



PROGRESS REPORT, Second Quarter, 2009

Medical projects drive summer construction totals

One of the advantages of a diversified economy is the balance it provides during downturns in overall economic growth. While new home starts and other commercial construction are down slightly this year, large medical projects promise to continue to drive our construction totals for 2009 and beyond.

After recently completing the construction of the Sanford Children's Hospital, Sanford Health announced plans for a new Heart Hospital. The project, estimated at \$70 million, will add a five-story building to the Sanford medical campus in central Sioux Falls. Sanford has submitted exterior plans of the new hospital to the Sioux Falls Building Services Department, showing the facility added to the nursing tower on the east side of Sanford USD Medical Center.

The 205,000-square-foot project will provide space for 60 patients and will meet the hospital's growing need for cardiac care. The Sanford Heart Hospital will be built at the site of a parking lot at 18th Street and Grange Avenue, with common walkways between buildings. New parking lots north of 17th Street will be finished next month.

Patients will find a new clinic area for cardiologists and heart surgeons, catheterization laboratories, and diagnostic testing facilities, including nuclear medicine, treadmill exams and echocardiograms, inpatient beds including intensive care and surgical suites for cardiac procedures. Construction could begin this summer or early fall, with completion planned for late 2011.

Meanwhile, construction continues on the new Avera Cancer Institute (ACI), a 217,000 square foot,



Architects' rendering of the new Sanford Heart Hospital to be constructed at the corner of 18th Street and Grange Avenue.

\$90 million center offering the latest technology in an integrated cancer treatment facility to help patients overcome the nation's second leading killer.

The facility also houses 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. Dedicated as much to prevention of illness as to healing, the ACI building design exemplifies a commitment to safety and the environment. The new Avera Cancer Institute is expected to open in the fall of 2010.

The Avera Cancer Institute has launched a redesigned web site for cancer patients, their families and the community. The new site, www.averacancer.org, offers a wealth of content including cancer education, service information, physician profiles and community cancer event updates. While a wealth of medical information exists online, the Avera Cancer Institute physicians wanted the new web site to be a hub for professional, helpful cancer education in the region.

"These medical projects dramatically illustrate the importance of the healthcare segment of our economy," said Slater Barr, president of the Sioux Falls Development Foundation. "Our community is increasingly seen as a major medical destination for an ever-growing regional service area. These specialty hospitals will only increase our reputation and the number of people Sioux Falls will serve."



Construction continues on the Avera Cancer Institute in Sioux Falls.



Biotech Association focuses on the future

South Dakota enjoys a unique position in the world of biotechnology research, according to Jeremy Freking, executive director of the South Dakota Biotech Association.

“There are three major areas of biotech focus in the US today,” Freking said, “including food and agriculture, renewable energies and human health. Our group works to feed, fuel and heal the world—and South Dakota has business, education and research organizations working on all three, right now.”

Providing an information clearinghouse and networking path for all of the state’s biotech entities is the purpose of the state BIO affiliate, composed of 35 member companies, universities and economic development groups. Working from an office in the South Dakota Technology Business Center makes the job easier, Freking said.

“The Governor’s Office of Economic Development has a satellite office here,” he said, “and we have a close relationship with them. Many of the new ideas and initiatives to help the state enhance its biotech infrastructure and help biotech businesses succeed in South Dakota are being discussed here at the Technology Business Center.”

The Biotech Association was the coordinating group for this year’s participation at the world’s largest biotechnology conference and tradeshow sponsored by the Biotechnology Industry Organization (BIO) in Atlanta on May 18-21. For the third year in a row, South Dakota had a strong presence at this show featuring a 1,000 square foot pavilion highlighting South Dakota’s assets and capabilities to the global biotech



South Dakota Biotech Association staff members Alicia Lausen and Jeremy Freking.

community. Nearly 20,000 life science professionals attended BIO 2009 from 60 countries around the world, including the delegation of 36 from South Dakota.

Another major activity for the South Dakota Biotech Association is the group’s fourth annual Biotechnology Summit and Annual Meeting to be held September 17 at the Ramkota Hotel in Sioux Falls. This year’s keynote speaker is James C. Greenwood, President and CEO of the Biotechnology Industry Organization (BIO) in Washington, D.C., which represents more than 1,200 biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations.

“We’re very excited about Mr. Greenwood’s visit to South Dakota,” Freking said. “With so many vital projects and so much potential for biotech in our state, Mr. Greenwood wanted to come here, tour some facilities and participate in our annual meeting. It should be a great summit!”

For more information on this year’s annual meeting and summit, go to www.sdbio.org.

Job program yields “stimulating results”

However you may view the complex Federal Stimulus package overall, you will want to know that the dollars that came to South Dakota for at least one program—the *Summer Stimulus Youth Work Experience program through the Department of Labor*—are already hard at work.

In a year when employers had budgeted for fewer summer jobs, stimulus funding made it possible for hundreds of students across South Dakota to receive a paycheck AND gain valuable work experience after all. When employers, many of them non-profits and government offices, discovered they could, without direct cost, enjoy the benefits of having a student on board for the summer, the response was immediate and impressive.

The Department of Labor office worked diligently and effectively to match job-seeking students aged 14-24 with these additional summer job opportunities. This was not an easy task, but one DOL staffers were dedicated to accomplishing. Hundreds of students are now building their resumes instead of doing whatever unemployed students do during the summer.

“South Dakotans really need to know that without the commitment of Department of Labor people who care about making programs like this work, we would not have seen the success of this particular Stimulus Bill effort,” said Mary Medema, Workforce Development director. “Our DOL personnel see young people—and all job applicants—as individuals, not statistics.”



Mary Medema



PROGRESS REPORT
is published quarterly.
Volume 8, Issue 2

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Affordable housing has economic and quality of life benefits

The need for affordable housing remains a key ingredient to any city that plans continued growth into the future. Providing for housing that will accommodate newly employed individuals just starting on their career path or houses for first-time homebuyers can challenge any community. The local business community and financial institutions meet this challenge through Forward Sioux Falls.

The eternal question of what comes first, the chicken or the egg, parallels that of affordable housing. Does new business locate or relocate in a city because of its location and business climate and then does housing follow the additional employees that business draws? Having a stable workforce and the housing capacity for an expanding workforce are critical components for any company that considers a new location.

Another consideration is the chain reaction that affordable housing facilitates, which can have a tremendous economic impact on a community. Consider the family that begins by renting an apartment, starting a family and saving for the purchase of their first house. That home can either be a newly-built or an existing structure. The newly-built house provided jobs for home builders and their material suppliers. The sale of an existing structure means that the previous owners have moved to a larger home, again either existing or newly-built, and the cycle continues.

By Jim Schmidt, Executive Director, Sioux Empire Housing Partnership



New home owners purchase all kinds of goods and services that they need to live comfortably in their new house, affecting many storefronts. Other residual benefits that affordable housing provides include students for classrooms, continued neighborhood revitalization and a place for a stable and expanding workforce.

Sioux Falls is fortunate to have an active group of home builders engaged in providing affordable housing, developers building affordable rental properties and an energized business community that recognizes the need for affordable housing.

Forward Sioux Falls has demonstrated through the years that quality of life initiatives must recognize the need and provide for affordable housing. Here in Sioux Falls, we're doing just that.



Sioux Falls ranks FIRST among US cities with populations between 50,000 and 177,000 as the best place for business and careers, according to this year's survey in *Forbes* magazine—for the seventh consecutive year. The study rates communities on job growth and earned income, plus a measure of activity in critical technologies that foster future growth. According to *Forbes*, no community in the United States is a more economical place to do business than Sioux Falls.

Dziedzic works to attract targeted industries

Capitalizing on the success of some industries, and matching others to the unique advantages of Sioux Falls is the task of Dean Dziedzic, the new Director of Strategic Initiatives for the Sioux Falls Development Foundation.

A 15-year veteran of the banking industry, Dziedzic was most recently Regional Sales Manager with Web Equity Solutions, where he was responsible for managing an eight-state territory involving all aspects of sales and sales management.

Prior to joining Web Equity Solutions, Dziedzic was part of a successful nine bank holding company in Minnesota and Iowa. He was also instrumental in forming a software company that developed a bank-specific Customer Relationship Management (CRM) application. That company was subsequently acquired by an industry-leading core system provider.

Dziedzic will work with targeted industries, developing relationships that could lead to their locating new or expanding operations in the Sioux Falls



Dean Dziedzic

area. Those targeted industries will be determined by research and market conditions, but two preliminary targets have been identified.

"We have a unique set of contacts that make data centers and mail order pharmacies logical choices for our first efforts," Dziedzic said. "Companies in those industries have already found success in Sioux Falls, so we can bring specific information about the advantages of a Sioux Falls area location to companies looking to maximize their profit outlook."

A variety of marketing tools are being planned to inform companies in targeted industries about specific business climate advantages in Sioux Falls, but Dziedzic said that flexibility and personal contact are the keys to success.

"My job is to get people here for site visits," he said. "Once executives come to Sioux Falls, we can introduce them to individuals in their own industries who have found success here. Sioux Falls business people are the best selling tool we have."

Chairman's Report

We keep you up-to-date on progress

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 construction zones still active in Sioux Falls and analyze the statistical data reported by the city and state on the growth we are experiencing, even during this economic downturn.

Unfortunately, most of us are too busy to take weekly drives to check on building projects, 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, quality of life issues and technology breakthroughs, some of them at companies in our own South Dakota Technology Business Center.

Our monthly radio messages—now voiced by Cathy Clark—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 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.



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