



PROGRESS REPORT, Third Quarter, 2009

Strategic planning effort seeks to chart a course for the future

To build on the successes of the past and work within the context of current economic realities, Sioux Falls is embarking upon a strategic planning effort that will analyze vital components of the community's strengths and chart a course for future growth.

"Sioux Falls has tremendous human and economic resources, combined with a determination to succeed," said Slater Barr, president of the Sioux Falls Development Foundation. "That combination has led to the achievements of Forward Sioux Falls and consistently high national rankings. Now we have the opportunity to measure who we are, what we want and where we want to be 25 years from now."

Forward Sioux Falls, the joint venture of the Development Foundation and the Sioux Falls Area Chamber of Commerce, is partnering with the City of Sioux Falls, with the active participation of county government in Lincoln and Minnehaha Counties, the Sioux Falls Area Community Foundation and Sioux Empire United Way. The group has contracted with Market Street



Focus groups participated in community input sessions for Future Sioux Falls.

Services of Atlanta to conduct a detailed analysis of Sioux Falls, focusing in depth on three elements: people, prosperity and place. Using quantitative data from official local, state and national sources and combining that information with responses garnered from community input interviews, surveys and focus groups in Sioux Falls, the company will create an economic development strategy through a five step process.

That process includes a competitive analysis of Sioux Falls with other regional communities to help assess our strengths. A target business analysis will follow, focusing on those types of companies that will be a good fit with the future plans and needs of the region. A marketing review will precede the creation of the economic development strategy, which will be accompanied by an implementation plan to move forward to reach stated goals.

Two Market Street research professionals were in Sioux Falls September 14-16 sampling opinions from Sioux Falls leaders, opinions

that will help develop recommendations from the Georgia company on action plans for the future.

"These listening sessions were held to collect vital information about Sioux Falls from people who have a stake in our community's future," Barr said. "Combined with the interactive website, www.FutureSiouxFalls.com, the input from our local residents will help Market Street set our priorities and suggest new ideas."

A twenty-five member Steering Committee for the project has been selected and will meet on October 19 when Market Street CEO J. Mac Holladay presents the results of the community input and competitive analysis. An important part of the community process has been an on-line survey at www.FutureSiouxFalls.com. Local residents were encouraged to participate in helping to shape a strategy for the future of Sioux Falls by taking the survey. For a complete list of Steering Committee members, visit www.FutureSiouxFalls.com.



Market Street's Alex Pearlstein and Ellen Anderson facilitated local research.



Sioux Falls showered with national praise during 2009

For the past decade, we've been reporting on the large numbers of national rankings, surveys and comparisons that consistently put Sioux Falls, South Dakota in the TOP TEN places for careers, business growth and quality of life. 2009 has been one of the most rewarding for Sioux Falls in the variety and number of national accolades awarded. Among the latest:

Sioux Falls ranks #8 among cities with a population between 100,000 and 200,000 as "one of the best places for young professionals to live and work."

For the fourth consecutive year,

Allstate Insurance Co. ranked Sioux Falls "America's Safest City."

According to Runzheimer International, Detroit, Philadelphia and LA are the most expensive places to own/operate a 2009 mid-size vehicle. On the other end, Sioux Falls, Bismarck and Grand Forks are the most economical, costing owners under \$9,000 annually.

In their 11th annual ranking of the Best Places for Business and Careers, *Forbes* ranked 400 metro areas (large and small) on 11 different criteria including job growth, cost of living, income growth, labor supply,



Rich Murphy, City of Sioux Falls

quality of life information, educational attainment and two new categories—projected job growth and subprime mortgages. For the 7th year in a row, Sioux Falls ranked #1 out of the 200 small metro area examined!

Sioux Falls ranked #7 among the top 10 tax-friendly cities in the U.S. in a survey conducted by Kiplinger.com. The rankings are based on 2007 tax return computations for a two-income couple earning \$75,000 with one school age child. The survey looked at income tax, property tax, sales tax, vehicle tax and the state and local tax burden, compared to the national median tax burden.

To find low-tax places to retire, *U.S. News & World Report* 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 fine recreational and cultural choices. Many of the low-tax retirement havens chosen, such as Sioux Falls, have no state income tax.

From young professionals just starting their careers to retirees looking to make their nest eggs go further, Sioux Falls has it all!

For more details, check the Development Foundation web site at www.siouxfallsdevelopment.com.

Technology Business Center

SDTBC welcomes video technology company

An expanding company that creates solutions for manipulating digital video signals, primarily for the hospitality industry, has set up an office and laboratory at the South Dakota Technology Business Center.

VideoPropulsion, whose headquarters is in Slinger, Wisconsin, makes it possible for companies like LodgeNet to provide hotel guests with a large array of video channels on in-room television sets. The technology used by VideoPropulsion takes encoded video signals from



Special Projects Manager Lee McKenna

one source and, after re-encoding those digital feeds, provides it through proprietary hardware, to its customers. The company has established a reputation for providing unique High Definition Television (HDTV), Video on Demand (VoD), and Internet Protocol Television (IPTV) products. VideoPropulsion offers computer modules as well as turnkey appliances for a variety of applications.

Special Projects Manager

Lee McKenna is in charge of the Sioux Falls office, which was established to provide enhanced service to LodgeNet and Sencore and also to do research on the technology used by VideoPropulsion. The company builds the modules used in the hotels, hospitals and other facilities of its customers in a Sioux Falls lab. Those computerized intermediary devices enable Dish Network or cable programming, for example, to be received by the client hotel and provided, along with informational in-house video, to individual TV sets.

"Our office here was established to do advanced testing of systems and new applications," McKenna said. "We're able to tap into resources and personnel readily available in the Sioux Falls area—and our location in the Technology Business Center gives us additional resources to serve our customers."



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Chairman's Report

Strategic planning keeps us ahead of the game

One of the reasons Forward Sioux Falls has been one of the most successful community development programs for the past twenty years is our consistent determination to plan for the future before we act. Each Forward Sioux Falls campaign has begun with listening sessions, research and the creation of a prioritized **plan for the future** based on the vision of our investors. The current strategic planning effort is a continuation of that resolve to plan wisely and then make a difference for our community and our investors.

Participation in our current strategic planning shows that the business community is very confident about our future. We have seen that confidence in over a million dollars in land sales this calendar year in the Sioux Empire Development Parks, evidence that companies are planning for construction activity in the near future. Our real estate market is beginning to rebound, as opportunity-seekers of all ages make the move to Sioux Falls to build a better future. Our local institutions of higher education are full this autumn,

*By Kelby Krabbenhoft,
Chairman,
Forward Sioux Falls*



a clear indication that people from all around our tri-state area are seeing Sioux Falls as the perfect place to prepare for the challenges of a growing economy. In fact, the combined total of our higher ed students, traditional and non-traditional, makes us one of the largest college towns in the state, with nearly 11,000 students.

Perhaps the most significant demonstration of confidence in Sioux Falls is the number of young professionals who continue to come home to our community—and those who are making Sioux Falls their hometown for the future. Partly because of our workforce development efforts, these young people are relocating

here, bringing their skills, talents and enthusiasm. They have many reasons for choosing Sioux Falls, but they all agree our community has the careers, the housing, the friends and the lifestyle they are looking for. We welcome these young professionals and young families—they are the leaders of tomorrow and we're glad they are here.



Workforce Development Report

Sioux Falls careers easy to find for young Minnesota couple

Growing up in central Minnesota, Brandon and Kristin Tilus were aware of Sioux Falls as a great place to shop and enjoy entertainment options. The couple met while attending college at Southwest Minnesota State in Marshall. While Brandon completed his coursework, Kristin worked at US Bank in Marshall—but when he graduated, they decided to start their careers in Sioux Falls.

"I always liked Sioux Falls," Kristin said. "We had to make a decision between moving to the Twin Cities and Sioux Falls, but we knew there would be job opportunities here and we liked the size of Sioux Falls better."

Finding good jobs was not a problem for the Tiluses. Kristin is a marketing coordinator at Raven Industries and Brandon was offered a position at two different advertising agencies after moving here. Today, he is an interactive strategist at Insight Marketing Design.



Brandon and Kristin Tilus

Finding a home in Sioux Falls was even easier than finding jobs, according to the Tiluses. They looked at about 30 houses and bought a home in a quiet neighborhood where, Kristin said, you don't even know you're living in a city.

All the things about living in a city that Brandon and Kristin enjoy are available in Sioux Falls, they said. Brandon enjoys home improvement, so the variety of stores that help him fix up their

house appeals to him. Movies, restaurants and shopping are all close to home, along with the Family Wellness Center where the couple became members. Brandon also owns a four-wheeler, and being able to drive it on the city streets is a big plus for him.

"It's easy to get around in Sioux Falls," Brandon said. "It's handy that everything is so close. We can quickly get to where we're going, no matter what time of day, but we don't feel like we live in a large city."

Giving local communities the power to make growth decisions

In South Dakota, big things can happen when business and government work together. Joint private/public partnerships are a fantastic way to get things done in a state with a relatively small population and limited resources. This year, cities all across South Dakota will be asking for support for legislation to allow an additional local-option penny of sales tax. The additional revenue is intended for infrastructure improvements and economic development projects that help us all succeed.

In its current form, the measure would allow cities and towns to consider whether or not more revenue is needed in their community. If the communities determine it is needed, the measure would be allowed to be put directly on the ballot. If it were not so placed, citizens, as always, would have the ability to refer it to a vote. When citizens in the community agree the money is needed, they will vote for it—otherwise, it won't happen.

This measure is the epitome of local control. Members of the Municipal League feel it is really not the

By Yvonne Taylor,
Executive Director,
SD Municipal League



business of the State or other governments whether Brookings buys a fire truck, Gettysburg paves a street or Hot Springs repairs water mains. What is of vital importance is that the people who live in those communities have the ability to make their own decisions. When there is no funding available for projects, citizens don't have the opportunity to make choices that allow growth in our cities and state.

Legislators, by voting for this measure, or the Governor, if he signs it, will NOT be imposing a tax. This measure will NOT be a statewide tax, nor will the State get the revenue. Legislators and the Governor will simply be allowing for local control by citizens to determine what they need for themselves and their own hometowns.

In short, support for this measure is neither pro-tax nor anti-tax; it is simply allowing local people, within their own communities, to determine their needs and address them—without going to the State and asking for funding.



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