



PROGRESS REPORT, Second Quarter, 2008

Health systems fuel strong growth in Sioux Falls

Both of Sioux Falls' two major health care systems have recently broken ground on projects which are driving our economy and have the potential to transform the future in this area.

The new Avera Cancer Institute (ACI), a 217,000 square foot, \$90 million building, will change the face of cancer care in the region. The building will offer the latest technology and provide an integrated cancer treatment facility to help patients overcome the nation's second leading killer.

The facility will also be home to a state-of-the-art outpatient surgical center with eight operating rooms, all in a building designed to offer one of the healthiest, patient-centered environments available anywhere. Cancer cases are increasing by a projected 23 percent this decade, to reach 1.6 million cases nationwide in 2010. In South Dakota, 4,000 new cases are diagnosed every year and Avera McKennan has seen a 24 percent increase in cancer patients since 2002.

Dedicated as much to prevention of illness as to healing, the ACI building design exemplifies a commitment to safety and the environment. The Avera Cancer Institute is striving for Leadership in Energy and Environmental Design (LEED)[®] certification by the U.S. Green Building Council, and is currently registered as a LEED project. If achieved, this building would be part of an elite group earning this designation. This includes aspects of energy and water conservation, as well as use of carefully selected sustainable and green materials (laminates, paints, glues, flooring) and a commitment to local building



The Sanford Research Park groundbreaking was held June 2, during the Sanford Festival. The research park's first building is expected to be open in 2011.



Ground was broken for the new Avera Cancer Institute on May 19. The facility, located on the Avera McKennan campus, has a planned opening date of fall of 2010.

materials. The landscaping will include natural prairie grasses requiring little or no maintenance or water and a rooftop garden. The new Avera Cancer Institute is expected to open in the fall of 2010.

Expanding its investment in patient care, education and research, Sanford Health broke ground on a new 185 acre research park. The Sanford Research Park is located at the southern entrance to Sioux Falls near the intersection of Interstate 29 and Interstate 229. The park will be home to all of Sanford Research/USD facilities.

"This includes the expansion in basic, translational and clinical programs, and a singular research project addressing a pressing issue affecting the health and well-being of the people in this region and people around the globe," said Sanford Health Executive Vice President Dave Link.

The first phase of the Sanford Research Park is expected to be completed in 2011. The site has space for over two million square feet of office, research and light manufacturing buildings.

"Research companies are interested in the area because it provides a great environment for their research and development activities," added Link.

In addition to the office and research component, local developers have proposed plans for retail, convention and other lifestyle amenities immediately to the south of the park. Additional residential developments are also possible because of the area's expected growth.



Tower Tech chooses Sioux Falls area for plant

Broadwind Energy, Inc. announced that its wholly-owned subsidiary, Tower Tech Systems, will expand its wind tower manufacturing operations to Brandon, SD and Abilene, TX. Tower Tech Systems currently operates a manufacturing facility in Manitowoc, WI that has been producing wind towers since 2004.

Broadwind CEO J. Cameron Drecoll said transportation and logistics for tower sections have become increasingly complex and costly to the wind energy marketplace. Broadwind and Tower Tech will provide tower production capabilities close to major wind energy development areas and supply logistical services to project sites. He added that the service bundle will provide benefits to customers that will be unique in the industry, such as reducing risks associated with long-distance transport.

“Our customers will be able to depend on Broadwind to provide a more complete and cost-effective supply-chain solution,” Drecoll said. “This expansion to new regions, combined with our recent acquisition of a transportation and logistics provider to the wind industry, will result in the introduction of significant savings into the marketplace and ensure that we continue to deliver the highest level of quality.”

Lars Møller, Broadwind’s chief operating officer, said, “These new factories are specially-designed, single-piece-flow production units that capitalize on lean technologies. These greenfield facilities will be the first of their kind in North America specifically built for tower manufacturing, thus allowing for

“Our team has been working closely with the economic development organizations in the Sioux Falls and Abilene areas and the experiences have been very rewarding. Whenever we ran into an issue, they went the extra mile to find solutions.”



optimum production efficiencies for our customers.”

The company said that Jeff Eckhoff, executive director of the Minnehaha County Economic Development Association, and local Brandon city and development officials were pivotal in site selection, providing incentive packages and

aggressively supporting the new South Dakota manufacturing plant.

“Our team has been working closely with the economic development organizations in the Sioux Falls and Abilene areas,” said Paul Smith, with the Tower Tech implementation team, “and the experiences have been very rewarding. Whenever we ran into an issue, they went the extra mile to find solutions. The support during this process was excellent, and we look forward to long-standing and mutually-beneficial relationships with these communities.”

Each facility is expected to initially employ more than 150 workers, with significant expansion options available. Both sites also have direct rail access, ample tower storage and the most modern tower production equipment available in the marketplace. Both plants will begin production by early 2009.

Housing Partnership Update



Townhomes bring affordable housing options to neighborhood

The Sioux Falls Development Foundation hosted a groundbreaking for the Sioux Empire Housing Partnership’s new Pettigrew Heights townhomes. The project, located at 10th Street and Menlo Avenue in the historic part of Sioux Falls marked for redevelopment, features five units of 1,120 square feet each, with two bedrooms and two baths in each unit, plus a two-car garage. The townhomes will be available to families who qualify for affordable housing guidelines.

“This project, in addition to the rehabbed homes we’ve worked on in Pettigrew Heights, shows the commitment of the Housing Partnership and Forward Sioux Falls to the revitalization effort in this key part of our community,” said Jim Schmidt, executive director of SEHP. “We know that community pride often comes from home ownership and neighborhood beautification. We’re proud to be part of that effort.”



PROGRESS REPORT

is published quarterly.
Volume 7, Issue 2

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

Chairman's Report

Reporting to investors is a key element in our success

It's easy to see how your investment in Forward Sioux Falls is helping our community grow—as long as you are willing to drive around the new neighborhoods in every direction and analyze the statistical data reported by the city and state on our growth.

Unfortunately, most of us are too busy to take weekly drives through our residential construction zones, or to pursue pages of data. That's why Forward Sioux Falls has always considered it a top priority to report our community's progress to you, the investor, in a variety of ways.

First, meetings of investors and the Investor Council give us the opportunity to report to you in a face-to-face manner. All of us want the chance to interact with other investors, to hear the news first-hand and to have the ability to ask questions. We'll keep having meetings to keep YOU up-to-date.

Second, our quarterly *Progress Report* gives you a thumbnail sketch of the growth of our region. In an

By Kelby Krabbenhoft,
Chairman,
Forward Sioux Falls



attractive, easy-to-read format, you'll get vital information on new companies, like Tower Tech, quality of life issues like new affordable housing options or technology breakthroughs like the work being done at Hematech.

Our monthly radio messages also remind area listeners that Forward Sioux Falls is making a difference. Investors are thanked for their participation, listeners outside Sioux Falls are informed about the advantages of living and working here and local business people who are not currently Forward Sioux Falls investors are encouraged to be a part of the action.

Meeting investor expectations is an important part of Forward Sioux Falls—and another reason why the program has not

only continued, but grown for over twenty years. Keeping you informed is one way of meeting your expectations, and an excellent way to illustrate to you the other ways in which we are utilizing your investment to build a better future for our community.

Workforce Development Update

Internship gives USD student hands-on HR experience

Students selected for the 2008 edition of *Interns in Industry*, an on-going and effective Forward Sioux Falls workforce development initiative, are now on the job. Among the interns chosen for this year's summer program is Rachel Linneman, a senior management major at the University of South Dakota. Linneman, who is focusing her studies toward a human resources specialty, is working at Risk Administration Services, Inc. better known locally as RAS.

A growing company with 75 employees currently housed in new offices at Cherapa Place, RAS has two full-time staff members in the company's Human Resources department. According to Gayle Ver Hey, Vice President, Strategy and Planning, that gives Linneman plenty of opportunity to not only observe a working HR department, but participate in vital projects during her time with RAS.

"Human resources provides a total perspective of the business itself," she said. "You get to see the business growing and you really have to understand all facets of the company."

RAS works with client companies to provide a risk management plan that covers workers' compensation, loss control and claims management. RAS teams up with their clients to control the rising costs of managing a workforce

while protecting profitability.

Linneman said that relatively few HR internships are offered, although that area of focus is growing in popularity at the university, and there is talk of making human resource management a major at USD. But the day-to-day business of HR is opening new vistas to Linneman at RAS.

"We do 25 to 30 different things every day," said

Amanda Van Zanten, HR Assistant at RAS and Linneman's direct supervisor. "The best part of the job is working with employees and being their advocate."

Linneman will be working with a reference checking procedure using software-based web checking, helping develop a new employee orientation program and working to implement an imaging system for the company. She also spends part of her day "shadowing" Van Zanten, learning by observing.

Ver Hey and Linneman agree that the match-up between RAS and its new intern is working perfectly—and that it never would have happened without *Interns in Industry*.

"The program helps because we got great candidates and super efficiency without doing the advertising ourselves," Ver Hey said. "This is our first experience with an intern, and we would not have done it without *Interns in Industry*."



From left, Gayle Ver Hey, Amanda Van Zanten and intern Rachel Linneman

Green Project shows the power of partnership

One of the major reasons Forward Sioux Falls has been such a great success for our community and the surrounding area is the partnerships that have grown out of this initiative. Local government, business, community and professional leaders all work together to make our future brighter.

A group of Sioux Falls business leaders and public officials, led by Jeff Scherschligt, Jeff Hazard and Scott Lawrence, recently announced an initiative that potentially has the power to change the way people act and think about their environment. While not a Forward Sioux Falls program, the Sioux Falls Green Project targets both consumers and the business community and seeks to educate and inspire Sioux Falls area residents to live greener, particularly in the areas of recycling, water conservation, energy consumption and development.

At present, Sioux Falls residents recycle only about 11 percent of what could be recycled, and 40 percent of the waste materials in the Sioux Falls landfill are recyclable.

The average business throws away 85 percent of its paper.

The Green Project has several components:

By *Evan Nolte, President,
Sioux Falls Area
Chamber of Commerce*



- Research to survey the awareness of environmental issues and landscape of green initiatives among the Sioux Falls community.

- Community awareness to provide information on environmental concerns and what they mean for Sioux Falls.

- Education to inform residents of simple lifestyle changes they can incorporate to make a difference.

- Reporting progress and results with area residents during the span of the campaign.

In the coming months, area residents will be seeing an active Green Project campaign evolve with special events, community outreach and public service announcements. At the center of the campaign is a new web site, www.siouxfallsgreenproject.com, where businesses and residents can find resources and information about going green at home, work and school. The web site will also include a forum for the community to share ideas and success stories.

The Green Project is another example of people working together to make the Sioux Falls area the best place to live in America.