



## PROGRESS REPORT, First Quarter, 2009

### Technology Business Center will expand this year

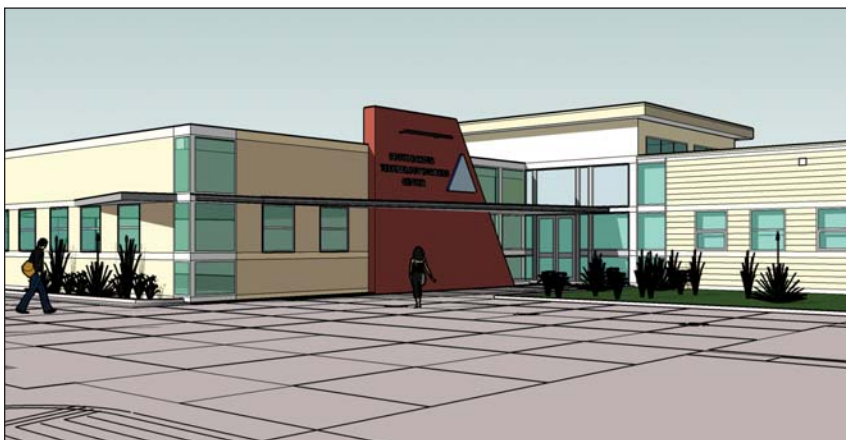
**C**apping an extremely successful first five years, the South Dakota Technology Business Center will expand to serve more high tech businesses this year. Executive Director Rich Naser expects that construction will begin in mid-April and continue through December on the technology incubator's additional 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



*SDTBC Executive Director Rich Naser looks over plans for the new technology suites.*



*Architects' rendering of the South Dakota Technology Business Center expansion.*

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 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."



**PROGRESS REPORT**  
is published quarterly.  
Volume 8, Issue 1

200 North Phillips Avenue, Suite 101,  
PO Box 907,  
Sioux Falls, SD 57101-0907  
Phone: 605-339-0103  
Fax: 605-339-0055  
E-mail: [info@siouxfalls.com](mailto:info@siouxfalls.com)

## City plans for growth in 2009

City planner Mike Cooper has released year-end growth numbers for Sioux Falls and sketched plans for the city's growth in 2009. According to Cooper, the population of Sioux Falls grew by 2,800 to 154,100 during the past year. The Sioux Falls MSA gained 1,900 non-farm jobs during that time, and building permit valuation hit \$454 million. Over 500 new single-family homes were built in 2008, along with 985 new multi-family housing units.

Last year, the city annexed three square miles and has preliminary development plans for 1,360 acres. Eleven miles of streets were paved and 33 miles of water main added. Cooper has outlined significant street construction, flood control projects and recreational construction for 2009.

"The city of Sioux Falls has always planned for the future," Cooper said. "Our plans for 2009 have been in the works for some time, and we'll be able to continue to meet the needs of our growing population and growing community with timely infrastructure projects."



Mike Cooper



## Expansion planned for downtown Sioux Falls



*Outgoing Downtown Sioux Falls president Bill Peterson and new president Larry Rehfeld discuss the proposed changes to the Schoeneman Lumber site in downtown Sioux Falls with Al Schoeneman at the downtown group's annual meeting. Ideas for the riverside property include a luxury hotel, retail and residential spaces. Schoeneman's plans to vacate the downtown location and open their main lumber facility in Harrisburg later this year.*

## Sioux Falls 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 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.

## Marketing Update

### Marketing efforts aimed at telling "higher profits" story

In addition to the high quality of life the Sioux Falls area offers, business leaders who have relocated to our region know that significant savings and higher profits can be found in Sioux Falls. Surveys conducted by The Boyd Company of Princeton, NJ, have found that certain industries, including high tech, bio-medical and call center businesses, can save over a million dollars a year with a Sioux Falls location, compared to other metropolitan areas in the United States and Canada.

That message, a powerful one even in times with a growing economy, is being shared throughout the Midwest with a radio campaign that focuses on the high-target Twin Cities and outstate Minnesota market. Statistically, most of the corporate inquiries received



Dan Hindbjorgen

by the Sioux Falls Development Foundation and the Governor's Office of Economic Development come from Minnesota, both for business expansions and company relocations.

"The awareness we have achieved among Minnesota business leaders with our consistent radio campaign is fantastic," said Dan Hindbjorgen, Development Foundation Vice President and the voice of the radio ads. "We have been very busy already this year, providing information, conducting

hostings and dealing with companies interested in our advantages. Even though some businesses will have to wait to make a move after the recession lifts, they know about Sioux Falls and they know they'd like to be here."

## Keeping our perspective on job opportunity

**A**ccording to national statistics, most of us will change jobs several times during our working years.

Fortunately, making a job change is usually on our terms—we secure a new position with a better wage or better hours or one that is a better fit for our experience and education.

In recent months, however, we have been hearing and reading news stories about companies, both nationally and locally, that are responding by laying off workers or reducing hours and wages. With our economy in its current state of recession, this is not an unusual course of action—but it is still distressing for those who are put into a position of making a change in their current employment situation.

Unlike much of the country, the Sioux Falls area economy has been in the unique position of creating hundreds of additional jobs every year for the past decade, enabling experienced and new workers alike the opportunity to find jobs that meet their needs. Most of us are unaware, however, that here in Sioux Falls, the trend of creating additional jobs in our local economy continued throughout 2008.

By *Mary Medema,*  
Workforce Development  
Director



Although growth in our local economy has slowed from its record pace, early 2009 indicators suggest that the economy in Sioux Falls is still growing. And that growth will positively impact our community—and its employment needs—during the coming year. Our growing economy and the new jobs it creates will help us weather the economic challenges we see and feel taking place in our nation and around the world.

Those who find themselves seeking a new opportunity in 2009 may need to be more patient during the coming year. Or this may be the time to take advantage of additional education or training which might be made available due to layoff or

additional economic stimulus programs, in order to enter a new and growing industry. Other job seekers will transition quickly and easily into their next position. Whatever the case, the health of the Sioux Falls economy—even if it grows slowly—will produce employment options that most areas of the country simply cannot provide.

We may see still more headlines about layoffs—even here in Sioux Falls—during 2009, but expect to see positive economic news for Sioux Falls as well. Although these stories may not often make headlines, rest assured that companies are continuing to invest in their Sioux Falls area locations and benefit from the talent of our people. Our workforce is a major reason why those investments are being made, even during a time of national recession. For these and so many other reasons there is no better place in the country to be.



## BIG 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 US 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.

## Partnership Update

### SEHP annual meeting held

**T**he annual meeting of the Sioux Empire Housing Partnership was held in January, reflecting on the achievements of the past year. Included in the presentation was a report on new affordable home construction, rehabilitation of existing homes and the construction of the new Pettigrew Heights townhouses.

Featured speaker for the event was Michael Keller, Dean of the Beacom School of Business at the University of South Dakota, who spoke on the origins and ramifications of the national mortgage crisis. Keller, a native of Webster, SD, received a B.S. and a J.D. from The University of South Dakota.

After graduating from USD, Keller had a successful career in the financial services industry, working for many years in a variety of positions with Norwest Mortgage and Chicago Title, including Executive Vice-President at both companies. He returned to USD as a faculty member in 2002.

## Chairman's Report

### *Meeting the challenges, understanding our strengths*

All of us are aware of the economic challenges which face our community, our state and our nation during the year ahead. We know that the restoration of our economic strength is the first priority, enabling us to plan for the future with resolution and conviction that we will emerge from this downturn. In the meantime, each community should be assessing its economic strengths to minimize the effects of the recession and maximize the speed of recovery.

Here in Sioux Falls, we have assets that have served us well in past times of economic stress. Our diversified local economy enables us to balance the effects of recession. Our success in attracting companies from states in which business is more expensive serves us well when those states are hit even harder by the downturn in their economies. And our partnerships for progress, with area communities, the Governor's Office of Economic

*By Kelby Krabbenhoft,  
Chairman,  
Forward Sioux Falls*



Development and within our own business community, give us added strength during these challenging times.

Our Development Foundation reports a high level of inquiries already this year. Several companies are actively working with local development officials to find new locations here. And we are continuing to market aggressively, realizing that now, more than ever, the message about the Sioux Falls economic advantage will be appealing to corporate leaders throughout the United States.

Forward Sioux Falls has given us another asset we can be proud of. We have learned, through over twenty years of success with Forward Sioux Falls, that planning, patience, partnership and perseverance pay off. We have worked together to forge a community that is forward looking, resilient and committed to building a better tomorrow. That's a formula for success regardless of the economic challenges we face.



ADDRESS SERVICE REQUESTED.

PO Box 907,  
Sioux Falls, SD 57101-0907

