

Forward

SIoux FALLS

PROGRESS REPORT, Second Quarter, 2010

Feasibility study is next phase for Forward Sioux Falls planning

Howard Benson, chief executive officer of National Community Development Services (NCDS), was in Sioux Falls recently discussing the next phase of Forward Sioux Falls with Joint Venture Management Committee leaders. Benson's firm has assisted with each of the first five Forward Sioux Falls campaigns and he will personally conduct many of the interviews in feasibility study meetings during the next month.

The Future Sioux Falls strategic planning process provided insights into the challenges Sioux Falls faces in the years ahead. Many of the findings have become the base from which the core elements of the next Forward Sioux Falls program will be built. As each funding partner examines the Future Sioux Falls findings, they too will use the information to provide a roadmap for action.

"We will take those elements of the Future Sioux Falls study that apply to the economic development plans for our community," said Mark Shlanta, Forward Sioux Falls chair. "Our focus will continue to be



Howard Benson, center, was in Sioux Falls recently to meet with JVMC leadership and staff.

on building the prosperity of our area through strategic economic development initiatives and action plans."

Case statements have been created for each Forward Sioux Falls activity, from workforce development to business retention and expansion to housing. Those case statements will be the core of the feasibility study NCDS will take to investors.

Benson was in Sioux Falls to review the case statements, written by staff members, with Forward Sioux Falls leaders. The final document, which outlines the economic development needs of the community and proposes specific strategies to meet the challenges of the future, will be shared with investors in meetings held during August, with a goal of completing the feasibility study by early September.

"The expertise of NCDS has served us well in the past," Shlanta said. "Most of all, we are eager to hear the comments and suggestions of our investors. We believe that

listening to business community investors is a key factor in making Forward Sioux Falls one of the most successful development programs in the nation."



One of America's fastest growing cities

Bloomberg Businessweek put Sioux Falls among "America's Fastest Growing Cities 2010," citing the community's "population increase of 22% between 2000 and 2008, according to the Census Bureau. The region has been transformed from an agricultural area to an important finance, health-care and retail hub in South Dakota. Major employers include Sanford Health, Avera Health and Wells Fargo," added the online publication.

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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

SpectraCal opens at Technology Business Center

SpectraCal, the award-winning inventors of CalMAN Video Calibration Software, opened a Professional Sales office in Sioux Falls at the South Dakota Technology Business Center. The sales organization is headed by Jeff Murray, a leading figure in the professional video calibration industry for more than a decade.

"Jeff has been one of the key people in the creation of this industry," said Joel Silver, President of the Imaging Science Foundation. "He has been working side by side with us since the beginning, has supported the industry with generous volunteer work, and we're proud to continue working with him now."

Silver also praised the team of professionals Murray brings with him. The new group includes software engineering facilities in Seattle (SpectraCal), hardware engineering in Sioux Falls (AV Foundry), and eight Sales, Marketing, Training and Support (SpectraCal Sales) professionals in Sioux Falls. This group brings talented personnel with over 100 years of combined experience to address the ever-changing needs of these dynamic video markets.



Jeff Murray of SpectraCal Sales, Inc.

"SpectraCal Sales' team of sales, applications, and support professionals have proved themselves through years of superb service," Silver said. "I believe 2010 will be the most critical year ever for calibrator support, since our research on LEDs shows the majority of current meters can simply be upgraded, not replaced."

Derek Smith, CEO of the SpectraCal group, pointed to the group's strong relationship with world class manufacturers.

"We are uniquely positioned to offer instrumentation from several world class manufacturers including X-Rite, Klein Instruments, Konica Minolta, and many others," he said. "CalMAN today supports over 40 color analyzers and even more pattern generators."

The Sioux Falls component of the company is part of a total service package, according to Murray.

"We want to support the video professional every way we can," he said, "and not just with technical training. We will work to provide professional development assistance, business education, and everything a calibrator needs to be successful."



Workforce Development Report

Gage Brothers first HR Intern in Industry is a hit with company

When Kathleen Haan-Strong heard about the Interns in Industry program of Forward Sioux Falls, she knew she wanted to sponsor a human resources department intern. The Director of Human Resources and Safety at Gage Brothers Concrete Products knows that there is no substitute for hands-on training in her field.

"I feel strongly about helping individuals who are choosing this profession," she said, "Students are coming out without experience and we're glad to give someone the opportunity to actually work with people in real-life situations."

Mary Medema, Forward Sioux Falls Workforce Development Director and coordinator of the Interns in Industry program, posted the position on area campuses and was able to present fourteen candidates for the Gage Brothers HR internship. Haan-Strong interviewed eleven, calling three students back for second interviews. After this extensive process—which she admits was part of the experience she hoped to provide the candidates—Haan-Strong chose recent grad Cassandra Ahlers for the internship.

"Cassie is working out very well," Haan-Strong said. "She is the support person for all HR functions, including safety and benefits administration. She also works as the receptionist for the HR department, greeting all of our

applicants. That means that the hiring process begins when those applicants walk in the door."

Ahlers attended Augustana for two years, then decided to transfer to the University of South Dakota to major in Business Management. She has taken all her USD coursework through the University Center in Sioux Falls, graduating in May, 2010.

"I thought about human resources as a profession when I started at USD," Ahlers said. "I discovered the Interns in Industry program through a Google search and was interested to see that they had an HR internship."

In addition to her work with applicants, Ahlers is working on revising the Gage Brothers employee handbook and interacting with employees throughout the day.

"I'm most excited about being able to apply things I learned in school," she said. "I enjoy learning about the interview process, hiring and employee problem solving. People come to the HR department for advice, even about issues outside of work."

Haan-Strong said she is pleased with the work Ahlers is doing at Gage Brothers.

"I treated it from day one as if she is part of the team," Haan-Strong said. "I am training her as a member of the staff. As an employee-owned company, we would like to put future leaders into place now."



Cassandra Ahlers and Kathleen Haan-Strong

Chairman's Report

Listening to you will help us shape the future

The economy has begun its climb out of the recession and signs of future strength are showing up more strongly here in Sioux Falls than in the rest of the nation. That's great news for everyone—and a springboard for looking ahead and planning the next phase of prosperity for the Sioux Falls area.

The best way to do that is to talk with Forward Sioux Falls investors like you—and that's just what we plan to do in the months ahead. Sioux Falls investors are the core of our business community, understanding where we have been in the past, what we have accomplished with Forward Sioux Falls to date, and where we need to go to take that success to the next level.

Our investors are not just partners in the achievements of Forward Sioux Falls, you are the designers of our strategy, the "consultants" that tell us what we need to know about this community, and the builders who assemble an action plan that makes a difference in the next decade of growth.

By Mark Shlanta,
Chairman,
Forward Sioux Falls



Without you, the investor, there would be no South Dakota Technology Business Center, no research and technology initiative, no sustained affordable housing program, no exemplary business recruitment campaign. Sioux Falls would not be well known in corporate boardrooms and we would **not** be recognized as one of the fastest growing metro areas in the US. **You** have made the difference.

We all have confidence in the future, knowing that we have come through a tough time in the past two years, understanding our strengths and willing to face our challenges. Forward Sioux Falls has always been a long-term strategy, a program for the future, a plan to build a community that will be better for our children and grandchildren.

You'll be hearing more as we call upon investors to listen to your ideas for this community. You hold the keys to our future—and we will be listening to you, our investors, to help us reach that successful future together.

Innovative ideas proposed by Housing Partnership

The Sioux Empire Housing Partnership is looking ahead with some new and exciting ideas for affordable housing solutions. During the past decade, the Housing Partnership has been very effective in creating new neighborhoods for first time home buyers, providing educational resources that make it possible for people to become homeowners and leading the way in neighborhood revitalization.

SEHP has identified several areas of focus for the immediate future. Among the concepts under discussion are:

Utilization of Governor's housing. SEHP has joined with the SD Housing Development Authority to build Governor's houses in a development owned by SEHP. This program is focused on the first-time home buyer in the mid 60% of the median income, and would offer a three year lease/purchase option to the home buyer.

Creation of a land trust.

Currently successful land trusts exist in the Black Hills and throughout the state of Minnesota. With a land trust, SEHP would offer low- to moderate-income families a home well below the market price as the price does not include the cost of land, since SEHP would retain ownership of the property. By doing this without the land as part of the purchase price, the home becomes affordable to a wider range of individuals.

Continuation of **Home Buyer Education.** SEHP's home buyer education has been recognized at the state level as being one of the finest, and its director has been

given the Friend of Affordable Housing Award by the South Dakota Housing Development Authority. In the past five years, SEHP has counseled nearly 3,800 individuals and our outreach programs have assisted more than 5,800 people.

Revitalization efforts and the Pettigrew Heights Housing Resource Center. SEHP has partnered with both the City of Sioux Falls and VOA to establish a housing resource center for Pettigrew Heights area residents.

The center will help with every aspect of revitalizing area homes and provide pertinent data which affects overall quality of life. The program has been expanded to include Repair Affairs sponsored by the Home Builders Association and the Brush with Kindness Program through Habitat for Humanity.

Establishment of a Tax Increment Financing District. TIF has been tried in cities such as Aberdeen,

Watertown and Huron to expand and develop affordable housing programs. Mayor Huether has expressed an interest in exploring the use of TIF financing for affordable housing. SEHP will also explore other collaborative efforts between the City and the Housing Partnership.

Analysis of the Affordable Housing Survey. Community Partners of Lake Elmo, MN have conducted an affordable housing survey in and around the city of Sioux Falls. Many of the findings of this survey will be of special interest to the Partnership and its future direction in affordable housing programs.



Innovation and entrepreneurship are keys to success

Thanks to you, Forward Sioux Falls is directly impacting innovation and entrepreneurship in our community. By establishing the South Dakota Technology Business Center (SDTBC), you have helped entrepreneurs secure \$44 million in equity funding, achieve more than \$100 million in annual sales, and create 339 high-paying jobs in Sioux Falls. Forward Sioux Falls also played a key role in planning for the recently opened Graduate Education and Applied Research (GEAR) Center. That Center is now home to USD's Biomedical Engineering Program and ATG, a start-up company developing anti-microbial socks to prevent diabetes-related foot ulcers.

In addition to these efforts, private sector organizations like Sanford Research, the Avera Research Institute, POET and Hematech are ramping up research and creating new commercialization opportunities. The need to leverage and support these activities and to continue to foster innovation and entrepreneurship is highlighted in recent reports by Future Sioux Falls and the I-29 Corridor Growth Strategy. Today, South Dakota consistently leads national rankings as the best place to start a business, but still ranks near the bottom when measuring innovation and

*By Rich Naser, South Dakota
Technology Business Center
Executive Director*



entrepreneurship-related activities.

To impact this finding in a meaningful way, three areas require our attention: 1) increasing investment in graduate education and research to develop knowledge and talent; 2) further developing an entrepreneurial culture and ecosystem that supports the application and commercialization of this knowledge, and 3) addressing additional funding and infrastructure gaps that are barriers to achieving success.

Fortunately, some work is already underway in many of these areas. Our public universities have made growing research and commercialization a high priority. Groups such as the Enterprise Institute and South Dakota Innovation Partners are developing pre-seed, seed and angel funds to help move more

innovations into the marketplace. And SDTBC has expanded its entrepreneurial support programs and is working with other South Dakota incubators to strengthen the network of resources available to entrepreneurs.

Through Forward Sioux Falls, you have had the opportunity to positively impact our region through increased innovation and entrepreneurship. With your continued leadership and commitment we can take Sioux Falls to a new level of success.



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PO Box 907,
Sioux Falls, SD 57101-0907

