

MAY 2009

QUARTERLY Economic Development REPORT

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Governor Keeps Focus on New Opportunities

When it comes to the economy, there is plenty to be optimistic about in South Dakota. That is the message Governor Mike Rounds delivered at the 2009 Governor's Economic Development Conference on April 15 in Pierre. He stressed that despite tough times, South Dakotans historically fare well in comparison.

"Nationally, South Dakota ranks among the top 10 states for GDP growth. We are second in the nation for percentage change in total personal income growth and per capita personal income growth," Gov. Rounds said. "We moved from 35th to 28th in our national ranking of per capita personal income."

"In 2008, we experienced the third-highest capital investment in the state's manufacturing history when almost \$400 million was invested in land, building and equipment by South Dakota manufacturers," Gov. Rounds continued. "These numbers don't surprise me. You see, in South Dakota, when times are tough, we pull together to get things done."

Governor Rounds also discussed measures being taken to help out South Dakotans in need. "Today, our unemployment rate is higher than it has been in some time. These are our neighbors and friends. These are people who want a job. And these are the people that I intend to help through a new program called Jumpstart," Gov. Rounds said.

Jumpstart was launched in late March and is intended to match displaced workers with new employment or educational opportunities.



The Governor concluded with a vow to keep working to retain existing businesses and bring new businesses in, as well as to continue working to reach the goals of the 2010 Initiative. "These are exciting times in our state, and I can't wait to see what the future holds," Gov. Rounds concluded.

South Dakota IMPLEMENTING Certified-Ready Sites

Process Will Speed Up GOED Response Time



South Dakota will take a major step in advancing the state's economic development efforts when it begins designating sites for incoming businesses on Sept. 1 as Certified-Ready.

"When the economy is down, it is absolutely essential that we do all we can to put ourselves in a position to quickly recover from the slump," said Gov. Mike Rounds. "Certified-Ready Sites will expedite the decision-making process for companies looking to locate or expand in South Dakota because we will have much of the land preparation requirements done ahead of time."

The Governor will appoint a task force of local economic development officials, county and city commissioners, planning districts, Municipal League and Chamber of Commerce members to make recommendations for certified-site requirements. The panel also will determine if the requirements necessitate changes in state laws.



From the Director Kim Olson

Developing Certified-Ready Sites is an exciting and important step for economic development in South Dakota. When a business is looking to relocate or expand, one of the primary factors they consider is the ability to become profitable quickly. Certified-Ready Sites will help decrease site prep time and, in turn, increase how quickly the new business unit will be profitable.

Now is the perfect time for us to be preparing these Certified-Ready Sites. While companies watch economic trends and may be timid about making large capital investments, South Dakota's predictable business climate and Certified-Ready Sites will provide strong assurance to corporate decision makers. Being able to hand a potential company a list of ready-to-go, available sites or properties makes that company one step closer to becoming a South Dakota company, which, of course, is our ultimate goal.

Potential Areas of Certification Include

- Zoning; electrical, water, and sewer infrastructure
- Rail, air, high-volume roads, and township and county roads
- Environmental issues
- Land titling, size, configuration, utilities, quoted price, easements and rights of way.

"Certified-Ready Sites will allow state economic development officials to do much of the preparatory work ahead of time," Gov. Rounds said. "When a company approaches us for a location, we will immediately be able to show them sites that are ready to go."

For more information, contact Mary Cerney at the Governor's Office of Economic Development at (605) 773-3301 or mary.cerney@state.sd.us.



NEW Centers C TH

New Technology

Centers of Excellence Grow South Dakota's Economy

When South Dakota's 2010 Initiative was created back in 2003, one of its primary components (Goal 3) was to become a recognized leader in research and technology development by 2010. And because of the 2010 Centers of Excellence, the state is well on its way to achieving that goal.

The state's investment in the original six centers was \$18.6 million. That \$18.6 million has generated more than **\$77.8 million** in research activities, and by using a conservative economic impact model, has resulted in a **\$111 million economic impact** in South Dakota. That is more than five times the initial investment.

What do protecting consumers from identity theft, preventing and reversing the effects of cancer, and answering the fundamental questions of the universe all have in common? They are all potential results of South Dakota's newest 2010 Centers of Excellence.

"South Dakota has launched five new 2010 research centers in 2008 and 2009," said Mel Ustad, director of the South Dakota Office of Commercialization. "The research being conducted at these centers is absolutely cutting edge, and some of the world's best and brightest minds are behind it."

"The scientific breakthroughs that will occur at these centers will, without a doubt, be life-changing for many," Ustad continued. "For example, we have researchers right here in South Dakota that are working on materials for dark-matter experiments, to protect the nation financially, and to extend life of military equipment."

THE FOLLOWING 2010 CENTERS WERE LAUNCHED IN 2008 / 2009

The National Center for the Protection of the Financial Infrastructure

at Dakota State University in Madison will develop, test and implement new ways to protect money – including the prevention of identity theft. The Federal Trade Commission estimates that as many as nine million Americans have their identities stolen each year, but researchers in South Dakota are working to decrease that number.

The Center for Rare Physics Processes with Ultra-Low Background Experiment

at the Sanford Underground Laboratory at Homestake collaborates with the University of South Dakota in Vermillion. This center will conduct basic research in nuclear physics and astrophysics at the deep underground facility that could potentially lead to new developments in astronomy. The results could assist scientists in answering fundamental mysteries of the universe that were first posed by brilliant minds in the scientific community.



W 2010 ould Change E WORLD

es Make A Large Impact



The Translational Cancer Research Center

at South Dakota State University in Brookings and at Sanford Research Center is working on treatments for several forms of cancer; including those that are relevant to rural and elderly populations, Native American women, and those that are HPV-related.

The Center for the Biological Control and Analysis by Applied Photonics

at South Dakota State University in Brookings strives to develop cutting-edge and high-demand tools for biomedical research. These developments could lead to aiding doctors and researchers in repairing living tissue and promoting human cell growth.

The Repair, Refurbish, and Return to Service Center

at the South Dakota School of Mines and Technology in Rapid City will focus on developing and certifying repair processes that extend the useful life of military equipment. Technologies developed here will save the United States Department of Defense billions of dollars and could provide another mission for Ellsworth Air Force Base, potentially resulting in expanding businesses and recruiting large defense contractors and manufacturers.



Expanding CO-OP Opportunities

BIO Trade Show Coming Up

Representatives at the Governor's Office of Economic Development are looking forward to taking a new twist on an existing project. This Month, the GOED will attend the BIO Show in Atlanta, which is one of the largest trade shows in the biotech industry.

What's new at this year's BIO Show are new partners. Expanding on the success found at the SHOT Show earlier this year in Orlando, the GOED is branching out even farther and partnering with several different entities: The South Dakota Biotech Association, South Dakota State University, Sanford Health, Hematech, Exemplar Genetics and SDSU Innovation Campus. The participating communities are: Rapid City, Sioux Falls, Brookings, Yankton, Vermillion and Dakota Dunes.

"While we have found great success co-oping with communities and associations in the past, this is really the first time we have co-oped with such a diverse group of partners at the same time," said Kim Olson, GOED director. "We strategized and took the preparations for the SHOT Show up a notch this year, and as a result, we multiplied our leads and contacts in the firearms industry. I'm optimistic that the steps we are taking at the BIO Show will yield similar results."

The biotech industry is one of five targeted industries that was selected by the GOED after several industry growth studies.

For more information on GOED trade show co-op opportunities, contact Jeff Brusseau at 605-773-3301 or jeff.brusseau@state.sd.us.

Recent Rankings

South Dakota is thriving!
So far in 2009, we have been ranked:

NUMBER 1

Entrepreneurial Friendliness/ Business Climate

Small Business & Entrepreneurship Council

NUMBER 3

Freedom in the 50 States

Mercatus Center, George Mason University

NUMBER 5

ALEC-Laffer State Economic Competitiveness Index

American Legislative Exchange Council

NUMBER 5

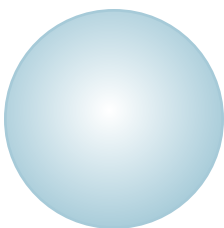
Inbound Migration

United Van Lines

New to the Area

Link It Software

Congratulations to Link It Software, which opened three new South Dakota call centers in Watertown, Arlington and Eureka in March 2009.





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New GOED Logo IS UNVEILED

Symbol Designed to Show Forward Movement & Growth

The Governor's Office of Economic Development revealed its new logo April 15 at the Governor's Economic Development Conference in Pierre. The new logo features the GOED's "ready to work" campaign and will be used on all marketing and promotional tools.

"The logo was designed to show movement and reflect the forward growth the GOED strives to achieve," said Kim Olson, director of the Governor's Office of Economic Development. "It makes the bold statement that in South Dakota, there are communities and people ready to work with a company to make their project a reality."

To complement the new logo, the Department of Tourism and State Development Creative Team put together a new color palette to use on GOED materials.

