



JAN/FEB/MAR 2009
VOLUME 3/ISSUE 1

To all Investors – On behalf of the Lake Area Improvement Corporation Board of Directors, thank you for your commitment to the office of economic development since the inception of Forward Madison in January of 2007. Your continued commitment has made a major difference in growth within Madison and Lake County as a whole. The following information is an update on what has been accomplished the past 24 months. The overall status is very promising and the future looks positive.

FORWARD MADISON

Purpose: To create and retain jobs, to create and retain new business through work force initiatives, working with innovative entrepreneurs, and marketing the assets of Madison and Lake County.

In 2006 \$2,300,000 was pledged to provide an avenue to grow the community, create prosperity and enhance the quality of life in the area and region.

The LAIC diligently worked on the Housing Study, the TIF District, building of two homes, Highway 34 Economic Impact Study, Health Care Study, I-29 Corridor Project, and the City's Comprehensive Plan. They have built long lasting friendships with local, state, regional and national policy makers. They have hosted both state legislatures and congressional delegates on many occasions.

The LAIC applied for an EDA Grant in the amount of \$650,000 (no award), an industrial park road grant in the amount of \$485,000 (awarded), an IRP Loan in the amount of \$750,000 to create a revolving loan fund (awarded), and co-applied with Heartland for a \$1,040,000 REDLG (awarded). The LAIC worked with the Governor's Office of Economic Development to provide workforce development grants to several businesses totaling nearly \$225,000 providing training for 201 local employees. A successful Million \$ Challenge application through GOED was awarded to the Motongator Joe's Country Music Festival held annually at Prairie Village in the amount of \$12,500. The LAIC was awarded a Federal Appropriations Grant in the amount of \$200,000 from Senator Tim Johnson.

In conclusion, the LAIC would not have recognized this amount of success without **you the investor**. It is your dedication to Madison that provides the necessary funding for continued growth and prosperity.

Thank you!

ECONOMIC INDICATORS

The Lake Area Improvement Corporation (LAIC) is a nonprofit economic development organization dedicated to the growth and prosperity of Madison and the communities that reside within Lake County, South Dakota. LAIC enhances and stimulates regional economic growth through business attraction, expansion and retention efforts. LAIC secured several expansions, attractions and retentions. The impact of these achievements is outlined. The results are positive.

The economic impact extends far beyond the direct infusions of jobs and capital investment.

Retaining jobs is just as important as creating jobs, as existing companies pave the way for future expansion.

Beyond employment, income, and output impacts, the report explores LAIC's impact in increasing the region's overall competitiveness. As the data below indicates, **LAIC's aggressive actions in 2007 and 2008 yielded high returns for the initiative's investors.**

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As with many organizations, the Lake Area Improvement Corporation has developed a mission statement that helps define and provide direction to the LAIC board of directors and the LAIC staff. Our mission statement is to:

“Enhance the quality of life for all citizens of the Lake County area and to develop and retain quality jobs that are environmentally and economically compatible for Lake County. The LAIC in cooperation with other organizations, will initiate and develop leadership, foster and manage change, and nurture a positive cooperative and progressive attitude.”

Given the current economic conditions, people may question the LAIC and ask “has this organization kept with their mission statement?” I believe as an LAIC board member we have! To provide information to show directly and indirectly how this has occurred over the last two years, please read the article in this current newsletter that provides measurable documentation for that.

To better understand the ever changing scope and direction of the Lake Area Improvement Corporation the board of directors met in late January to be sure our mission, goals and needs of our “community” were being met. From that session two standing committees were formed to help with that direction. The first is **Business, Workforce Development and Investor Relations** and the second is **Entrepreneurial/ Economic Gardening, Business Attraction/Development and Marketing**. Each committee discussed and has focused on short term and medium term objectives. The two committees will meet at least once a month and report to the full board about the concerns, projects and ideas needed to make our community, county and state a place to be proud of.

Jerry Johnson, President

Increasing the regions overall competitiveness

- LAIC played a key role in **nine attraction projects, five expansion projects, and five retention projects**, generating approximately **\$20.3 million in capital investment**.
- LAIC’s economic development efforts helped create **259 new direct jobs** that generated **\$9.1 million in earnings** for Lake County’s citizens.
- The new jobs multiplied to an additional **125 indirect and induced jobs** with **total payroll of \$3.5 million**.
- The **total economic** output associated with LAIC’s economic activities is approximately **\$50.7 million**. This total impact is the result of an economic multiplier that stems from the companies’ operations and capital expenditures.
- During the 2007-2008 period LAIC’s economic development efforts helped **retain 230 direct jobs** and **\$4.5 million in direct earnings**.
- The retained jobs are associated with retaining an additional **118 indirect and induced jobs** and **\$3.5 million in additional earnings**.

Overall

- Overall, LAIC’s job creation activities during 2007-2008 period generated a total economic impact of: 384 total jobs (direct, indirect & induced)
- Earnings that totaled \$12.7 million
- Total output of \$50.7 million
- Capital Investment of \$20.3 million
- LAIC’s job retention activities in 2007 and 2008, generated a total economic impact of: 348 total jobs (direct, indirect & induced)
- Earnings that totaled \$8 million
- Total output of \$62.6 million

South Dakota Taxable Sales

<i>Description</i>	<i>Taxable Sales</i>
Returns Filed: Calendar Year 2008	
Madison	148,626,228.84
Total for LAKE County	159,181,770.17
Returns Filed: Calendar Year 2007	
Madison	125,750,734.98
Total for LAKE County	144,080,056.05
Returns Filed: Calendar Year 2006	
Madison	118,599,046.72
Total for LAKE County	143,640,842.55

Source: SD Dept of Revenue and Regulation website <http://www.state.sd.us/drr2/>

Lake County Unemployment Percentage

	Labor Force	Employment	Unemployment	Rate
2008				
OCT	6,865	6,670	195	2.8%
NOV	6,860	6,595	265	3.8%
DEC	6,710	6,420	290	4.3%
2009				
JAN	6,740	6,270	480	7.1%
FEB	6,775	6,395	380	5.6%

Source: Department of Labor website <http://dol.sd.gov/>

Lake County, Taxable Valuation of Property

Year	Ag REAL Valuation	Non-Ag Acreages Valuation	Owner-Occupied and Manufactured Valuations	Other Non-Ag Real Valuation	Total Real Valuation
2006	\$305,628,765.00	\$6,215,610.00	\$257,495,975.00	\$148,468,305.00	\$717,808,655.00
2007	\$324,932,835.00	\$5,462,735.00	\$292,818,645.00	\$162,300,335.00	\$785,514,550.00
2008	\$333,674,735.00	\$9,723,155.00	\$312,404,705.00	\$173,598,225.00	\$829,400,820.00

Source: SD Dept of Revenue and Regulation website <http://www.state.sd.us/drr2/>

Statewide Unemployment Numbers

Year	Month	Area	Labor Force	Employment	Unemployment	Rate
2009	JAN	Statewide	435,870	413,690	22,180	5.1%
2009	FEB	Statewide	439,890	417,240	22,650	5.1%

Source: SD Dept. of Labor at <http://dol.sd.gov/>

City of Madison Building Permits

<i>January</i>	total	\$62,000
<i>February</i>	total	\$13,600
<i>March</i>	total	\$40,000

Source: City of Madison



Investor Luncheon

You are cordially invited to join us for lunch at noon on Wednesday, April 29, 2009
Nicky's restaurant, 1407 NW 2nd Street, Madison, South Dakota.

An update and progress report will be given.

For catering purposes, an RSVP to (605) 256-0797 or kari@madisonworks.com is greatly appreciated.

Lake County Building Permits

<i>January</i>	total	\$19,000
<i>February</i>	total	\$36,800
<i>March</i>	total	\$284,500

Source: Lake County Drainage and Zoning Department

Working together to keep
Madison Growing.

WELCOME TO

MADISON

SINCE 1880

Expansions
Recruitments Promotions



James River Equipment's new location coming in 2009



Rosebud's relocation to the Lakeview Industrial Park in 2008



Secure Banking Solutions Opened in 2008 in the Heartland Technology Center



Welding Lab opened in May, 2008



LAKE AREA IMPROVEMENT CORPORATION
www.madisonworks.com

For over 125 years, families and businesses have called Madison home. From its beginning, Madison has survived many ups and downs and still continues to thrive due to the tenacity of our community. During these difficult economic times, we continue to put Madison first by working to create new jobs, assisting those who have lost their jobs and constantly focusing on developing and creating economic growth.

WE CAN MAKE IT HAPPEN IN MADISON!



Lake Area Improvement Corporation

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