to their Brandon facility at a cost of \$7.9 million. A total of 37 new single-family homes were built, with over \$7 million being spent in home construction, renovation and remodeling in 2011.

**COLTON**

Colton, population 689, has begun the engineering phase for the replacement of water and sewer infrastructure. The city plans the replacement of the street and utilities of 3.5 blocks of 5th Street. Activity for 2011 shows 26 building permits at a valuation of \$269,000.

**CROOKS**

Crooks, with an official census population of 1,269, issued 90 building permits at a valuation of \$1.9 million. Five single-family homes were built in 2011. The city is currently developing Sunset Park, a ten-acre public recreation area in

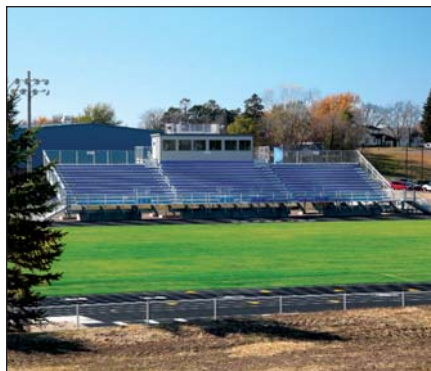
Sunset Addition, featuring a soccer/football field, playground equipment and a picnic shelter. The newly formed community group, CAWT, partnered with the Crooks Rodeo Association and the City of Crooks to host another successful Community Days celebration in June.

**DELL RAPIDS**

Dell Rapids, with a population of 3,633, issued 109 building permits at a total valuation of \$8.82 million. Dell Rapids saw nine new single-family homes and one multi-family four-unit apartment complex completed. In addition to a \$3 million renovation of the high school, the community's new \$10 million elementary school will open this year. The city completed a new \$1.6 million fire rescue facility, while constructing a 1.7 mile trail with a bridge crossing the Dells of the Big Sioux and a major upgrade of 15th Street to access the new school and open the north side of Dell Rapids to development.

**GARRETSON**

Garretson issued 55 building permits during 2011, totaling \$940,671. The community gained three homes with a combined value of \$538,000. Garretson saw a large number of home remodels and new garages being built as well as maintenance and repairs. The city completed a street project in 2011 which included replacement, repair, and chip sealing, with a major 2012 project planned to include new water and natural gas meters.



*The Baltic Independent School District has nearly finished work on the new track and stadium project, completing the overall school complex.*

**HARTFORD**

In Hartford, 103 permits were issued, with a valuation of \$3.8 million during 2010, including six new single-family homes. This community of 2,534 completed a bike trail and is planning another recreation trail in 2012 with SDDOT enhancement funding. Improvements have also been made at Turtle Creek Park, including a ball field, new restroom facilities and electrical service to the park shelter, with a disc course planned for 2012. The city has purchased 75 acres of land to be used for a new sports complex and commercial development. A Safe Routes To School grant has allowed Hartford to install crossing signals on Highway 38 and Western Avenue, in addition to a bridge across the creek in the south part of town for pedestrian traffic.

**HUMBOLDT**

In Humboldt, building lots for new homes are still available in this Minnehaha County community of 586. Humboldt had a total value of building permits of \$84,662 in 2011. Infrastructure improvements planned include the \$260,000 East 6th Avenue project, running from Main Street to Ford Street. A new Legion-sized ball diamond was built near the city's existing ball fields.

**SHERMAN**

Sherman, the smallest member community in the Minnehaha County Economic Development Association, continues to improve housing options for its nearly 100 residents. Sherman continues to concentrate on infrastructure improvements.

**VALLEY SPRINGS**

Valley Springs completed the first lift of pavement in the West Acres Development, providing paved access to 37 lots. To keep up with the growing yields in the area, the Valley Springs Farmers Elevator added 120,000 bushels of bin space. During 2011, 37 building permits were issued, with a valuation of \$657,671 in this growing community of 800.

By Jeff Eckhoff

## Companies are getting our message—and acting

We measure the success of our economic development efforts in a number of ways. The most often quoted is the creation of new jobs. But an essential element of our job as regional economic development groups is to ensure that new and expanding companies are aware of the opportunities offered in our two-county area.

During 2011, companies clearly got our message and acted on that knowledge. The number of inquiries by potential new businesses was up sharply, by 54%. Over fifty companies looked into locating or expanding in Lincoln and Minnehaha Counties in 2011. Even more interesting is that those inquiries represented a dramatic increase in potential new jobs—80% more jobs than the inquiries of 2010, well over 4,000 potential new jobs. Almost half the companies talking with us this year were projecting larger facilities than we have seen in the past, offering 100 jobs or more.

Manufacturing continues to lead as the most active economic sector, with over 50% of the leads. No matter what you hear about American manufacturing, here in Lincoln and Minnehaha Counties, manufacturing companies are prospering. In fact, our biggest projects of 2011 were manufacturing companies growing in our counties.

During the year, seven projects were finalized or completed: Rosen's, SDN Data Center, Wilson Trailer expansion, Terex Bid-Well, Adams Thermal Systems Fabrication Plant, Integra Plastics and Legacy Electronics. Together, these projects created over 300 new jobs. They occupy over 300,000 square feet, 260,000 of which is new construction. In addition, the capital investment made by these seven companies is over \$40 million.

## Taxable sales increases continue to trend upward

Businesses in Minnehaha and Lincoln counties continue to show solid growth in sales tax collections. According to the South Dakota Department of Revenue, Business Tax Division, both counties posted increases in taxable sales during the past fiscal year. For last year, the state has posted FY2011 sales tax collections against 2010 showing a **\$24 million increase** in Lincoln County and a **\$7 million increase** in Minnehaha County.

Leading Lincoln County was Lennox, with a 20.3% increase in 2011, while in Minnehaha County, Sherman and Hartford led in increased sales tax collections last year, with 15.5% and 13.3% respectively. Countywide sales tax collections were up 3.75% in Minnehaha County and 12.5% in the communities of Lincoln County.

Despite the slow recovery that continues in so much of the country, our region's retail, commercial and residential growth is continuing to trend upward significantly.



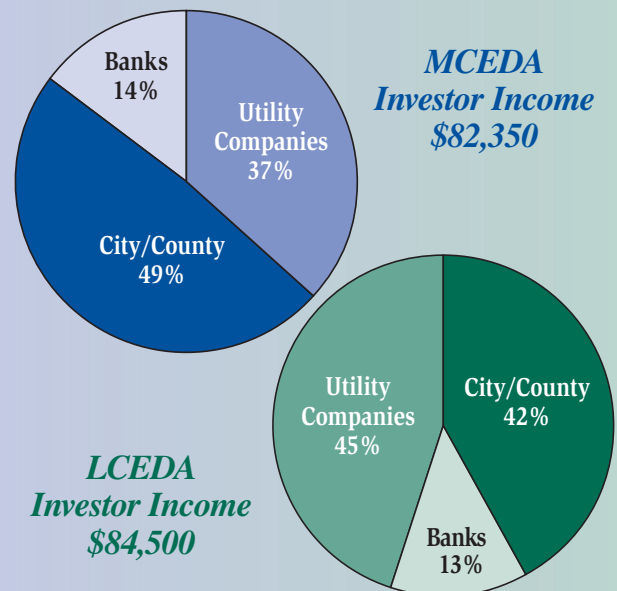
You will see again this year in the community “snapshots of growth” that in both counties, infrastructure investment by our member communities continues to be strong. These water projects, street improvements and wastewater management investments show that our communities are building for the future and willing to invest millions in ensuring that current and future residents have the streets, water and utilities that keep our towns growing.

The Twin Cities and outstate Minnesota have been identified by local and national experts as the most effective target for our economic development marketing efforts. Historically, we have seen more companies expand or relocate from Minnesota than from any other state. LCEDA and MCEDA have responded with a stepped-up campaign utilizing radio, direct mail and telemarketing in the Twin Cities metro area.

Our marketing efforts are yielding excellent results, as evidenced by this year's inquiries. But just telling our story is not enough without the consistent growth of our housing options, the annual investments made by our communities to show a positive attitude, and the expansion and new locations by strong companies. Because our two counties continue to show **success**, new companies will continue to hear us—and join us in growing prosperity in Lincoln and Minnehaha Counties.



## Investor Income Apportionment



# GROWING PROSPERITY



## *Lincoln County Economic Development Association* **INVESTORS**

Beresford Economic Development Corporation

City of Canton

Canton Economic Development Corporation

City of Harrisburg

Lennox Area Development Corporation

City of Lennox

City of Tea

City of Worthing

Lincoln County

Bank 360, Beresford

Farmers State Bank, Canton

First Bank & Trust, Canton

The First National Bank in Sioux Falls, Harrisburg

First Savings Bank, Worthing

Home Federal Bank, Canton, Harrisburg & Lennox

Valley Exchange Bank, Lennox & Tea

Wells Fargo Bank, Beresford

Beresford Electric Department

Beresford Municipal Telephone Company

East River Electric Cooperative

MidAmerican Energy Company

Midcontinent Communications

Knology

Southeastern Electric Cooperative

Xcel Energy



## *Minnehaha County Economic Development Association* **INVESTORS**

City of Baltic

City of Brandon

City of Colton

City of Crooks

City of Dell Rapids

City of Garretson

Hartford Area Development Corporation

City of Humboldt

City of Sherman

City of Valley Springs

Minnehaha County

First Bank & Trust, Garretson

The First National Bank in Sioux Falls,  
Baltic, Brandon & Dell Rapids

Home Federal Bank, Brandon, Crooks, Dell Rapids & Hartford

US Bank, Colton & Hartford

Wells Fargo Bank, Brandon & Dell Rapids

Alliance Communications, Baltic & Garretson

East River Electric Cooperative

Golden West Telecommunications, Dell Rapids & Hartford

MidAmerican Energy Company

Midcontinent Communications

Minnehaha Community Water Corporation

SDN Communications

Sioux Valley Energy

Xcel Energy

*The Boards of Directors wish to recognize the generous support of our investors who make our economic development efforts in Lincoln and Minnehaha Counties possible.*

## **THANK YOU!**