



ANNUAL REPORT

2015

The *Siouxland*
Initiative

MESSAGE FROM TSI CHAIRMAN, JIM JENSEN

It has been five full years since The Siouxland Initiative (TSI) last embarked on a fundraising campaign and much has changed since that time. Our economy is growing, investment in local infrastructure is booming, and we are completing important quality-of-life projects like the Miracle Field, Freedom Park, LaunchPAD Children's Museum, and the Historic Pearl District.

The good news extends throughout the entire metro region as Iowa, Nebraska, and South Dakota have all enjoyed significant progress. This growth, however, has presented challenges, none greater than the twin dilemmas presented by a rapidly increasing demand for both labor and housing. To this end, TSI has led the region's quest to retain a Director of Workforce Solutions, and we remain committed to helping our tri-state employers access the workforce and skilled labor they require to continue to grow and expand here in Siouxland.

Looking to the future, after 25 years, TSI has elected to suspend the recurring fundraising campaigns of the past and will instead adopt a more consistent and reliable model of continual giving. As a result, from this date forward, TSI will respectfully ask you to consider increasing your annual giving and to maintain your commitment to our regional economic development efforts from year to year.

On behalf of the Board of Directors, Steering Committee, and staff of The Siouxland Initiative, thank you for your continuing investment in the economic development of the Siouxland region.

Sincerely,
Jim Jensen – TSI Chairman



THE SIOUXLAND INITIATIVE STAFF



Chris McGowan – President

Barbara Sloniker – Executive Vice President

Lori Allen – Director of Finance

Mary Koster – Executive Assistant

Kory Menken – Director of Workforce Solutions

Teresa Rosenboom – Director of Communications

Sam Wagner – Director of Business Retention



SIOUXLAND RANKING

SIOUXLAND METRO NAMED #1

FOR PERSONAL INCOME GROWTH

– U.S. BUREAU OF ECONOMIC ANALYSIS 2015

SIOUXLAND RANKED AMONG THE BEST

#1: '07, '08, '12, '13
#2: '09, '14
#3: '06

FOR ECONOMIC DEVELOPMENT IN METROS WITH POPULATIONS 50K - 200K

– SITE SELECTION MAGAZINE

**NEBRASKA #7
IOWA #10
SOUTH DAKOTA #11**

BEST STATES FOR DOING BUSINESS

– CNBC (2015)

**IOWA #2
NEBRASKA #3
SOUTH DAKOTA #4**

BEST STATES FOR YOUNG PEOPLE IN 2014

– MONEYSRATES.COM

BEST SMALL CITIES FOR COLLEGE GRADS 2014

SIOUX CITY

– CREDITDONKEY.COM

SIOUX CITY RANKED #7

FOR MOST JOB OPPORTUNITIES PER CAPITA IN 4Q 2013

– BEYOND.COM

NE #3, IA #7 & SD #5 rankings in employment leaders in 2014 – Business Facilities Magazine
Iowa ranked #3 in Renewable Energy Leaders in 2014 – Business Facilities Magazine
Sioux City Metro ranked #29 in nation in "Best Places for Business & Careers" – Forbes (Aug 2013)

ABOUT THE SIOUXLAND INITIATIVE

Founded in 1988, The Siouxland Initiative (TSI) is a private sector, not-for-profit regional economic development organization focused on increasing and enhancing employment opportunities in the tri-state region of Iowa, Nebraska, and South Dakota.

Dedicated to a triangulated strategy of business recruitment, business retention, and the promotion of entrepreneurship, TSI works closely with the public sector economic development professionals who represent the states, municipalities, and counties that comprise our Metropolitan Statistical Area (MSA). The public / private alliance that has been developed between TSI and the regional economic development

partners has proven invaluable to Siouxland's ability to achieve our shared objectives.

TSI receives 100% of its operational budget from voluntary donations. The organization has no taxing authority and as such is totally dependent upon the financial support of our investor partners. From these investors, approximately 80% of TSI's funding comes from private sector businesses that recognize the important role the organization plays in shaping and improving the Siouxland economy and quality-of-life initiatives. The remaining 20% of TSI's funding is generated from financial commitments from our public sector partners.

2011-2015 GOALS

COMPLETED

To successfully market and attract businesses to the certified, development-ready industrial sites at Bridgeport West and the Southbridge Industrial Park in Iowa, Roth Industrial Park in Nebraska, and Flynn Business Park in South Dakota.

To secure a new signature company to serve as an anchor, white-collar employer for the downtown business district.

COMPLETED

To accomplish expanded transportation access for our business entities via commercial air service, rail, barge, and road specifically including the completion of Highway 20 and the reconstruction of Interstate 29.

COMPLETED

To play a central role in the revitalization of businesses impacted by developments along the Missouri River while leading a dialogue with state and federal officials to ensure implementation of a permanent solution to future threats to our tri-state region from the Missouri River.

To expand our social media presence and maintain one of the top economic development websites in the nation by consistently updating, enhancing, and improving our internet content, as well as its functionality for site selectors and corporate real estate executives.

COMPLETED

To provide annual economic development education seminars to regional elected officials while encouraging and facilitating monthly conferences designed to support and foster regional cooperation between our tri-state public sector partners.

“When Sabre was looking for a location for a major expansion, our company, along with our site selection consultants, seriously considered locations throughout the United States. The Siouxland Initiative was instrumental in the evaluation process and proved to be an outstanding advocate for this community and an invaluable resource to our organization. TSI demonstrated their commitment to our business and helped make sure that staying in Siouxland was the best long-term solution for Sabre.”



Brian Newberg,
Executive Vice President & General Manager
Sabre Industries

FUTURE TSI GOALS

Provide leadership throughout the Siouxland Metropolitan Statistical Area (MSA) in addressing the workforce challenges faced by area employers in the wake of strong regional business expansion and economic growth.

Support the development of market-rate workforce housing.

Continue to aggressively pursue a signature white-collar employer to anchor the downtown business district.

Expand the online and internet-based assets for TSI to include a comprehensive social media presence, as well as a fully redesigned website to promote local business expansion while attracting potential employers and employees to Siouxland.

Foster a healthy and diverse regional entrepreneurial environment.

Encourage and advance educational programming and job skills initiatives that prepare the current and future workforce for careers in high-demand fields.

Build upon our strengths in agriculture, manufacturing, and health care to promote and attract innovative new industries to Siouxland.

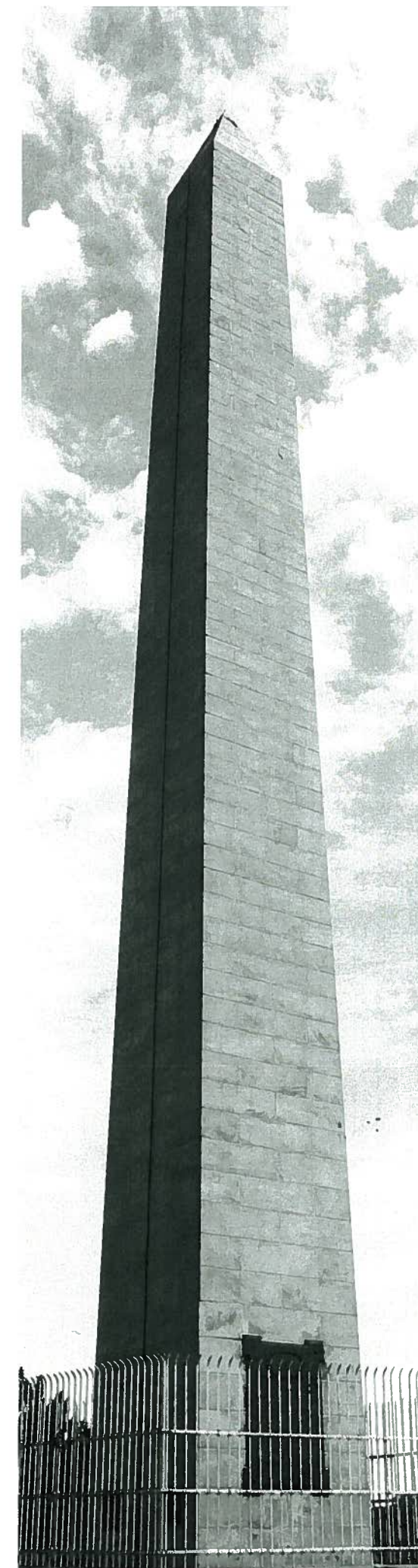
Identify emerging market trends and business expansion opportunities through a robust tri-state business retention program.



“TSI was instrumental in helping us to solve the working capital gap funding we needed when conventional financing would not work for our start-up. It was wonderful to present to Board members who were actually business owners and leaders in the community, many of whom had gone through the same things we were going through in starting our business.”



Craig Stanley, President
Steck Wholesale Foods



2015 SIOUXLAND BUSINESS SURVEY

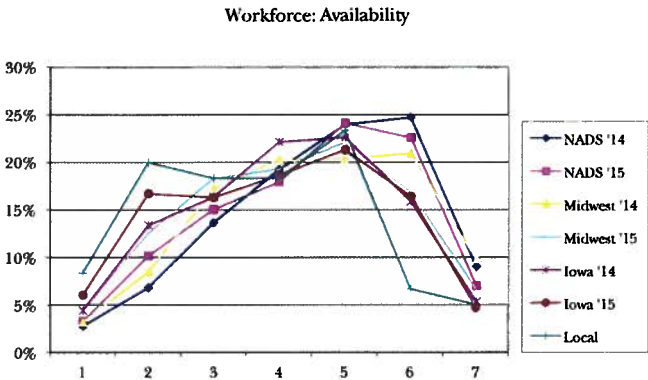
BUSINESS & ECONOMIC TRENDS

The Siouxland Initiative, MidAmerican Energy, and economic development partners in all three states conducted 60+ business retention interviews with regional employers to collect key points of information about the local economy in the first quarter of 2015. The results of these visits have been aggregated into a statewide report entitled the “BEST of Iowa,” which complements the findings of our local and regional visits and provides us a picture of local performance compared to state, Midwest, and national indicators.

The findings of these regional interviews point to a strong local economy that is adjusting to a downturned agricultural sector. Sixty-nine percent (69%) of firms interviewed reported an increase in sales compared to 2014, while 58% anticipate expanding within the next three years. Furthermore, firms reported a solid level of satisfaction among a wide range of community and quality-of-life measurements. Workforce issues, especially availability and stability, are an often-cited barrier to growth with 82% of companies experiencing recruitment challenges. In addition, the strong dollar has emerged as a troubling trend for export-oriented companies.

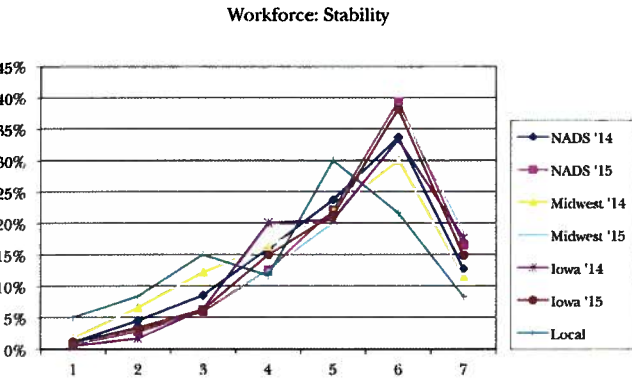
WORKFORCE

Workforce availability, especially for skilled and professional positions, ranked as the most important concern for area employers. Compared with state, Midwest, and national rankings, Siouxland employers generally ranked the availability of workers in the area significantly lower on a standardized 1-7 scale:



In terms of productivity, Siouxland employers typically score their workers well compared with other regions.

While a majority of local employers ranked workforce stability highly, the relative rankings of workforce stability lagged behind the rest of Iowa and the Midwest. Siouxland employers who ranked workforce stability in the low end (1-3) did so at a comparatively greater rate, which suggests a greater share of employer frustration relative to other regions. The results of the interview suggest that higher scores in retention equate to generally higher scores in productivity.



SIOUXLAND AT A GLANCE

Geography:

Iowa – Woodbury & Plymouth Counties
Nebraska – Dakota & Dixon Counties
South Dakota – Union County

Population: 168,806 (2015)

Per capita personal income: \$43,465 (2015)

Unemployment rate: 3.4% (August 2015)

Top 5 Employers:

- Tyson Fresh Meats
- Wells Enterprises, Inc.
- Sioux City Community School District
- Mercy Medical Center – Sioux City
- UnityPoint Health – St. Luke's

SIOUXLAND EXPORTS

Iowa and Nebraska exports reached record highs in 2014, underscoring the importance of export markets to Siouxland firms. Additionally, the value of the dollar remains high compared to many foreign currencies. The dollar strength index has been rising from a low in 2011 to values not seen since 2003, resulting in higher prices for U.S. exported goods in foreign markets. Fierce price competition and lower sales in many key export markets are a major concern for Siouxland exporters of agricultural and manufactured goods, many of whom tend to be more sensitive to prolonged highs in the dollar strength index.



COMMUNITY SERVICES & QUALITY OF LIFE SATISFACTION

Overall, Siouxland employers expressed satisfaction with a wide range of community services and quality-of-life measurements. Emergency services, Chambers of Commerce, economic development organizations, and education received solid scores in all three Siouxland states. On the other end of the spectrum, scores in transportation issues including

streets and roads, airline passenger service, and traffic control reflected areas of concern for our local businesses. It should be noted, however, that many respondents acknowledged that traffic conditions related to I-29 and Highway 20 construction are temporary in nature.

COMMUNITY SERVICES & QUALITY OF LIFE		AVG. SCORE 1-Low 7-High	
Fire Protection	6.29	Air Cargo Service	5.17
Ambulance Paramedic Service	6.25	County Services	5.16
Chamber of Commerce/Business Association	6.14	Highways (Province & Federal)	5.13
College(s) and University(ies)	6.04	Regulatory Enforcement	5.11
Economic Development Organization	6.03	Child Care Services	4.97
Police Protection	6.03	Public Transportation	4.92
Health Care Services	5.79	Zoning Changes and Building Permits	4.92
Trucking	5.67	Workforce Services	4.85
Community & Tech College	5.65	Traffic Control	4.83
Schools (K-12)	5.61	Property Tax Assessment	4.56
Community Services	5.56	Streets and Roads (Local)	4.45
Planning	5.26	Airline Passenger Service	2.75

“South Sioux City is proud to support our tri-state economic development partner, The Siouxland Initiative. TSI sees no regional boundaries as they promote and solicit new opportunity for the entire Siouxland area. Their mission is simple and they do it well: promote and grow Siouxland.”



Rod Koch, Mayor
City of South Sioux City