

Memorandum #08-149

To: Doug Russell, City Manager
From: Dave Mingo, Community Development Director
Date: August 4, 2008
Subject: City of Yankton Involvement in the I-29 Corridor Regional Growth Strategy

As reported in several Commission Information Memorandums since January, City Commissioner Charlie Gross and I have been participating in the start-up of a new regional development organization that focuses on the I-29 corridor. Representatives from communities located along the corridor from Yankton, north to Watertown have met a couple of times a month to discuss regional strategies in marketing our area to the global marketplace. Any strategy will depend on the involvement of the area universities and technical schools. They have also been very involved in this process. This type of regional development strategy has been very successful in other parts of the country.

Attached is a "Memorandum of Understanding" (MOU) that describes the purpose of the corridor group. The MOU establishes a relationship with other entities that is essentially a precursor to an organizational structure that is yet to be determined. It is anticipated that the organization will eventually operate in a joint powers type of arrangement with members having options to participate in activities that specifically address their goals.

The group is asking for funding assistance to complete a detailed industry cluster analysis. The total estimated cost of the analysis is \$200,000. It has been suggested that a community the size of Yankton contribute \$25,000 to the study. Funding for this type of analysis would coincide with the goals set forth for use of the BBB revenue.

Approval of Memorandum #08-149 will authorize the Mayor to sign the attached MOU.

Respectfully submitted,

Dave Mingo, AICP
Community Development Director

Recommendation: It is recommended that the City Commission consider more formal involvement in the I-29 Corridor Group by approving the MOU. As a part of this process, it is also recommended that the Commission consider funding a detailed industry cluster analysis and identify a source for the funding level determined.

_____ I concur with this recommendation.

_____ I do not concur with this recommendation.

Doug Russell, Interim City Manager

I-29 Corridor Regional Growth Strategy

Memorandum of Understanding (MOU)

PURPOSE

The purpose of this Memorandum of Understanding (MOU) is to establish a general framework for cooperation and guide decision making throughout the process of developing an I-29 Corridor Regional Growth Strategy. This collaborative effort is to encourage economic viability, promote a healthy collaboration environment and enhance the quality of life in South Dakota.

TERM

This MOU shall serve until such time as a Regional Growth Strategy has been developed and adopted by the members of the I-29 Corridor Task Force, at which time the MOU shall expire. Adoption of the Regional Growth Strategy is anticipated to occur by the end of **May 2009**. If the regional Growth Strategy is not completed by this time, the Parties agree to review the MOU and amend the terms of the MOU to improve the effectiveness of the program. The amendments shall be in writing. Unless otherwise stipulated, any amendments to this MOU will take effect when signed by all parties.

PARTICIPATING ORGANIZATIONS

The organizations initiating this MOU, collectively referred to as the "Parties", include, but are not limited to: municipalities, economic development organizations, educational institutions, government agencies and other non-profit entities. The initiating Parties are:

1. _____;
2. _____;
3. _____;
4. _____;
5. _____;
6. _____;
7. _____;
8. _____; and
9. _____.

(expand or contract as necessary)

Other entities within the I-29 Corridor, currently defined as the region between North Sioux City and Watertown and from the eastern South Dakota border extending west of Interstate 29 (currently as far as Yankton), are invited to sign the MOU and become participating organizations.

RATIONALE

Competition for economic growth is escalating regionally, nationally and globally. In this context, South Dakota in its entirety is a small region with a population of less than 800,000. As currently defined, the I-29 Corridor includes a population of approximately 400,000.

In this broader environment it is beneficial, whenever possible, for organizations to act supportively and collaboratively in pursuing economic development opportunities. Recent developments have positioned the I-29 Corridor for significant growth and economic expansion. Regionally collaboration is necessary to maximize the positive impact of these opportunities. Examples of these developments and opportunities, include, but are not limited to:

Energy

- Potential Hyperion Energy Center
- Multiple oil pipeline projects
- Multiple biofuels companies and production plants
- New state incentive for biodiesel production
- Location of multiple wind energy component manufacturers
- Significant capacity for wind energy production

Biotechnology and Medical Research

- Multiple healthcare systems with growing research efforts
- Growing private sector research companies with a focus on human and animal health treatment and diagnostics
- University and private sector crop and animal related research

Information Assurance and Data Security

- USGS EROS Data Center
- Presence and needs of large financial and healthcare institutions
- Multiple private data
- DSU national Center of Excellence in Information Assurance Education
- Cost effective and available power
- REED Network, creation of additional diverse data transmission paths
- Central, yet remote, location a potential benefit

These developments and opportunities are catalyzed by an emerging support infrastructure/ecosystem for the development of these opportunities, including but not limited to:

- Supportive state leadership and strategies, including Governor Rounds and GOED's marketing and recruitment efforts

- Expanding and complementary university research efforts, including, but not limited to 2010 Research Centers
- Alignment of postsecondary training and education programs
- South Dakota State University Innovation Campus (research park)
- Sanford Research Park
- GEAR Center and University Center Science and Technology Park
- Existing and planned incubators in Sioux Falls, Brookings, Madison, Vermillion and Yankton
- Increased availability of equity investment

CLUSTER ANALYSIS AND REGIONAL GROWTH STRATEGY PROJECT:

The Cluster Analysis and Regional Growth Strategy will serve as the basis for the future organizational structure, focus areas and actions of the I-29 Corridor. The project components include:

- An Economic Scan and Regional Cluster Identification, Validation and Analyses
- Development of Regional Growth Strategy
- Participating communities will also have the option to contract for the development of a corresponding Individual Community Growth Strategy.

The Growth Strategy will include recommended steps/actions addressing the following areas:

- I-29 Corridor Organizational Structure
- Target Industry Development and Recruitment
- Transportation
- Workforce
- Quality of Life
- Infrastructure
- Others to be identified

Planned steps and timeline for implementing and completing the Cluster Analysis and Growth Strategy include:

2008	Action
June – July	Draft RFP and Solicit Proposals
June – August	Secure Project Funding
August	Award Project Contract
September - October	Kick off Project with Regional Summit
November	Interim Report
2009	Action
February	Presentation of Regional Growth Strategy
March – May	Development of Individual Community Growth Strategies

The additional **Affiliated Parties** listed below express their support for the I-29 Corridor and commitment to provide non-financial support and/or to participate in the Regional Growth Strategy development process.

Name, Title, Organization _____
Date

Name, Title, Organization _____
Date

Name, Title, Organization _____
Date

Name, Title, Organization _____
Date

Name, Title, Organization _____
Date

Name, Title, Organization _____
Date