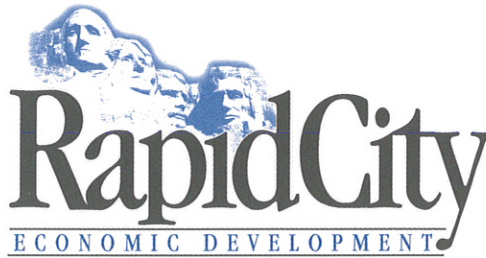


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MAYOR'S OFFICE



March 27, 2014

Mayor Sam Kooiker
City of Rapid City
300 Sixth St.
Rapid City, SD 57701

Dear Mayor Kooiker:

Thank you for your continued involvement and investment in the Rapid City Economic Development Partnership. As you begin to craft the City Budget for 2015, the EDP respectfully submits a **funding request for \$325,000**. This funding level is a \$75,000 increase over the City's investment level in 2014 and represents the first increase in the City's EDP investment since 2010. That same year, we made a concerted effort to raise more investment dollars from the private sector and we have done that. Over the past several years, we have doubled our private sector investment, resulting in a nearly \$40,000 increase. These new private sector funds have been used to grow, support and improve our valuable programs and services, but our staffing levels have remained static. We know we can accomplish even more with an increased investment from the City for 2015. We will use some of the dollars to hire a new EDP staff member whose focus will be on marketing and fundraising, and the rest will be used to increase our marketing program budget. With the public and private sectors working together and supporting our efforts, we are accomplishing some great things to bolster Rapid City's economy for the long-term.

During 2013, our regional economy continued to expand and many new projects were announced and broke ground here in Rapid City, including the expansions of Dakota Panel and Amcon Distributing, new headquarters facilities for Strider Sports and Premier Home Mortgage and the opening of a new Rapid City office for Pergroup. These projects alone represent nearly \$20M in annual payroll, 500 year-round jobs, and capital expenditures of another nearly \$20M.

Our organization's mission is to improve the quality of life, strengthen the local economy, and increase personal income levels in the greater Rapid City area by fostering a vital business climate which provides quality new jobs, helps existing businesses, attracts new business, and promotes entrepreneurship. Our efforts to promote entrepreneurship continue with our success running the Black Hills Business Development Center, where we continue to see healthy activity from start-up ventures. We were also excited to officially launch, along with nearly 30 local angel investors, the **Black Hills Regional Angel Fund, LLC** earlier this year. This fund was specifically designed to encourage entrepreneurs and start-up companies in our region with high-growth potential to sprout and grow right here in Rapid City and the Rushmore Region by gaining access to equity capital investment.

In fact our efforts to develop stronger relationships within the Rushmore Region economic development community have resulted in two exciting new initiatives:

Rushmore Regional Rail Authority – our work is still ongoing, but we are encouraged by the cooperation shown thus far between Pennington County, Rapid City, Box Elder and Wall in forming this authority, which will allow rail-oriented industrial and agricultural development projects access to State

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Rail Trust Funds at low interest rates. Access to these loans will provide a valuable tool for companies seeking to build-out local rail infrastructure, grow their operations and expand their markets.

Rushmore Region Marketing and Branding Initiative – with a Second Quarter 2014 launch, this initiative is designed to increase consideration of and interest in our region for new economic development projects. In time, this will increase the number of year-round, high-paying jobs in our region which will result in a stronger year round economy.

Our employment recruitment and retention efforts will still be focused on those industries where we enjoy a competitive advantage, where we have the greatest promise for growth and where we can also improve local wages. The six (6) industries we have identified for continued growth are:

- Energy – Extractive and Supporting Industries
- Healthcare and Life Sciences
- Finance and Insurance
- Business, Professional, Technical Services
- Manufacturing – Metalwork-Engineering
- Manufacturing – Food and Beverage

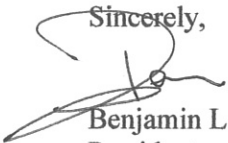
Again this year, we have continued to reach out to the Extractive Energy sector to take advantage of our proximity to the activity in the three energy basins that surround our region. These activities include organizing and executing a 2nd trade mission to Houston in March, organizing a panel of presenters at an Oil and Gas conference here in Rapid City at the School of Mines in April and sponsoring the 22nd Annual Williston Basin Petroleum Conference in Bismarck in May. As the year progresses, we will also continue to seek opportunities to expand our other targeted sectors as well. The City's ongoing support of these efforts is vital to our success. Your investment dollars and willingness to assist in other ways will go a long way in helping us fulfill our mission.

As the **economic hub for a service area including dozens of counties in 5 states with nearly 475,000 people**, Rapid City is uniquely positioned to capture the growing demand from companies looking to escape the crime, congestion, pollution and burdensome regulatory environments existent in other states by moving to and enjoying life within the Rushmore Region. We are also committed to serving the needs of our existing business base by 'growing our own industries' as well.

Your commitment to the **future of Rapid City** is important. We can be grateful that we live and work in this part of the country and world. The climate (both natural and business) is attractive, our unemployment rate is still way below the national average, our economy, while not invincible, is still strong and stable, and we have many regional assets that will help to position us favorably well into the future.

Further, I know you share our economic philosophy that a strong Rapid City will result in a strong Rushmore Region and visa-versa. We look forward to exploring new and better ways to work together to make the Black Hills year-round economy shine!

Sincerely,



Benjamin L. Snow
President



Steve Conzet
Chairman