



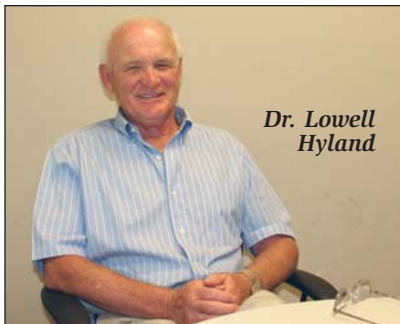
PROGRESS REPORT, Second Quarter, 2007

New building to receive SDTBC "graduate" company

DocuTAP, a South Dakota Technology Business Center start-up company that had just one employee a couple of years ago, will soon be relocating to the new "graduates" building right next door. Sioux Falls Construction is putting finishing touches on the 15,000 square foot facility, which offers instant communication and technology connections to firms moving out of SDTBC.

"We're moving because our incubation phase is over," said Eric McDonald, CEO and founder of DocuTAP. "We have successfully deployed our product to over 300 users in the last 18 months, proving a consistent business model and consistent growth, with two new clinics coming on board each month."

According to Dr. Lowell Hyland, a physician who serves on DocuTAP's board of directors, the company is revolutionizing the electronic storage and transfer of medical records. DocuTAP's system was created from the user's perspective, making it adaptive to the individual doctor's needs and method of practicing medicine.



Dr. Lowell Hyland



The staff of DocuTAP is ready for the move into their new offices following the "graduation" of the company from the South Dakota Technology Business Center.

"As Eric was creating this product, he did his preliminary work with physicians, in clinics," Hyland said. "He spent the first two years of development in exam rooms, watching doctors interact with patients. That's one of the reasons our product works so well in a clinic application."

In addition to DocuTAP's product excellence, the enterprise's tenure in the Technology Business Center has played a big role in the success it has achieved, Hyland said.

"From our standpoint, the amenities of this facility have allowed us to reach this point," he said. "We've been able to focus on developing our staff and organization to move to a new level of business success. We appreciate the unique opportunity afforded us by the Technology Business Center."

McDonald said that Sioux Falls is creating loyalty in graduate companies along with the springboard effect of SDTBC.

"I actually created this company in Arizona," he said. "I just can't see the incubator concept working there. Sioux Falls is perfect for this idea. The support here has been great and companies can really feel the effect."

DocuTAP is centering its growth plan on new urgent care clinics—a segment of the health care market growing by 1,000 new facilities a year. The company is creating a niche for itself in a very competitive industry, according to McDonald.

"This is going to be a huge industry," he said. "There are 300 companies doing something similar nationwide. Many don't compete with us directly, but there are 12 to 15 firms which are our primary competition."

And, with its 20 employees helping grow the company in 6,000 square feet of brand new office space in the graduates building, DocuTAP is poised to meet that competition head-on.

Forward Sioux Falls wins Spirit of 2010 Award

Forward Sioux Falls was chosen to receive the *Spirit of 2010 Award* by Governor Mike Rounds at this year's state economic development conference.

"Forward Sioux Falls has ushered in a new spirit of regional collaboration and a keener understanding of economic development among local governments, businesses and civic groups," Rounds said.

The organization was created in 1987 to fund specific priorities in the Sioux Falls area to build the local economy and provide a brighter



Governor Mike Rounds with Sioux Falls representatives Mark Shlanta, Jim Wilcox and Dan Scott.

future for all area citizens. Today, this initiative has proven, with its recent \$10 million fifth phase, to be a model for successful community development programs. Since its inception, investments in Forward Sioux Falls have totaled nearly \$25 million. In addition to economic development marketing and increasing awareness of Sioux Falls as a great place to live and work, Forward Sioux Falls has tackled affordable housing, workforce development and the partnership between higher education and economic development.

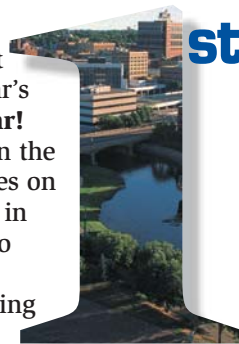
"We're honored that Governor Rounds has recognized the commitment of the Sioux Falls business community to innovation and consistent growth," said Dan Scott, president of the Sioux Falls Development Foundation, one of the joint venture partners, with the Sioux Falls Area Chamber of Commerce, in Forward Sioux Falls. "The growth of Forward Sioux Falls, both in the total amount of investment and in the number of investors, has made it possible for this community to identify and successfully address key priorities for twenty years."

Forward Sioux Falls has worked closely with the Governor's Office of Economic Development to advance several goals of the 2010 Initiative, including the encouragement of entrepreneurs, the expansion of a high tech economy, growth of visitor numbers and the enhancement of the research and knowledge community in South Dakota.



Forbes ranks Sioux Falls at the top—again

Siuox 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 fifth consecutive year!** Sioux Falls came in at or near the top in most categories in the national magazine's rankings. 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**, making Sioux Falls the best place in America to make a profit.



Housing Partnership Update

Valley Green homeowners celebrate Arbor Day with donated shade trees

The subcontractors who helped build the Valley Green neighborhood for the Sioux Empire Housing Partnership (SEHP) banded together to help residents there celebrate Arbor Day. They donated a total of \$2,000 to purchase a tree for every occupied home in the Valley Green project, a total of forty new trees.

"This is the kind of project that says something about our community," said Jim Schmidt, executive director of SEHP. "Valley Green residents are proud of their homes, and the subcontractors who helped build those homes are proud of the neighborhood they've created. Trees not only add value, they beautify the streets and yards of Valley Green, too."

Fourteen building-services companies contributed to the project, which purchased the trees for residents to plant wherever they wanted in their yards. As the neighborhood grows, the trees will encourage others to plant and improve their landscaping.



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Chairman's Report

Meeting investor priorities charts our course

One of the most energizing and dramatic elements of each new phase of Forward Sioux Falls is the identification of new initiatives to move our community forward. Twenty years ago, when the program began, sharing the information about the Sioux Falls business advantage was a critical issue. Later, affordable housing, attraction of technology businesses and workforce development all emerged as priorities.

With Forward Sioux Falls V, we have several new and exciting ideas that will help to shape our future as a community. The "Stay Close, Go Far" campaign is reaching the young people who will come to Sioux Falls to acquire an education, learn a career and stay to become productive members of our workforce and our population. This targeted campaign is using the media preferred by young adults to make Sioux Falls a destination for living, working and having fun.

Similarly, Forward Sioux Falls is pursuing the creation of an information and high tech campus growing around

By Kelby Krabbenhoft,
Chairman,
Forward Sioux Falls



the South Dakota Technology Business Center. As our economy and our world become more and more focused on information technology, we can be ready, with facilities to cater to the needs of new and emerging companies in this field. Further, we are taking steps to become a research center, fueling the new ideas that will drive new businesses.

The recent decision by Governor Rounds to present Forward Sioux Falls the *Spirit of 2010 Award* illustrates the high regard others in the state have for this program. Not only in South Dakota, but across the nation, Forward Sioux Falls is seen as one of the most successful community development programs ever initiated—but we are not resting on our laurels.

One of our highest priorities in the years ahead will be growing our investor base, communicating with existing investors and determining the course Forward Sioux Falls should take in meeting the changing needs of this area. We will be responsive and flexible and we'll be talking to you.

Workforce Development Update

Minnesotan chooses to "stay close, go far" with Hematech job

Growing up in Alexandria, MN, Angela Sanborn knew she wanted to live close to her Midwestern roots. But her aptitude for animal science and cutting edge research threatened to pull her away to laboratories on the east or west coasts.

Sanborn learned early in her post-secondary education at South Dakota State University about Hematech, the company in Sioux Falls that is breaking new ground in genetic research. When she completed her master's degree at SDSU, she found a position at Hematech that keeps her close to family, but gives her everything she's looking for—in Sioux Falls.

"This company was one of my top choices," Sanborn, now a research associate in epigenetics at Hematech, said. "I've traveled to the east and west coasts and to the southern US, but I knew I wanted to end up here in the Midwest. I'm lucky to be able to begin my career right here."

Sioux Falls gives her options other metro areas don't, Sanborn said.



Angela Sanborn

"Sioux Falls is a big city, compared to where I grew up," she said. "But a lot of rural values are represented here. I have an awareness of how important those values are to me."

Sanborn lived in Sioux Falls for a brief period during her undergraduate education, when she practice taught in Garretson before starting her graduate degree training. Her fiancé, who will begin his career as a medical technician at Sanford Health this fall, is originally from Sioux Falls.

"My parents still live in Alexandria," Sanborn said. "I would have loved to end up there, but the opportunities to use my education were just not available. Sioux Falls lets me develop my career and keeps me close to family."

Sanborn and her fiancé have purchased a home in Sioux Falls. While she considers pursuing a Ph.D., she is gathering perspective and planning her future.

"Sioux Falls is a great place for us to be," she said. "There's lots to do and so many advantages. The school system is great and it's a good place for families. We like it here in Sioux Falls."

Milestones provide reasons for celebrating progress

Throughout the past year, the Sioux Falls Area Chamber of Commerce has been celebrating our centennial year of service to the region. We have taken time to honor the thousands of individuals who have served as volunteer leaders during those one hundred years—and the thousands of members who made it all possible. Our celebration has been about **people** and about the changes individual men and women can make in their communities.

Another milestone that shows the impact of one person is Dan Scott's twentieth anniversary at the Sioux Falls Development Foundation. Joining the group in 1987, at the very beginning of Forward Sioux Falls, Dan has moved into a leadership role in his organization and has brought a wealth of experience to Forward Sioux Falls and the economic success of our community. Congratulations, Dan!

When Governor Mike Rounds recently conferred his **Spirit of 2010 Award** on Forward Sioux Falls, he recognized the power of individuals with vision for the future of the entire state. Governor Rounds pointed out

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



that Forward Sioux Falls has served as a model and an inspiration for other cities in finding ways to meet the challenges of change. Congratulations to twenty years of strong volunteer leaders who have made Forward Sioux Falls a statewide success story!

All of our accomplishments and milestones—whether a century of service at the Chamber of Commerce, an award for Forward Sioux Falls or the recognition that our community is the best in the nation for growing a business—are based on the vision, commitment and dedication of people just like you. Investors in Forward Sioux Falls have demonstrated, time and again for twenty years, that people make history. Your investment in Forward Sioux Falls makes things happen in our area.

In Sioux Falls, the spirit of participation has shaped our past and is continuing to shape our future. One hundred years from now, other business leaders will look back on this time and recognize that individual contributions were the catalyst that made this community great. Thank you for being a part of that progress.

