



PROGRESS REPORT, Third Quarter, 2007

Success prompts growth of Technology Business Center

Thanks to a grant from the Economic Development Administration, a branch of the US Department of Commerce, the South Dakota Technology Business Center will be adding 7,000 square feet. That will bring the technology incubator to 45,000 square feet at its location adjacent to Southeast Technical Institute.

"The additional space will give us the opportunity to serve more companies," said Rich Naser, executive director of the facility. "We are 100% full, so having more space available will enable us to fulfill our mission and expand our services to entrepreneurs."

The Technology Business Center will be able to access \$1.2 million in federal grants with just \$100,000 in local funds. According to Naser, all three members of South Dakota's Congressional delegation to Washington, D.C. were active in acquiring this federal grant.

In addition to the new 7,000 square foot expansion, SDTBC



will upgrade the center's communication system and add videoconferencing to the services offered to tenant companies. The additional communications redundancy will ensure constant links to the rest of the nation as well as permitting shared information and teleconferences with other business incubators around the state. The space and services should continue to attract start-up high tech firms, Naser said.

"We expect to be able to accommodate as many as 50 additional employees in three to five companies with our expansion," he said. "Our goal is to maintain our self-supporting cash flow and be able to offer about 1,000 square feet of opportunity space to encourage technological innovation for our area."


Construction on the SDTBC expansion should begin in the spring of 2008, with completion before the end of the year. The technology incubator has "graduated" a steady stream of

growing businesses during the past year, but the space available continues to fill, as the center fulfills its mission to encourage the next wave of innovative companies.

"The success of this concept has really energized the community," Naser said. "From the mayor's office to our friends in D.C. to the local business community, everyone worked hard to make this expansion possible."



SDTBC Executive Director Rich Naser



PROGRESS REPORT
is published quarterly.
Volume 6, Issue 3
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SDTBC adds staff person

Pamela C. Boehm has joined the staff of the South Dakota Technology Business Center, working as client services administrator and administrative assistant to Executive Director Rich Naser.

Prior to starting with the Technology Business Center, Boehm was administrative assistant at Minnehaha Country Club, working with the organization's publications, as well as membership and administrative services. With a background in education, retail sales and small business ownership, Boehm is particularly well suited to her current position, working with start-up technology companies.

"Pam has a solid background in business and managing a wide range of details on a daily basis," said Naser. "Her skills are a valuable part of the services we offer to our clients."

Boehm is a graduate of Iowa State University and is active in a wide range of educational organizations in the Sioux Falls area. She is the recipient of the 2007 Sioux Falls Public School Athletic Programs Volunteer Appreciation Award.



Forward Sioux Falls selects Investor Relations director

Carolyn Winchell, most recently business development manager for Business Aviation and Encore FBO, has been chosen as the new Investor Relations director for Forward Sioux Falls. Winchell will be the follow-up contact for investors, keeping awareness of the program high and developing new investors throughout the five-year term of Forward Sioux Falls V.

Winchell has completed coursework for her MBA at the University of Sioux Falls and is active in several community organizations, including the Sioux Falls Tennis Association, Junior League, United Way, Hook 'N' Ladder and SafeKids. She has worked extensively with event coordination, marketing and business development.

"Carolyn will be an excellent contact person for Forward Sioux Falls," said Dan Scott, Development Foundation president and Joint Venture Management Committee member. "She gives us the opportunity to maintain closer contact with our investors and gauge our effectiveness in meeting the needs of our community."



Workforce Development Update

Young adults come home to Sioux Falls—and their future

When Brian and Betsy Atwood started thinking about their future—and the place in which they wanted to build that future—they moved to Sioux Falls.

Brian Atwood is from Sioux Falls and met Betsy while attending college at SDSU. Following a job opportunity in Granite Falls, Minnesota, the couple moved there, married and settled down in Clarkfield. But the couple started thinking about the future, and decided that a larger community, with better career advancement, was what they were looking for. They talked it over and made the decision that Sioux Falls offered more of what they were looking for.

"Everything we want is here in Sioux Falls—new friends, old friends and family not far away," Betsy Atwood said. "Sioux Falls is just right for us!"



Brian and Betsy Atwood

The couple checked out Sioux Falls and within one month had bought a house and both found great jobs. Betsy is a counselor with the Carroll Institute and Brian is a remodeler with Kriens Construction. They have spent time remodeling their own home in central Sioux Falls, making it uniquely theirs.

"We're so much at home here," Betsy said. "We spend a lot of time with our friends and I enjoy the shopping, too."

The Atwoods visit other, larger metropolitan areas like the Twin Cities and Des Moines occasionally, but they feel that Sioux Falls is just the right size for them and for their future.

"Sioux Falls is growing so fast and offers so much," Brian said. "When we thought about settling down and having kids, we knew that this is where we wanted to be."

Chairman's Report

It's all about communication

Our first Investor's Council meeting highlighted one of the essential principles of Forward Sioux Falls—the importance of communicating with our investors. This publication, our radio messages and the hard work of Carolyn Winchell, our director of Investor Relations, are all pointed in the same direction: keeping you up-to-date on what's going on in our community and in the Forward Sioux Falls program.

Another vital communications program is starting to bear fruit. We have identified the need to let more young people know about the opportunities available for them to study, work and live in the Sioux Falls area. We are finding out, through first-hand testimonials such as the story of the Atwoods in this issue, that the young people we are targeting are getting the message. Young people are coming to Sioux Falls—

By *Kelby Krabbenhoft,*
Chairman,
Forward Sioux Falls



because they understand they can make a great future here.

High tech start-up companies are also getting the message about Sioux Falls, judging from the success of the South Dakota Technology Business Center. The high tech incubator has consistently been full, with companies eager to take advantage of this unique opportunity to grow their business. More importantly, companies have been “graduating” from the center, moving into the mainstream business community and growing our economy. We are proud that SDTBC has reached a stage where expansion is necessary to accommodate the demand and better serve this vital

business sector. Congratulations to the companies which have helped the center grow. Look for more exciting news about SDTBC as the expansion gets underway.

Sioux Falls named as best location for data centers

The Champagne-Urbana *News Gazette* has run an article citing the recent Boyd report on the best locations for financial companies' secure data centers. While Champagne-Urbana ranked at number ten on the list, Sioux Falls was named in the story as the nation's top location for the data centers, with an annual projected operating cost of about \$9.7 million. Costs in the Illinois city were estimated to be well over \$11 million. Sioux Falls, home to credit operations for Citigroup, Wells Fargo, HSBC, Premier Bankcard and newcomer ADP, ranked as the most profitable location for the fast-growing financial services centers.



Unemployment insurance lowest in South Dakota

The American Institute for Full Employment study of state unemployment insurance tax rates reveals a strong advantage for South Dakota. The comparison with surrounding states shows Minnesota at an average cost of \$438.22, Iowa at \$353.85 and North Dakota with an average cost of \$292.94. **South Dakota's average cost for unemployment insurance tax is \$67.97!**

Housing Partnership Update

SEHP relocates donated houses

The growth of Sioux Falls' medical campuses is good news for the community's affordable housing initiative. Both Sanford Health and Avera McKennan have each recently donated a home displaced by expansion to the Sioux Empire Housing Partnership.

The strategy of moving houses, rehabilitating them with new foundations, roofs, heating and appliances was the basis for the Lacey Park neighborhood in northeast Sioux Falls. While the Housing Partnership does not currently own a block of land that can become a new neighborhood, the group is purchasing vacant lots in central Sioux Falls on which to site the moved houses.

“The generosity of our medical

community has been a strong part of our success in creating neighborhoods,” said Jim Schmidt, executive director of SEHP. “The houses donated by the hospitals will allow new families to realize the American dream and strengthen our community.”

Opportunities to aid the affordable housing efforts of Forward Sioux Falls and the Sioux Empire Housing Partnership are available. For more information, contact SEHP at 605-339-0942 or check the group's website, siouxempirehousing.org.



Avera McKennan donated this 7th Avenue house.

Technology committee is brainstorming for the future

The success of the South Dakota Technology Business Center, along with the decision to expand the incubator to enhance its mission and serve more start-up companies, has invigorated the Forward Sioux Falls Technology Committee.

The volunteer committee examines ways to ensure that the economy of our region is infused with high tech innovation and provided with the infrastructure to permit any technology business to locate here. The strong partnership between education and business in the Sioux Falls area makes for a synergy that encourages high tech. The Tech Committee is meeting now to determine the next step. Involved in this effort are university presidents, business leaders and technology professionals, all focused on the possibilities and opportunities that lie ahead.

The first brainstorming effort of the Tech Committee led directly to the creation, funding and construction of

*By Dan Scott, President,
Sioux Falls Development
Foundation*



SDTBC. The growth of the center, fueled by its success in locating, assisting and graduating technology start-ups, is evidence that planning ahead and being open to the “what ifs” of technology can yield significant and tangible results for our economy.

The groundbreaking for the Graduate Education and Research (GEAR) Center on the University Center site marks another step in the timeline for the future. Researchers from USD are already working at SDTBC, conducting experiments that may be platforms for the innovative products of tomorrow.

Innovative ideas are currently being explored and action plans will be developed in the coming months based on these ideas. We will work hard to keep our investors informed about this effort, which promises to be as exciting and successful as the SD Technology Business Center has proven itself to be.

