



# South Dakota

**SOUTH DAKOTA**

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT



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# opening remarks

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*good mission*

*To drive the economic development  
environment that ensures the next  
generation can succeed  
in South Dakota.*

*good team*

**BUSINESS  
DEVELOPMENT**

**PARTNER  
RELATIONS**

**FINANCE**

**ADMINISTRATIVE  
SERVICES**

**BUSINESS  
ANALYTICS**

**MARKETING**

**BROADBAND**

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# south dakota's economy

6,300 NEW RESIDENTS  
38,000 SINCE 2020



\$75.1 BILLION GDP



\$1 BILLION INCREASE  
IN GDP



GENERAL FUND REVENUES  
\$12 MILLION ↑



TOTAL PERSONAL INCOME  
\$68 BILLION



3<sup>RD</sup> LOWEST  
COST OF LIVING,  
12% ↓ NATION

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# south dakota's economy

**3<sup>RD</sup> LOWEST  
COST OF LIVING,  
12% ↓ NATION**



**+600 PRIVATE  
BUSINESS ESTABLISHMENTS**



**LABOR FORCE GREW 3,500  
IN PAST YEAR**



**6,000+ HOUSING UNITS PERMITTED  
TOTAL VALUATION OF \$1.4 BILLION**



**4<sup>TH</sup> HIGHEST REAL AVG INCOME  
18.0% ↑ NATIONAL AVG**

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# rankings

**GOVERNOR'S CUP  
RECIPIENT**  
Site Selection Magazine



**1<sup>ST</sup> PRUDENT STATE  
GOVERNMENT**  
FFIS



**2<sup>ND</sup> LOWEST COST OF  
DOING BUSINESS**  
Moody's Analytics



**3<sup>RD</sup> MOST BUSINESS-  
FRIENDLY STATE**  
CNBC



**2<sup>ND</sup> MOST COMPETITIVE  
TAX CLIMATE**  
The Tax Foundation



**3<sup>RD</sup> MOST FREE STATE**  
CATO Institute

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# trade missions

## GOALS



Connect businesses with customers in new markets



Find companies interested in expanding to South Dakota

**JUNE 2024**

- Japan
- Taiwan



**NOVEMBER 2024**

- Israel



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# site selectors



4

CITIES



42

COMPANIES



50

SITE SELECTORS



3

ADDITIONAL  
BUSINESS MEETINGS



3

ACTIVE  
PROSPECTS

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# infrastructure first

## STATEWIDE INFRASTRUCTURE STUDY

- Assessed State's infrastructure
- Water, wastewater, natural gas, railroad, roads, electric, and broadband
- Identified gaps and opportunities

## CAPITAL IMPROVEMENT PLANS (CIPs)

- 5-Year plans
- 16 small communities, population under 5,000
- Possible through matching grant of \$15,000

## HIGH-IMPACT SITES

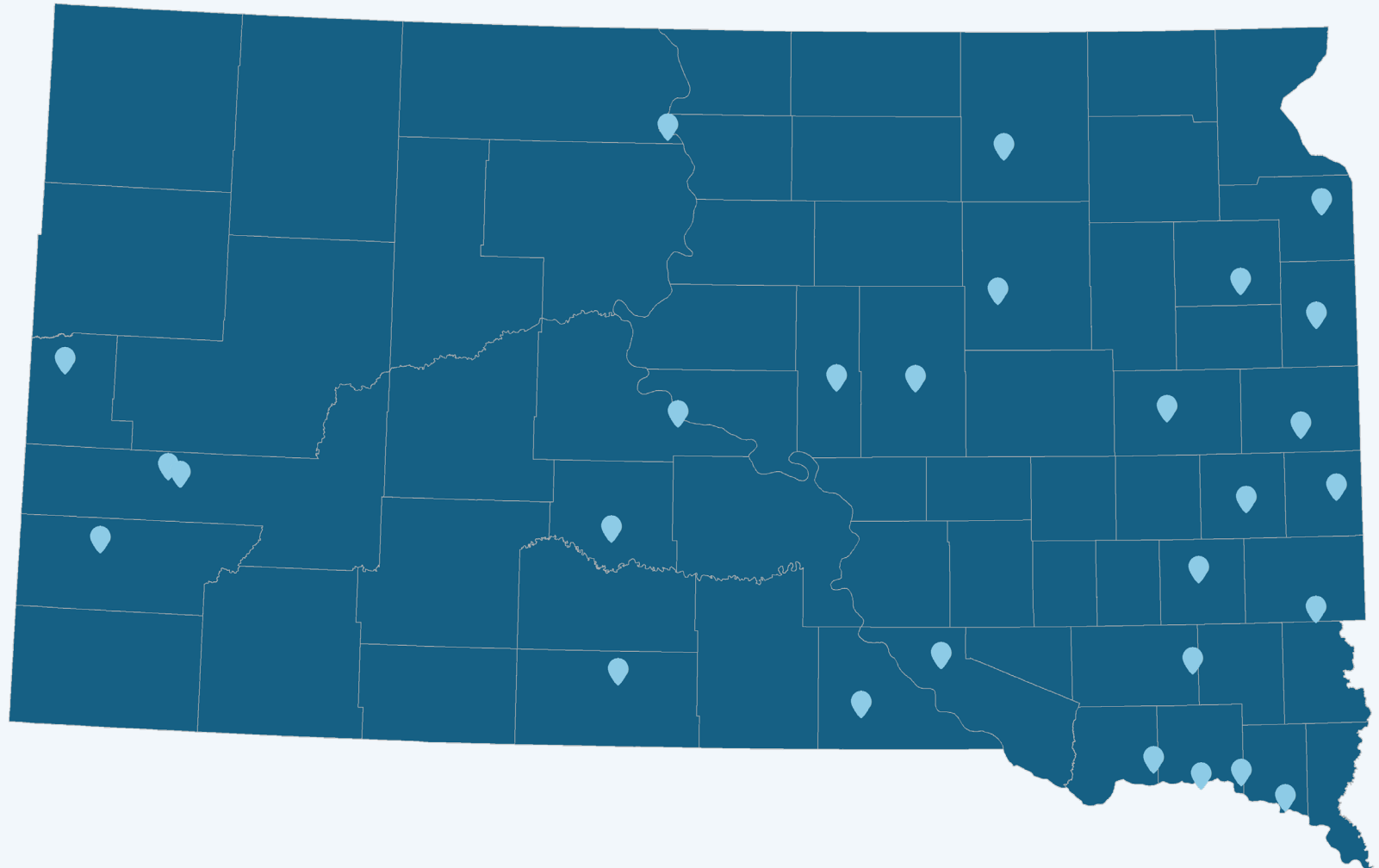
- Best sites for future development
- 19 Sites Identified
- Detailed high-level plans with build-out and acquisition costs
- Positions communities to move forward quickly

# childcare grants

## IMPLEMENTATION GRANTS

- 13 Awarded
- \$3.8 Million Funding
- 2,461 New Childcare Slots
- 596 Retained Childcare Slots

PLANNING GRANTS | 28 AWARDED | \$1.1 MILLION FUNDING



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*broadband*



**103  
PROJECTS**

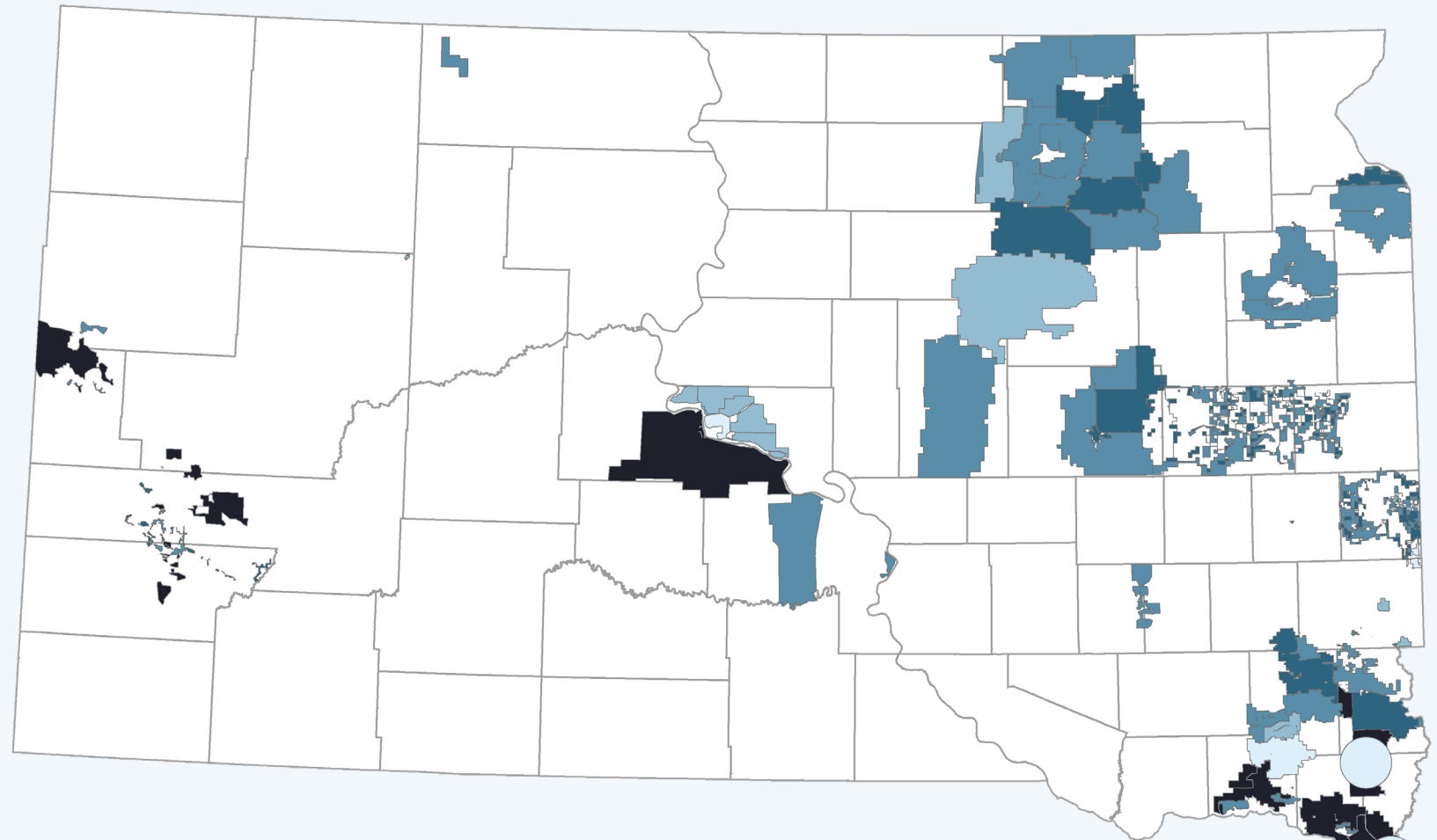


**\$301 MILLION  
INVESTMENT**



**32,000  
LOCATIONS**

## AREAS THAT GAINED BROADBAND ACCESS 2019-2023



**BROADBAND  
FUNDING**

**STATE FUNDS**  
\$85,000,000

**FEDERAL FUNDS**  
\$89,000,000

**PRIVATE INVESTMENT**  
\$127,000,000

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# marketing: business development

## TRADESHOWS

- 7 Tradeshows
- Agriculture, Cybersecurity, Biotechnology, SHOT
- 128 Contacts with Companies
- 2 Projects from SHOT

## VIDEO & FEATURE STORIES

- 13 different businesses or communities featured.

<https://sdgoed.com/media-center/featured-stories>

*good activity*

517 LEADS



211 PARTNER  
VISITS



94 NEW  
PROJECTS



135 BREs



41  
PROPOSALS



12 REQUESTS FOR  
INFORMATION  
(RFIs)



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*good successes*



**49  
PROJECT WINS**



**\$916 MILLION  
CAPITAL INVESTMENT**



**1,100 NEW FTEs**

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*good impact*

**900  
ADDITIONAL  
JOBS**

**\$12 MILLION  
ADDITIONAL  
TAX REVENUE**

**\$63,000  
AVG ANNUAL  
WAGE**

**11%  
HIGHER THAN SD  
PRIVATE SECTOR  
AVG WAGE**

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# agriculture

## 2024 ACTIVITY AT GOED

- 9 Ag Projects
  - Both production ag, and value-added ag
- \$330 million in CapX
- 280 FTEs
- Plainview Dairy – Toronto, SD
  - New 9,500-head dairy



**DAIRY CONTRIBUTES  
\$2.4 BILLION TO SD GDP**



**5 BILLION LBS OF MILK  
PRODUCED ANNUALLY**



**70% OF SOUTH DAKOTA  
EXPORTS ARE AG**



**69.0% ↑ DAIRY COWS  
LAST 5 YRS**

**AG HAS A HIGHER SHARE OF GDP  
IN SD THAN ANY OTHER STATE**



# manufacturing

## 2024 ACTIVITY AT GOED

- 12 MFG Projects
- \$340 million in CapX
- 530 FTEs
- Masaba in Vermillion is expanding their production facility
  - \$35 million investment
  - 80 new FTEs

MFG PAY OUTPACES PRIVATE  
SECTOR AVERAGE BY 8%



9% OF SOUTH DAKOTA'S  
PRIVATE GDP



17% ↑ IN GDP  
IN THE LAST 3 YRS



12% OF PRIVATE WORKFORCE  
IS EMPLOYED IN MFG

# sd works projects

## Mother of God Monastery Watertown, SD

- Will help with renovations to become a new daycare center for the community
- \$2.7M project
- 31 FTEs

## Platte Dental Company Platte, SD

- Enabling a dentist to put up his own building and potentially recruit another dentist to the area
- \$1.7M project
- 6 FTEs

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# *budget briefing*

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# *budget briefing*

THERE ARE  
CHANGES TO THE  
ORIGINAL FY26  
APPROPRIATION  
(PAGE 4)

3A

- ✓ Decrease in Marketing Budget
- ✓ Increase in Rent with Sioux Falls One Stop

# *budget outlook*

- Short-term: We continue to be on the forefront of significant growth in South Dakota. GOED will remain as nimble and flexible as possible to be able to adapt to a changing economic landscape.
- Mid-range: Broadband activity and small business lending will continue.
- Long-term: Broadband activity will begin tapering off in 3-5 years as many projects wrap up. Other programs expected to remain stable.

# *budget briefing*

**NO CHANGE TO  
FY25 BUDGET  
REQUEST**

3C

**NO SPECIAL  
APPROPRIATIONS  
OR SUPPLEMENTAL  
BUDGET REQUESTS**

3D

# loan programs

- 35 Loans Approved
  - \$31,143,300 Dollars Approved
  - 783 Total Projected FTEs
  - \$136,620,817 Total Project Costs
- ✓ REDI
  - ✓ South Dakota WORKS
  - ✓ Rural Development Ag Loan Participation
  - ✓ Livestock Loan Participation
  - ✓ Value-Added Ag Subfund



# bond programs

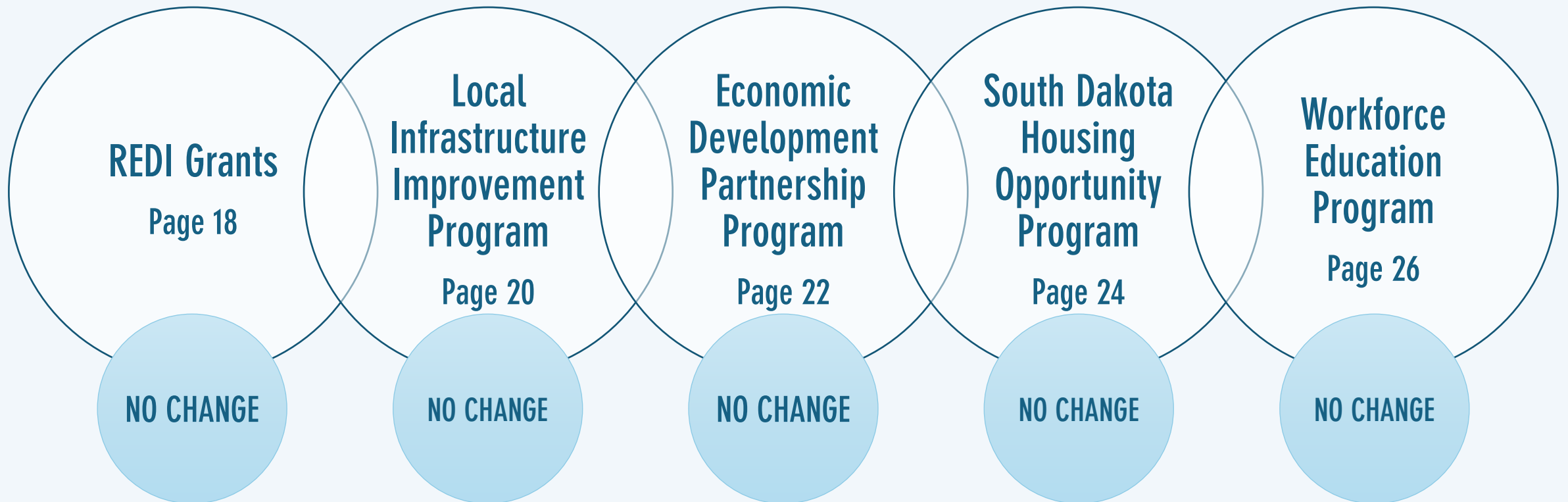
- 9 Loans/Awards Approved
- \$173,865,000 Dollars Approved
- ✓ **Beginning Farmer Bond**
- ✓ **Livestock Nutrient Management**

# grant programs

- 32 Grants Approved
- \$3,974,181 Dollars Approved
- \$807,452,536 Total Project Costs

- ✓ Community Development Block Grants
- ✓ Dakota Seeds
- ✓ Economic Development Partnership Program
- ✓ Proof of Concept
- ✓ Workforce Development
- ✓ Reinvestment Payment Program
- ✓ Local Infrastructure Improvement Program
- ✓ Future Funds

# building south dakota programs



# *budget briefing*

## IT PROJECTS

- No major IT projects in the past two years or planned
- Some planned website refreshes will need to be made

3E

## LEAN PROCESS

- Continued adoption of Contact Record Management (CRM) system
- Everyone is working from the same set of records, eliminating the duplication of data entry
- Allows for an accurate picture of activities in real time

3F

## OVERTIME

- Very minimal overtime usage; if any

3G

## FTE UTILIZATION

- Unutilized FTE in FY23 was 11.22
- Unutilized FTE in FY24 was 2.3
- FY25 projecting near full utilization (move to next slide)

3I

## FEE INCREASES

- No proposed fee increases

3J





thank you

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