

SOUTH DAKOTA STATE FAIRGROUNDS

MARKET DEMAND AND FINANCIAL FEASIBILITY STUDY REPORT

December 2005

Submitted by:



MARKIN CONSULTING ■ MAPLE GROVE, MINNESOTA



TO: Ms. Susan Hayward

FROM: Markin Consulting

DATE: December 2005

SUBJECT: Market Demand and Financial Feasibility Study Report

This report presents the results of Markin Consulting's study to identify and recommend market supportable and financially viable new or improved facilities at the South Dakota State Fairgrounds, located in Huron, South Dakota (the Fairgrounds). Specifically, the objectives of this assistance were to:

- Conduct research and analyses that identify potential opportunities – either new markets, affiliations or operating approaches – that would increase overall usage of, and net revenues to, the non-fair operations of the Fairgrounds
- Recommend facilities necessary to attract the potential opportunities
- Prepare financial projections of operating the recommended facilities
- Identify funding options for development of the recommended facilities
- Offer best practices recommendations for the operation of the Fairgrounds

South Dakota State Fairgrounds

Market Demand and Financial Feasibility Study Report

Approach

Markin Consulting, in conducting the market demand and financial assessment of the possible redevelopment options, performed the following work steps:

- Toured Huron and surrounding area, including the facilities at the Fairgrounds
- Interviewed representatives of the South Dakota State Fair Commission (the Commission) and its staff, Beadle County, the City of Huron, Huron Chamber of Commerce, Dakota State Fair Speedway, existing and potential Fairground users and other interested parties
- Researched and analyzed historical usage trends of the Fairground facilities
- Analyzed economic and demographic trends affecting the Huron/Beadle County market area
- Researched and assessed the area's community resources (lodging, restaurants, retail, etc.)
- Researched and assessed the impact of competitive facilities located in Huron area and the eastern South Dakota region on existing and potential events and facilities at the Fairgrounds
- Surveyed and interviewed potential users of the possible new or improved facilities, including promoters of events and activities
- Identified and quantified potential events, activities and opportunities for new or improved facilities at the Fairgrounds
- Recommended facilities needed to accommodate the potential events, activities and opportunities at the Fairgrounds
- Developed estimates of operating revenues and expenses associated with the recommended markets and facilities
- Identified funding options for specific operating and capital improvements and additional at the Fairgrounds

South Dakota State Fairgrounds
Market Demand and Financial Feasibility Study Report

Conditions of the Study

This report is to be used only for planning of improved facilities at the South Dakota State Fairgrounds. It is not to be used for any other purpose. This report may not be referred to or included in any prospectus, or as a part of any offering or representation made in connection with the sale of securities to the public.

Although we believe that the information and assumptions set forth in this report constitute a reasonable basis for the estimates of usage, operating revenues and expenses, the achievement of any estimate may be affected by fluctuating economic conditions and the occurrence of other future events that cannot be anticipated. Therefore, the actual results achieved will vary from the estimates and such variations may be material.

The terms of our engagement are that we have no responsibility to update this report or to revise the estimates because of events and transactions occurring subsequent to the date of this report.

We have appreciated the opportunity to work with you on this very important project.

Very truly yours,



Rod Markin, President

South Dakota State Fairgrounds
Market Demand and Financial Feasibility Study Report

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South Dakota State Fairgrounds

Market Demand Analysis

Market Demand Overview

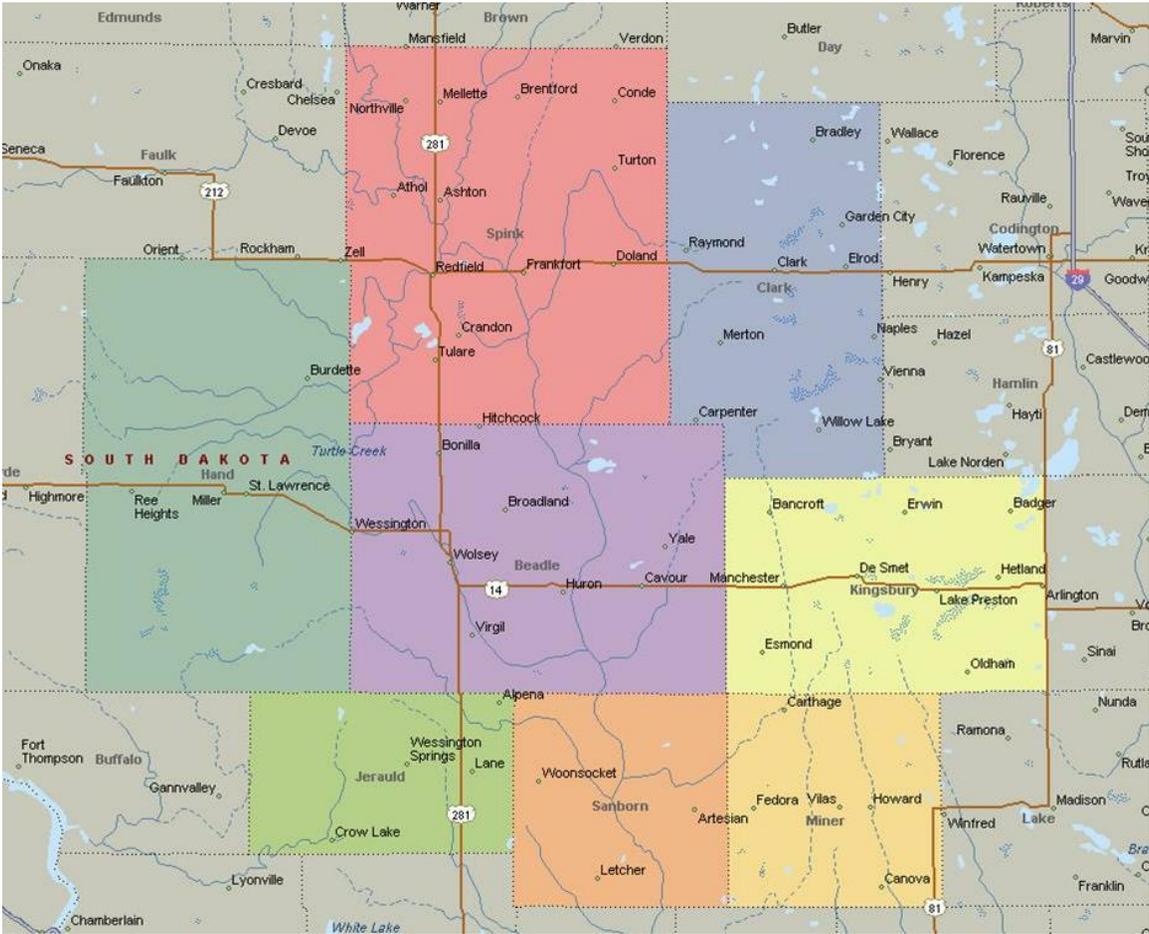
This section of this report presents our analyses, assessments, observations and recommendations related to market opportunities, operational factors and facility impacts related to the South Dakota State Fairgrounds. This section is organized in the following manner:

- Site characteristics
- Facilities and structures
- Usage trends
- Economic and demographic trends
- Community resources
- Competitive and comparable facilities
- Potential use assessment
- Event potential
- Facility recommendations

South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics

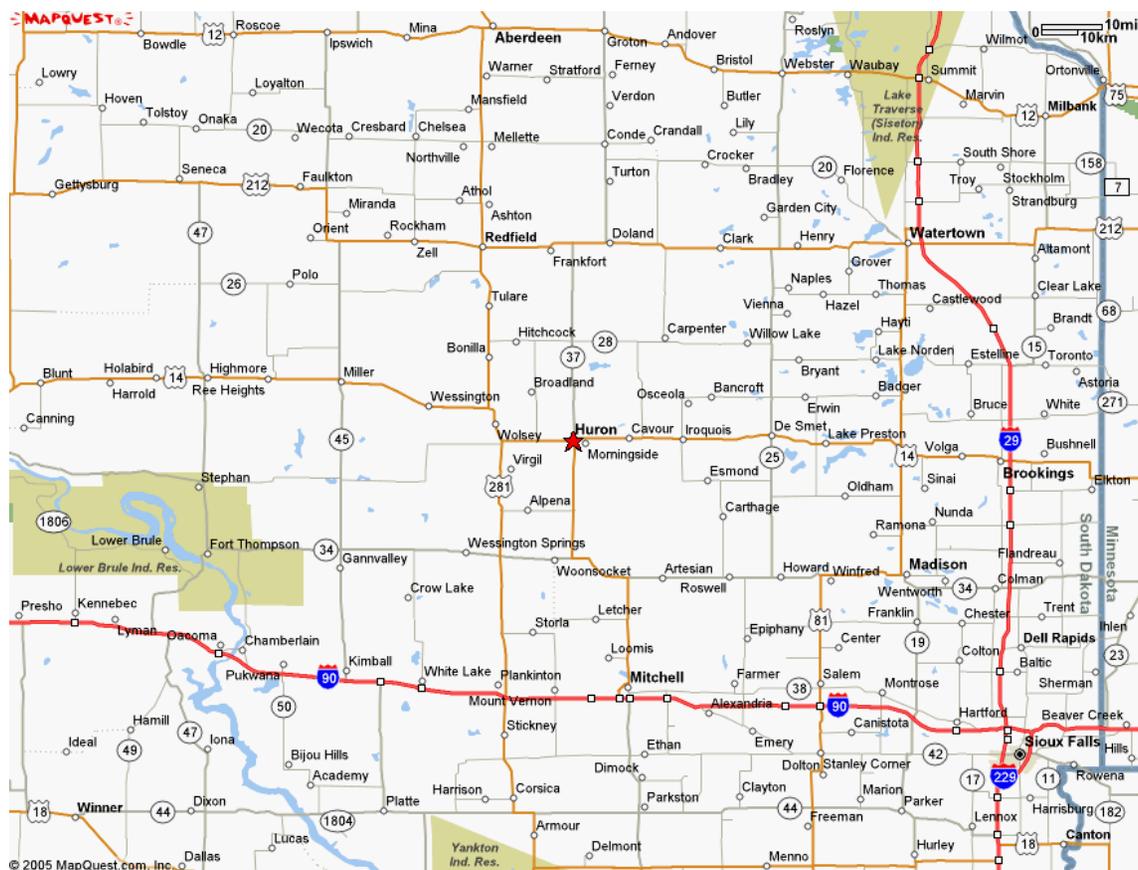
The South Dakota State Fairgrounds is located in Huron, South Dakota, in Beadle County. Situated in the east central part of South Dakota, Beadle County is bordered by the counties of Clark, Hand, Jerauld, Kingsbury, Miner, Sanborn and Spink. The map below shows the location of Beadle County in relation to the surrounding counties.



South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics (continued)

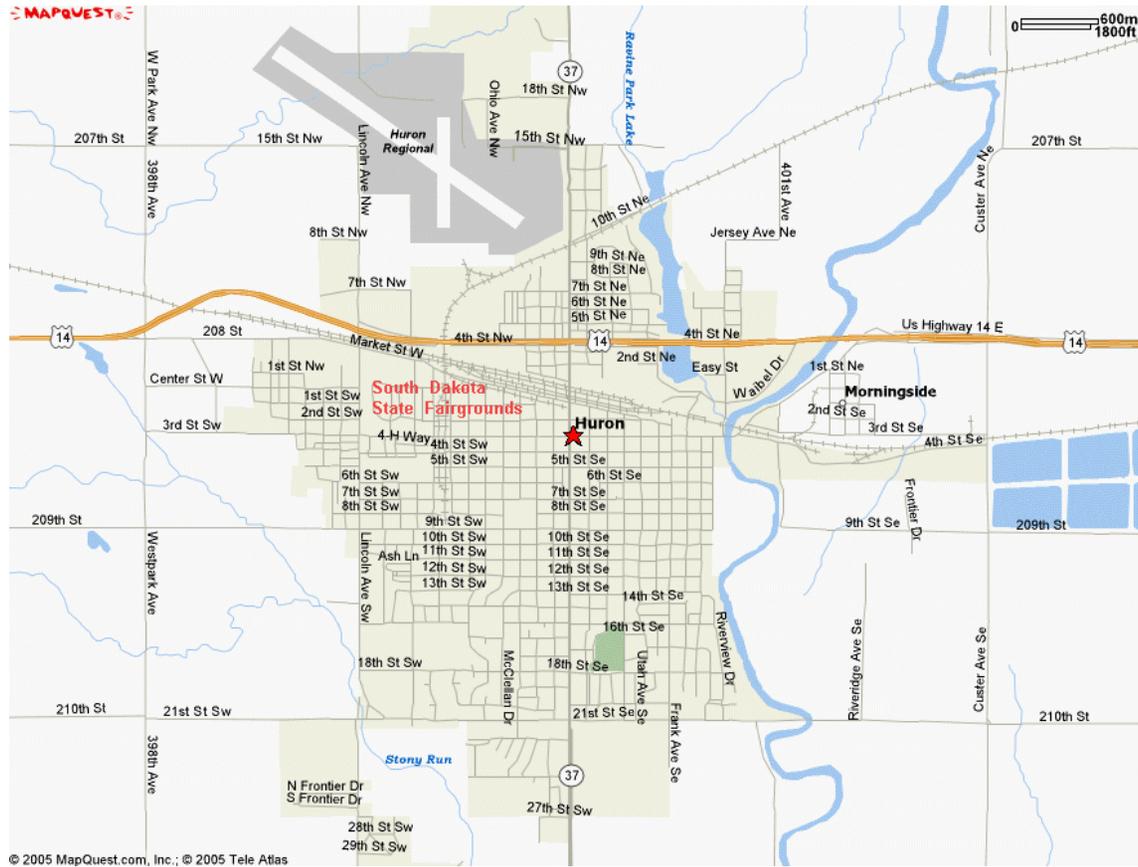
Regional access to Beadle County and Huron is via US Highway 14 from the east and west and State Highway 37 from the north and south. Huron is approximately 75 miles west of Interstate 29 via US Highway 14 and about 55 miles north of Interstate 90 via State Highway 37. The map below shows the regional road system in relation to the Huron/Beadle County area.



South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics (continued)

Huron is located in the central part of Beadle County, with its eastern border along the James River. Below is a map showing the general boundaries of Huron and transportation routes in the Huron area.



South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics (continued)

The South Dakota State Fairgrounds is located on the west side of Huron. Access to the Fairgrounds is via 3rd Street from the east and west, and Lincoln and Nevada Avenues from the north and south along the Fairgrounds east and west sides.



South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics (continued)

The Fairgrounds is bordered on the north by Market Street and railroad tracks. Residential areas border the Fairgrounds to the west and south and across the railroad tracks to the east. Below is an aerial photo that shows the location of the Fairgrounds and surrounding roadways and land uses.

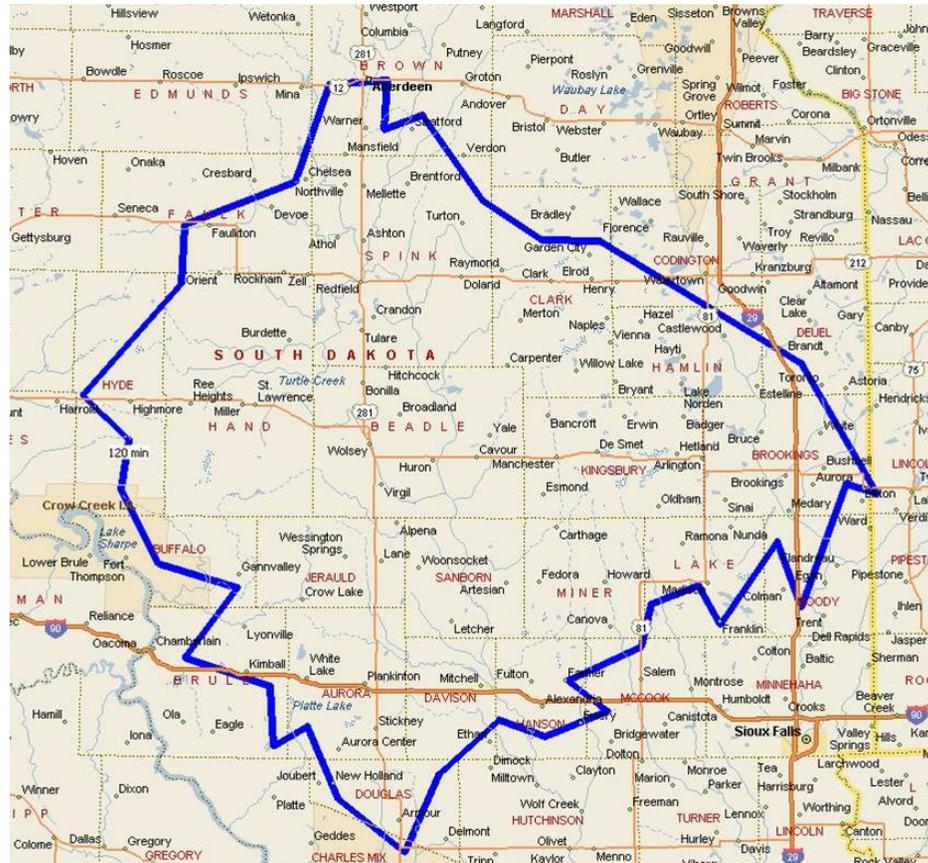


South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics (continued)

Events at the Fairgrounds have access to a larger population than in the immediate area. The maps on this page and the following pages show approximate geographic boundaries that are within 2 hours, 2.5 hours and 3 hours drive-time of the Fairgrounds.

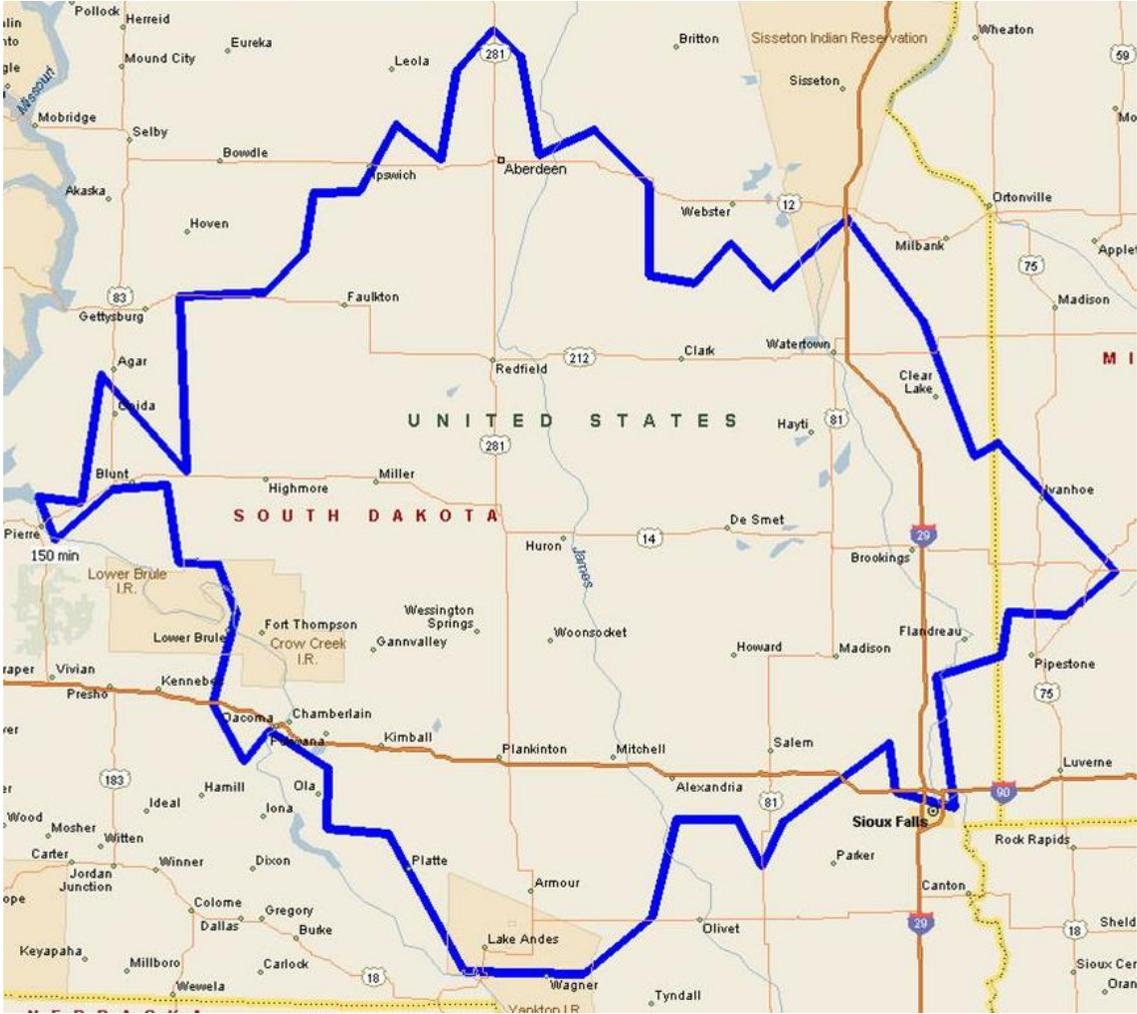
2 Hour Drive Time



South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics (continued)

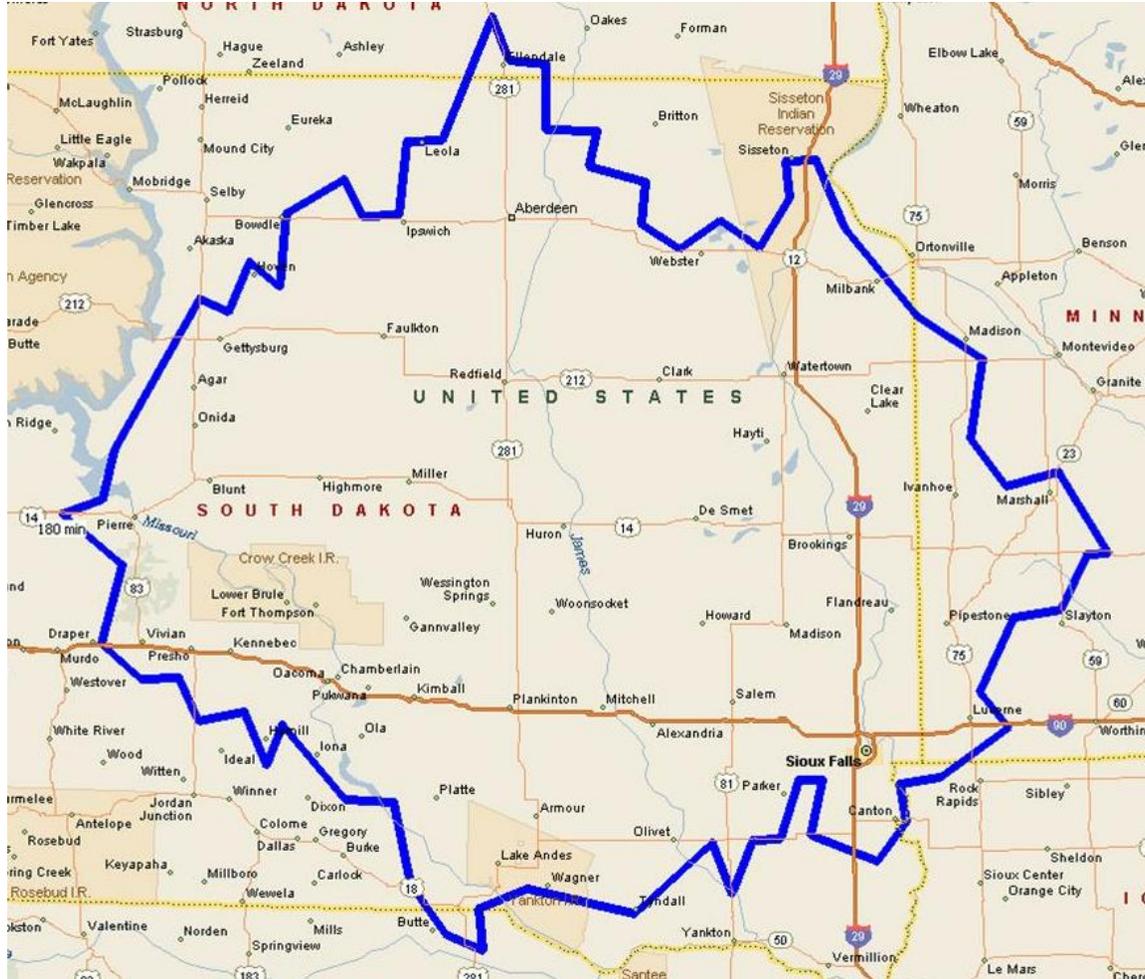
2.5 Hour Drive Time



South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics (continued)

3 Hour Drive Time



South Dakota State Fairgrounds Market Demand Analysis

Site Characteristics (continued)

Summary of Site Characteristics

On the basis of our assessment of site and location issues for the South Dakota State Fairgrounds, we noted the following:

- The Fairgrounds is located in a small market area, away from major Interstate access.
- The Fairgrounds is located in a fairly central part of the City of Huron and enjoys good access and visibility.
- A major city street, 3rd Street, runs through the Fairgrounds, making it difficult for hosting larger events that span the north and south sides of 3rd Street.
- Access to larger population centers in eastern South Dakota is within a 2 to 3 hour drive of Huron.

South Dakota State Fairgrounds Market Demand Analysis

Facilities and Structures

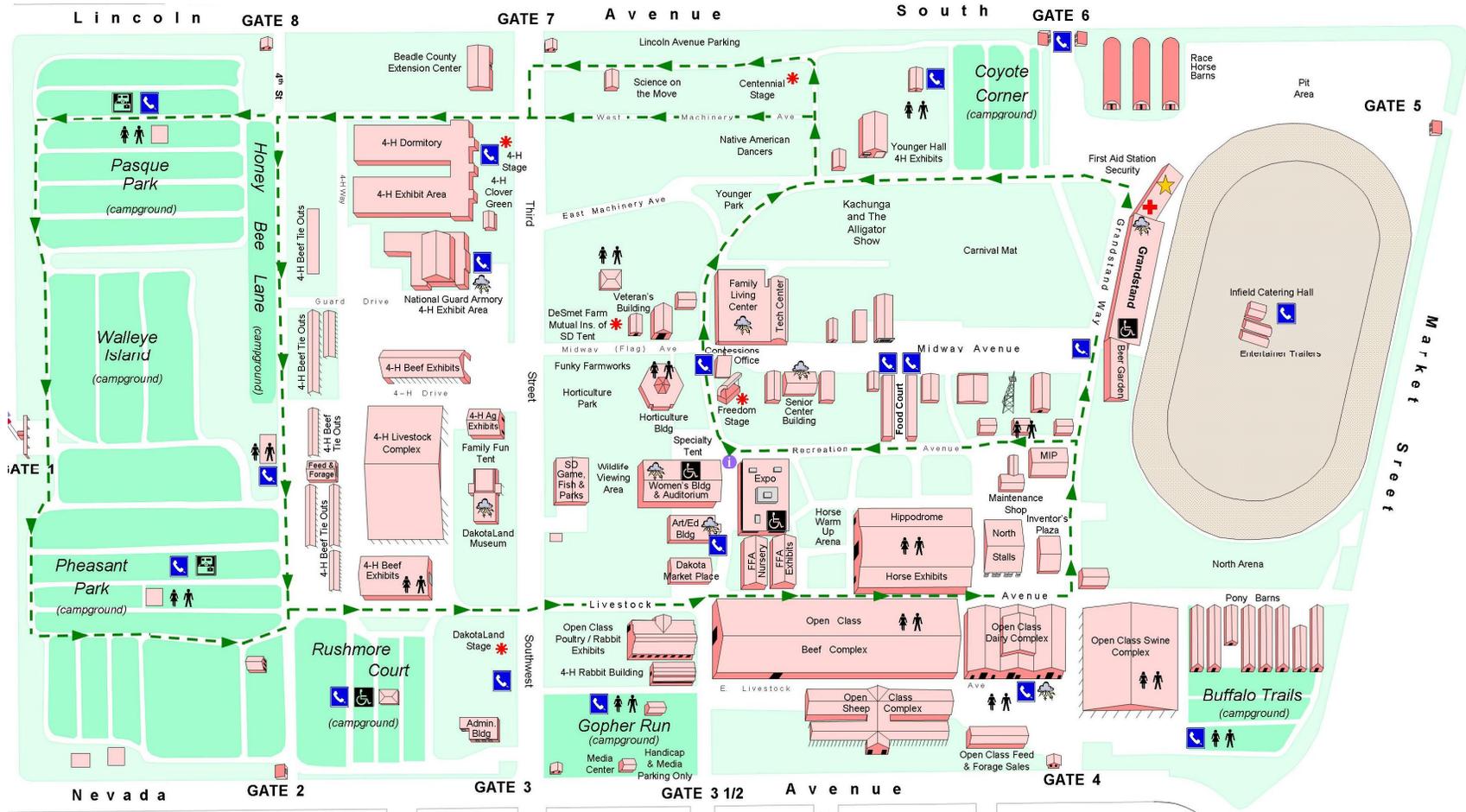
Major structures and features on the Fairgrounds include the following:

- Open Class Beef Complex
- Hippodrome
- Open Class Dairy Complex
- 4-H and FFA Buildings and Structures
- Stalling Facilities
- Expo Building
- Women's Building
- Family Living Center
- Grandstand and Racetrack
- Camp Sites

The map on the following page shows the approximate location of the major buildings, structures and features on the Fairgrounds property.

South Dakota State Fairgrounds Market Demand Analysis

Facilities and Structures (continued)



South Dakota State Fairgrounds Market Demand Analysis

Facilities and Structures (continued)

Following is a brief overview of the Fairground facilities that are typically rented on a year-round basis.

Livestock Buildings and Structures

Open Class Beef Complex

The Open Class Beef Complex (the OCB Complex), the center piece of the livestock area, is a 96,000 square foot, dirt floor building. The OCB Complex is insulated, but lacks climate controls for heat and air and has no ventilation system. It is used primarily for horse shows and practices, as well as for storage in winters. Bleacher seating around a ring can be set up, accommodating up to 4,500 people. It has rest rooms and an office area.

Open Class Dairy Complex

Located to the north of the OCB Complex, the Dairy Complex is generally not rented for non-fair events with the exception of using it for stalling for horse shows and events.

Hippodrome

This 50,000 square foot structure contains an 80' x 120' dirt arena with adjacent portable seating. The Hippodrome has 112 stalls and restrooms. It has no insulation, heat or air conditioning. It is rented primarily for horse events on a year-round basis.

South Dakota State Fairgrounds
Market Demand Analysis

Facilities and Structures (continued)

Stalling Facilities

Stalling for horse shows and activities consists of both portable and permanent structures, located in various parts of the Fairgrounds, as follows:

	Number of <u>Stalls</u>
OCB Complex	130
Hippodrome	112
North Stalls	96
Open Class Dairy Complex	181
Pony Barns	<u>158</u>
	<u>677</u>

The Pony Barns are in an extreme state of disrepair and deferred maintenance. As such, they are used only as a last resort for stalling. Additional portable stalls can be set up to accommodate more stalling needs.

South Dakota State Fairgrounds Market Demand Analysis

Facilities and Structures (continued)

Exhibition and Meeting Spaces

Expo Building

The Expo Building, a 14,700 square foot structure, is used for consumer and public shows, auctions and sales and other activities. This building is heated and air-conditioned, though the single pane windows that envelope the upper part of the building are not energy efficient, making it extremely difficult to heat in winter and cool in the summer.

Women's Building

Located to the south of the Expo Building, the Women's Building is heated but lacks air conditioning. This brick building has approximately 7,500 square feet of exhibit space, restrooms and a 576-seat auditorium. The Women's Building is used mostly for small sales and auctions in late winter and early spring.

South Dakota State Fairgrounds Market Demand Analysis

Facilities and Structures (continued)

4-H and FFA Facilities

A number of buildings and structures on the grounds are dedicated to use by 4-H and FFA during the annual South Dakota State Fair. During the remainder of the year, these facilities are available for rental:

- 4-H Livestock Complex – This covered, dirt show area is approximately 190' x 70' in size and has been used for horse shows during non-fair times.
- 4-H Beef Barns – These structures are used for beef exhibits during the annual Fair and for Temporary stalling for non-fair horse shows.
- 4-H Beef Tie-Outs – These old structures are used during the annual Fair for stalling of beef.
- 4-H Exhibit Building – This brick structure is used principally during the annual Fair for a variety of 4-H exhibits and demonstrations.
- 4-H Dormitory – Once used to house 4-H participants overnights at the annual Fair, the dormitory has been closed due to health and safety issues. A commercial grade kitchen and common area is a part of this building as well.
- FFA Nursery and Exhibits Building – Used by FFA during the annual Fair, this structure is available for rental during non-fair times.

Camp Facilities

The Fairgrounds has more than 1,200 camp sites located principally south of 3rd Street. Other sites are located near the grandstands, the Pony Barns and the OCB Complex. All of these sites have electricity and nearby restrooms and shower facilities. Fifty sites located near the grandstands have full water, electric and sewer hook-ups. About 70 of the sites have 50 amp service, with the remainder having 30 amp service. Two dump stations are also located on the grounds.

South Dakota State Fairgrounds Market Demand Analysis

Facilities and Structures (continued)

Grandstand and Raceway

Located in the northwest section of the grounds, the grandstand is a covered structure that, along with exposed seating on the sides, can accommodate about 10,000 people. This structure has a concessions area, restrooms, dressing rooms and concourse area. A 3/8 mile oval, dirt race track sits in front of the grandstand. The concessions area is in need of new/upgraded equipment. The restrooms need to be upgraded as well.

During the annual Fair, the grandstand is used for concerts and spectator events. Historically, during the rest of the year, the grandstand and race track have been leased to a third party operator who has promoted weekly WISSOTA-sanctioned stock car racing. The promoter has not signed a lease for the coming year and the future operation of the race track is being assessed by management of the Fairgrounds.

South Dakota State Fairgrounds Market Demand Analysis

Facilities and Structures (continued)

Facility Observations

Both Markin Consulting and Bullock Smith & Partners toured the Fairground facilities. These site assessments of the existing facilities and interviews with major users of those facilities revealed the following:

- The Expo Building's glass windows are single pane and need to be replaced to make it energy efficient. The restrooms are also in need of upgrades.
- The lack of air conditioning in the Women's Building, particularly the auditorium, limits its marketability use during summer months.
- Lighting improvements in the Hippodrome would greatly improve its marketability and use potential.
- The Pony barns are in need of replacement due to extreme deferred maintenance.
- A lack of gating of the north side of the grounds makes it very difficult to charge admission to events that are on the grounds in general, such as horse shows, Wheel Jam and others.

South Dakota State Fairgrounds Market Demand Analysis

Usage Trends

To evaluate the strength and size of existing markets and to assess available facilities for expanded or new markets, we analyzed usage of major facilities rented for interim events at the Fairgrounds. Because adequate and complete records were unavailable for prior years, Markin Consulting used only data for calendar year 2005. Using this data, we developed analyses of interim usage of the Fairgrounds; by month, by building and by event type. This section presents key observations and analyses related to interim events and related facility usage at the Fairgrounds.

Observations of the general usage trends of the Fairgrounds follow:

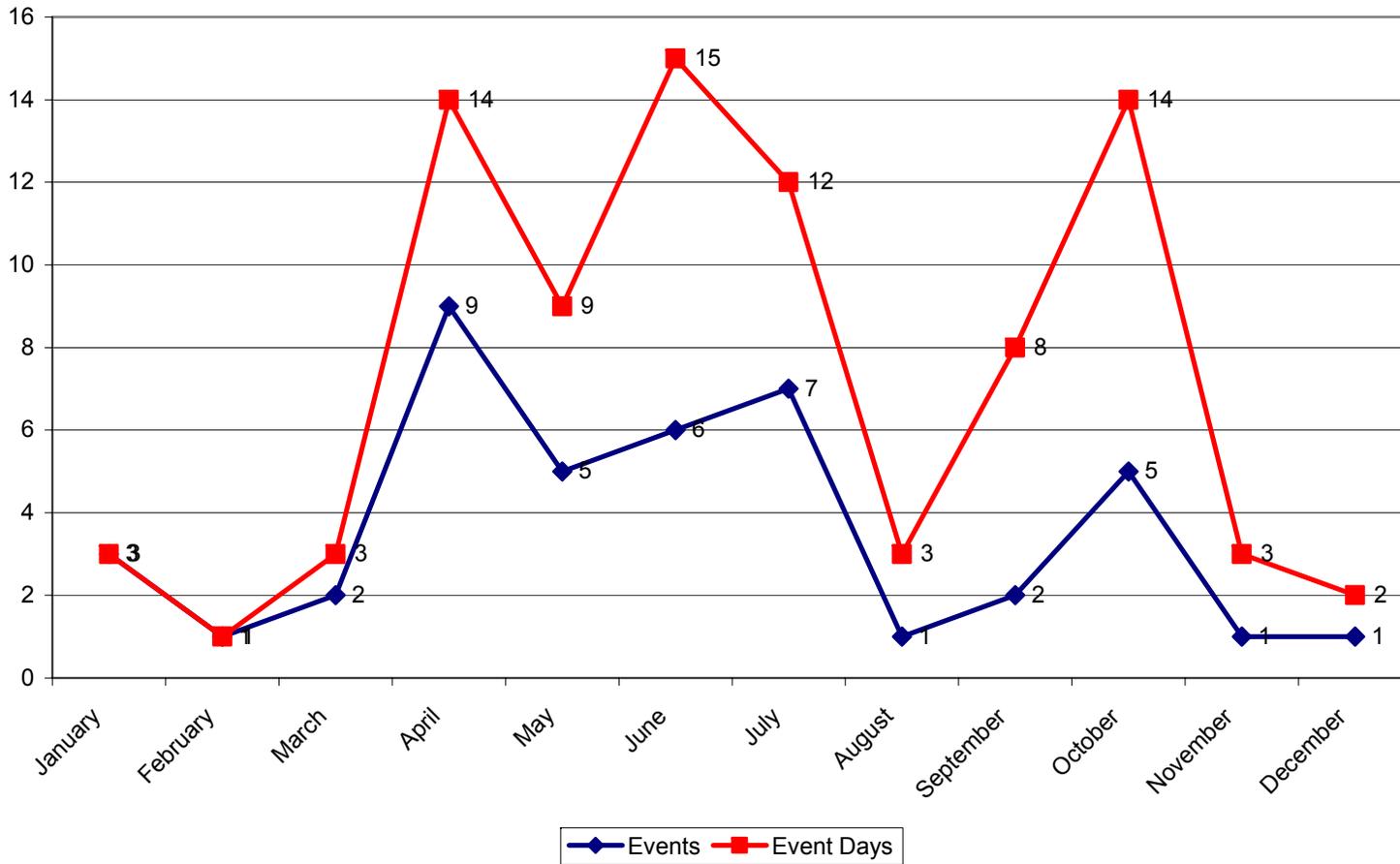
- Excluding weekly auto racing, in 2005, only 43 non-fair events were held at the Fairgrounds, accounting for 87 event days of use.
- The OCB Complex was the most used facility on the Fairgrounds, accounting for 31 event days of use.
- The Expo Building was one of the least used buildings in 2005, with only 6 events and 12 event days.
- The Fairground facilities were used more in the months of April to October than the months of November to March.
- Equine events were the most frequent type of event held at the Fairgrounds, followed by sales and actions.
- Fairground management and staff, along with local committee members, produce two non-fair events each year – Wheel Jam and Scrap Dakota. A third event that was planned for November 2005 (Christmas in the Heartland) was cancelled due to lack of interest by potential exhibitors.

The charts on the following pages illustrate the usage patterns by month and facility for 2005

South Dakota State Fairgrounds Market Demand Analysis

Usage Trends (continued)

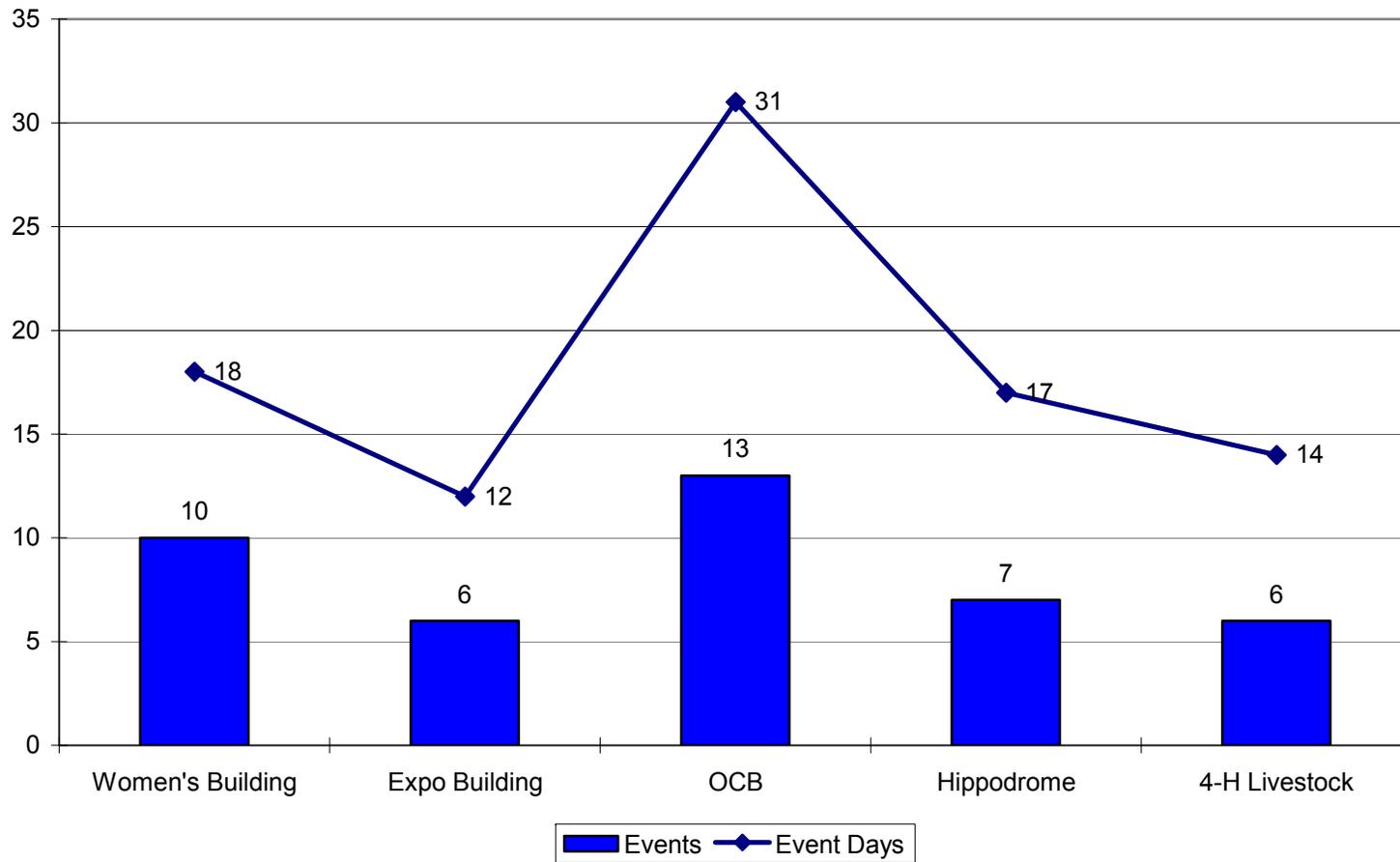
South Dakota State Fairgrounds 2005 Non-Fair Events and Event Days



**South Dakota State Fairgrounds
Market Demand Analysis**

Usage Trends (continued)

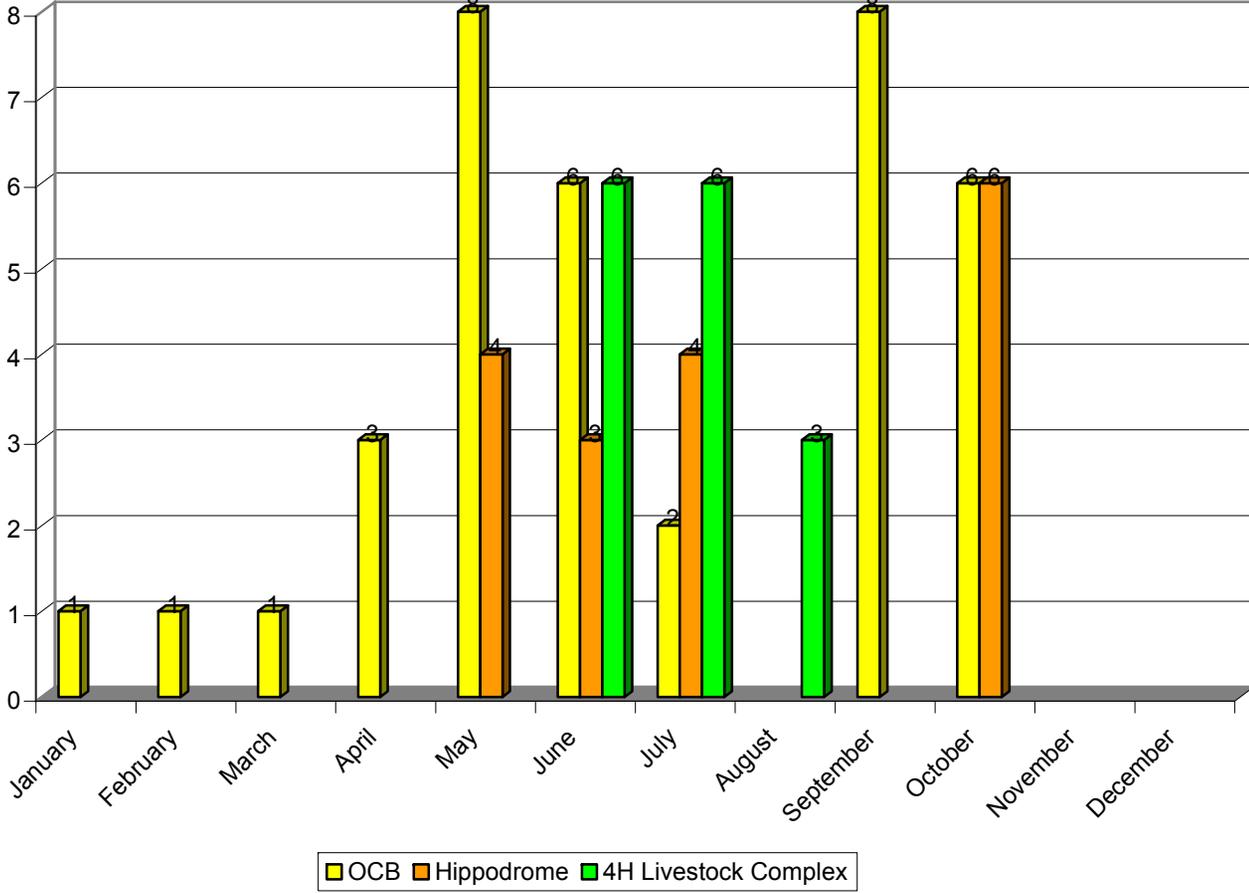
**South Dakota State Fairgrounds
Building Usage - Events and Event Days for 2005**



**South Dakota State Fairgrounds
Market Demand Analysis**

Usage Trends (continued)

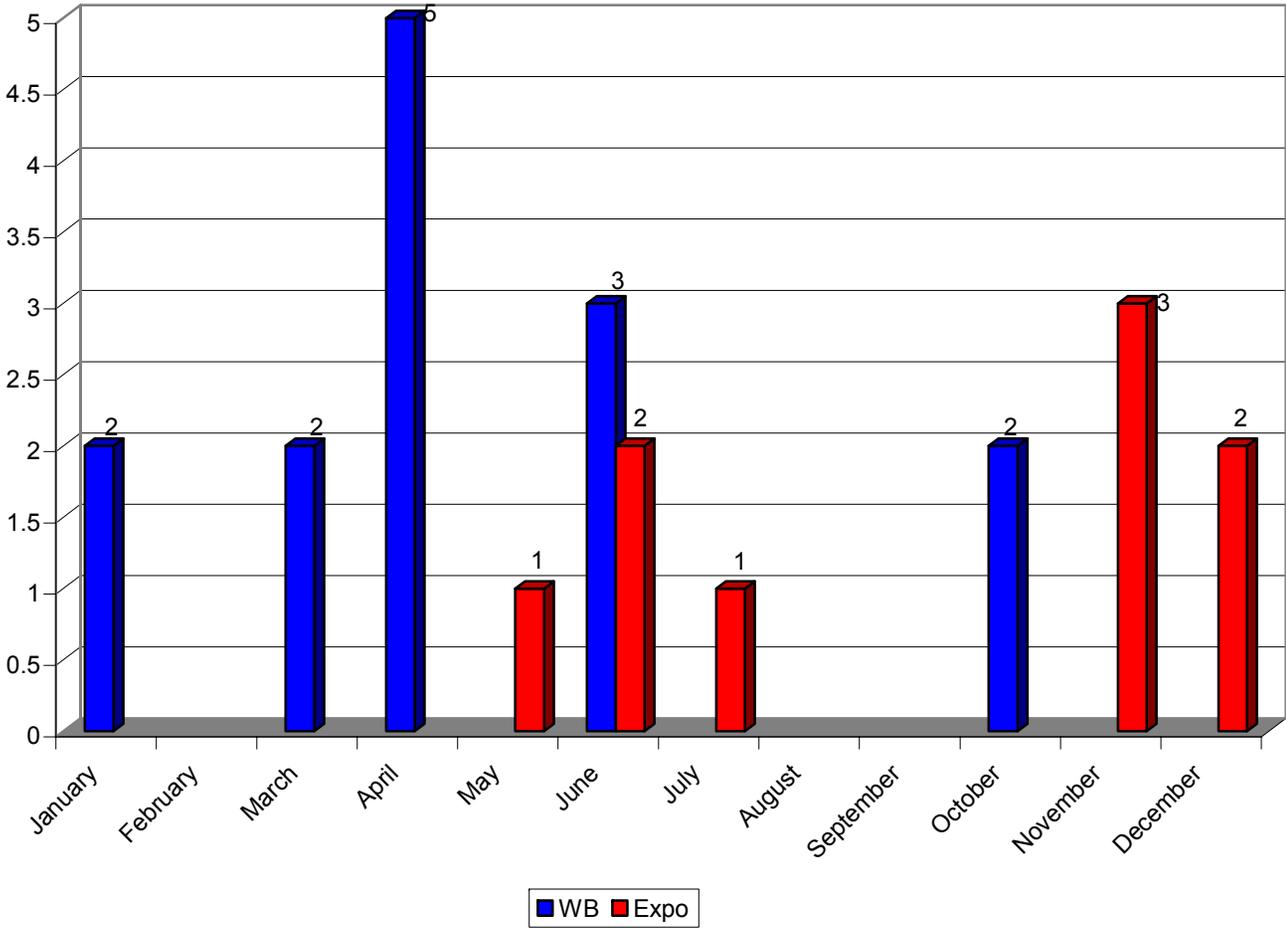
**SD State Fairgrounds
2005 Non-Fair Event Days for OCB, Hippodrome and 4-H Livestock Complex**



**South Dakota State Fairgrounds
Market Demand Analysis**

Usage Trends (continued)

**SD State Fairgrounds
2005 Non-Fair Event Days for Women's Building and Expo Building**



South Dakota State Fairgrounds Market Demand Analysis

Economic and Demographic Trends

For purposes of assessing the impacts of economic and demographic trends on potential activities and events at the South Dakota State Fairgrounds, we identified Beadle County (the County) as the Primary Market Area and the remainder of the counties in the eastern portion of South Dakota as the Secondary Market Area. Following are key economic and demographic trends and factors impacting market opportunities for the Fairgrounds.

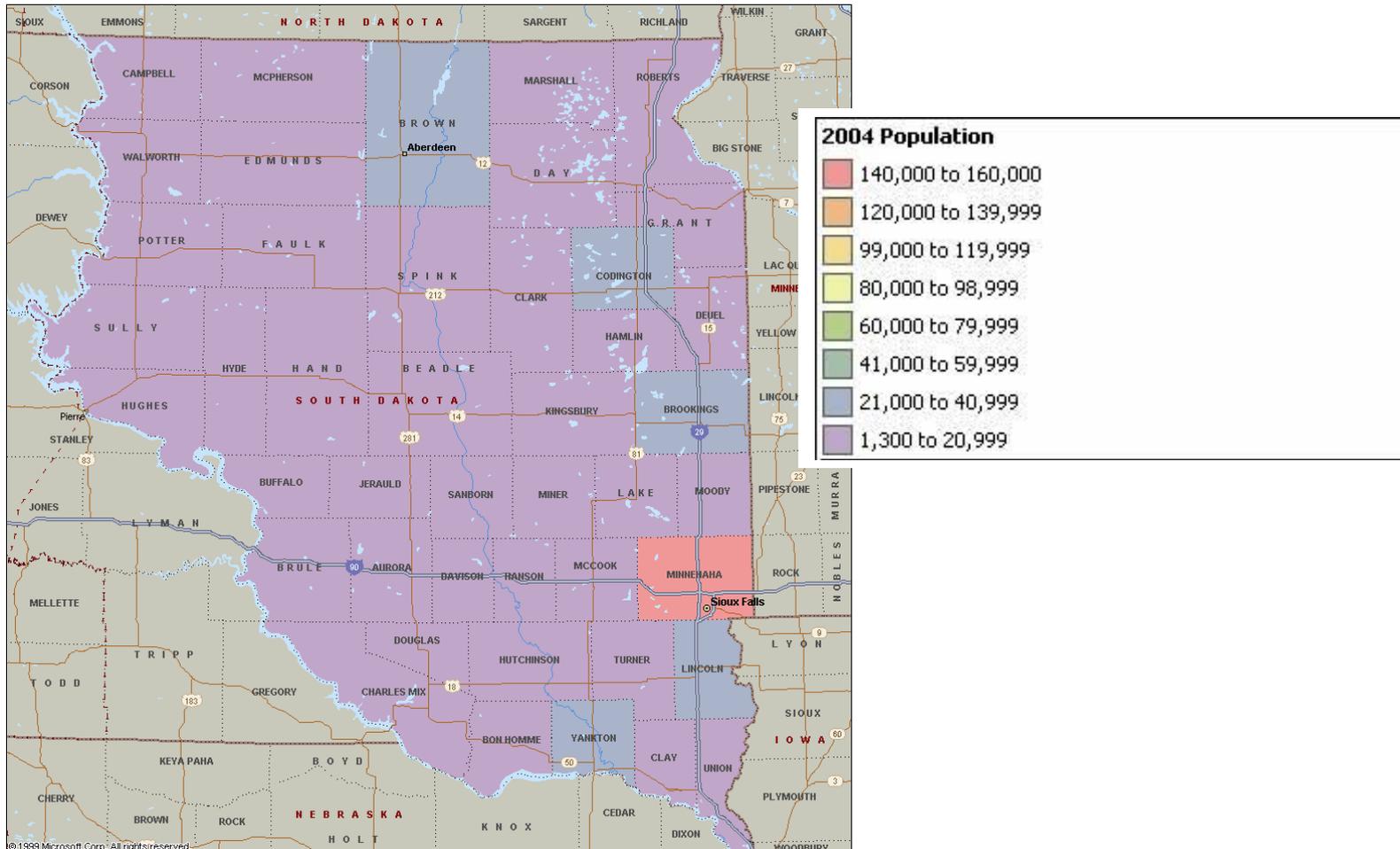
- Huron is the most populated city in Beadle County, with about 11,200 people reported in 2004, according to the US Census Bureau.
- Beadle County's population declined between 1990 and 2000; from 18,253 to 17,023, a 6.7 percent decline. The County's population dropped by another 1,000 people over the 4-year period 2000 to 2004, an additional 5.9 percent decline.
- Similar to the County's population declines between 2000 and 2004, the City of Huron declined by almost 700 people, also a 5.9 percent decline, according to the US Census Bureau.
- The total population of the eastern South Dakota Counties (east of the Missouri River) was approximately 537,300 in 2000, dropping to 527,650 in 2004. According to the US Census Bureau, 37 of the 44 counties in eastern South Dakota (84.1 percent) experienced population declines between 2000 and 2004.
- In 2004, 31 of the 44 counties in eastern South Dakota had populations of less than 10,000 people and 38 of the 44 counties had population of less than 20,000 people. Only counties with either major population centers or with Interstate highway access experienced population growth, such as Minnehaha and Lincoln Counties (Sioux Falls), Davison County (Mitchell), Brookings County (Brookings) and Codington County (Watertown).

The maps on the following pages illustrate the population trends of the Primary and Secondary Market Areas.

South Dakota State Fairgrounds Market Demand Analysis

Economic and Demographic Trends (continued)

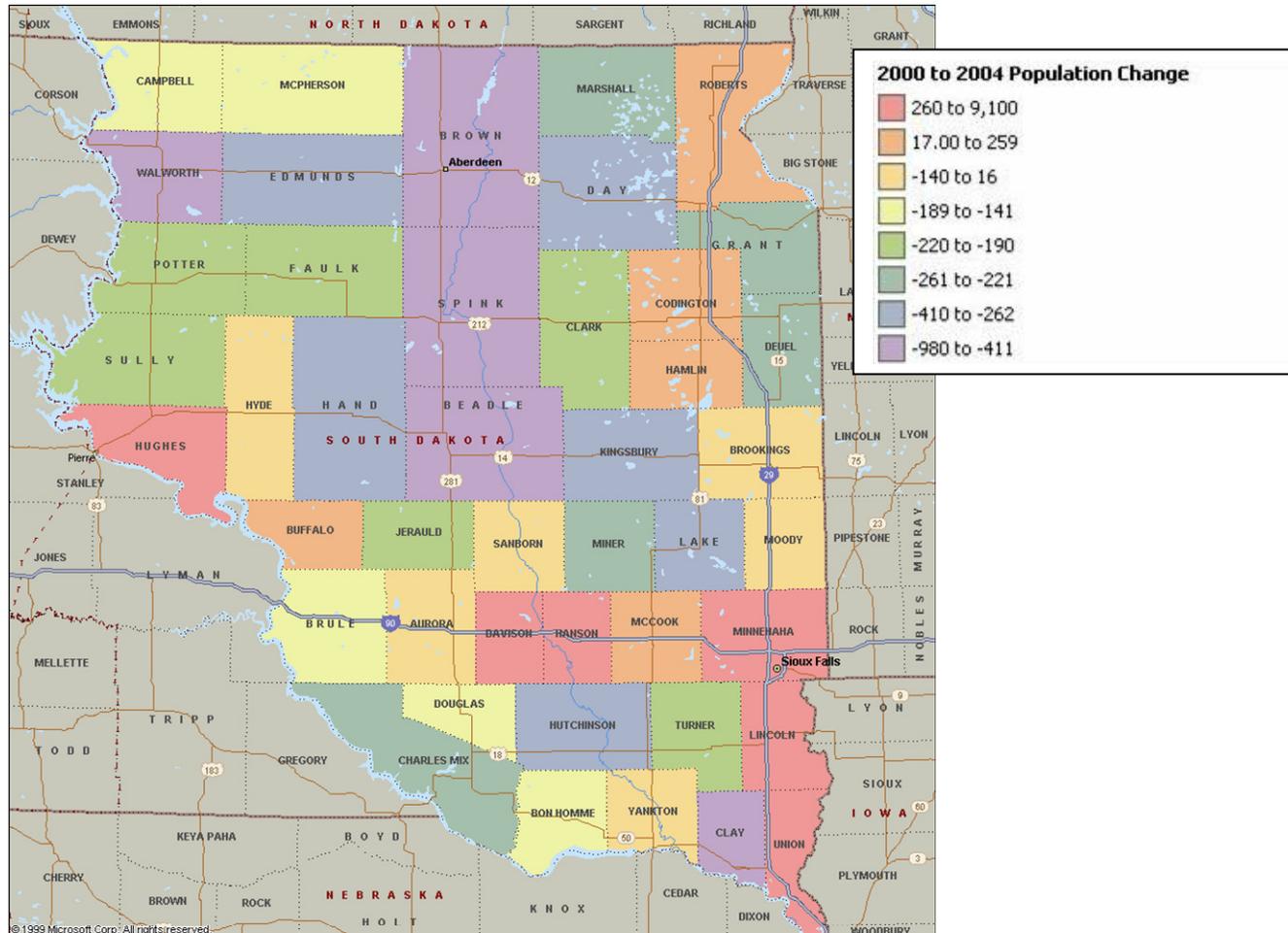
2004 Population Ranges, By County



South Dakota State Fairgrounds Market Demand Analysis

Economic and Demographic Trends (continued)

2004 Population Ranges, By County



South Dakota State Fairgrounds Market Demand Analysis

Economic and Demographic Trends (continued)

- The populations of Beadle County and most of the other counties in eastern South Dakota have fairly high median ages. In 2000, the median age of the population of Beadle County was 40.1 years. The median age of persons living in some of the counties immediately adjacent to Beadle County were as high as 43 to 46 years. In contrast, the median age of the persons living in Minnehaha and Lincoln Counties were about 33 to 34 years. Brookings County had one of the lowest median age statistics (26.6 years) due to the presence of South Dakota State University.
- The 2000 per capita income of persons living in Beadle County was \$17,832, just above the State average of \$17,562. The 2000 median household income in Beadle County was \$30,510, almost 17 percent below the State average of \$35,300 and about 30 percent below the average for household in Minnehaha County (\$42,566).

South Dakota State Fairgrounds Market Demand Analysis

Economic and Demographic Trends (continued)

Summary Observations

- Huron is one of the smallest markets in eastern South Dakota with a major event facility.
- The populations of Beadle County and most counties in eastern South Dakota have been declining and are projected to continue that trend. Related to these declines, the ages of the populations of these counties have been rising, with some of the highest median ages being reported in the counties surrounding Beadle County.
- Despite recent successes in attracting new businesses to the Huron area (e.g., new Wal-Mart store, Dakota Turkey Growers plant), unless additional new businesses are attracted to the Huron area, it is expected that the population of the area will continue to decline.
- The small and declining populations of Huron and Beadle County will limit the overall demand for non-fair events and activities that appeal to local residents, such as public and consumer type shows.

South Dakota State Fairgrounds Market Demand Analysis

Community Resources

Community resources play a vital role in the ability to attract events and activities that require lodging, eat and drinking establishments, sports and recreation, area and regional attractions, retail shops and other visitor support services. We reviewed the following aspects of community resources in the Huron area:

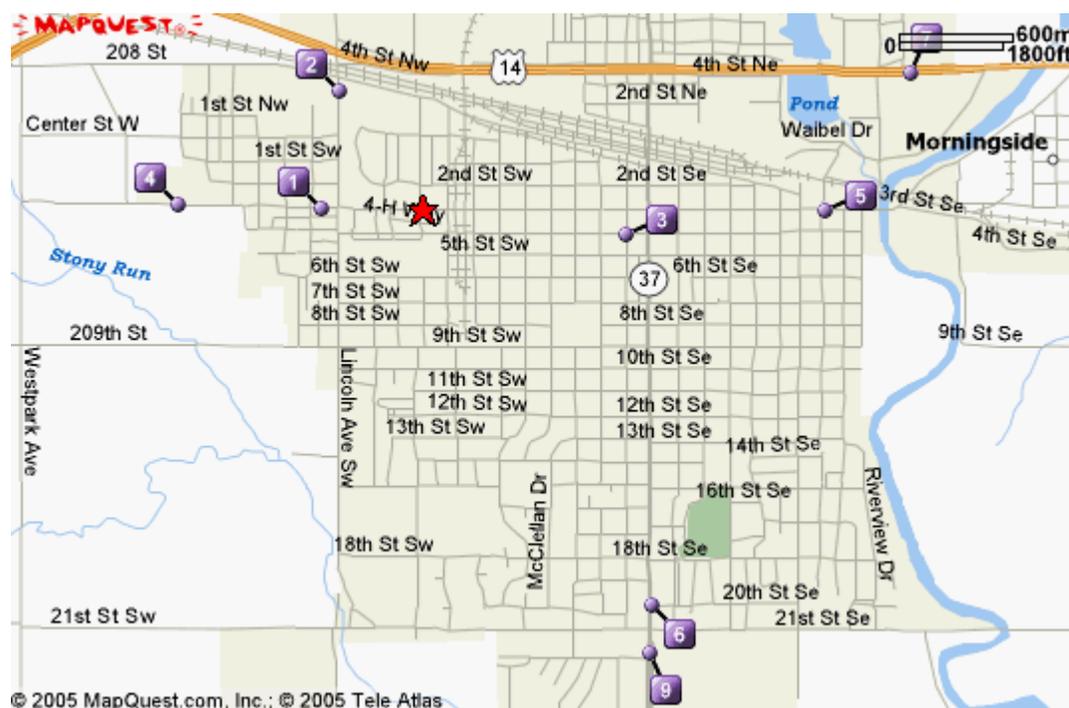
- Lodging
- Retail Shops
- Restaurants
- Area Attractions
- Regional Attractions

South Dakota State Fairgrounds Market Demand Analysis

Community Resources (continued)

Lodging

The Huron area has more than 400 lodging rooms, including both national chain affiliations and locally-owned properties. The map below shows the location of most of the lodging facilities in Huron.



- | | |
|---|---------------------|
| 1 | Bell Motel |
| 2 | Traveler Motel |
| 3 | Crossroads Hotel |
| 4 | West View Motel |
| 5 | Riverside Motel |
| 6 | Best Western |
| 7 | Dakota Inn |
| 8 | Holiday Inn Express |
| 9 | Super 8 |

South Dakota State Fairgrounds Market Demand Analysis

Community Resources (continued)

Retail Shops

The majority of retail shops and outlets in Huron are geared to the local population base. There is a limited number of shops that are geared to visitors, such as crafts and specialty shops. A new Wal-Mart store is under construction on the south side of Huron, on Highway 37, and should increase the attractiveness of Huron for shopping within a multi-county area.

Restaurants

There are a variety of locally owned restaurants and diners in the Huron area, as well as a few national fast-food outlets. There are no national chain, sit-down menu serviced restaurants in Huron.

Area Attractions

A number of area attractions are available for visitors to the area:

- Murals Tours – 16 out-door murals, painted on the sides of downtown buildings, are located throughout the city. New murals are added to the collection annually.
- Dakotaland Museum – Located at the Fairgrounds, this museum has more than 5,000 artifacts, documents, photographs, maps and newspapers that tell the story of the Spirit of Dakota heritage in and around Huron and Beadle County.
- Dakota State Fair Speedway – Also located at the Fairgrounds, this 3/8-mile raceway hosts weekly Saturday night races from May to September, featuring WISSOTA-sanctioned stock car racing.
- Arts and Culture – a variety of arts and cultural events and activities are available throughout the year in Huron, including the Huron Concert Series, Huron Symphony, Stewardship Dinner Theatre, Family Night at Campbell Park, and the Huron Municipal Band.
- Golf – Three courses are available in the Huron area. Broadland Creek National Gold Course is an 18-hole, par 72, public course. Memorial Gold Course is a par 3 executive course and the Huron Country Club is a nine-hole course.

South Dakota State Fairgrounds Market Demand Analysis

Community Resources (continued)

Regional Attractions/Day Trips

A number of day trips to regional attractions are available for visitors to the Huron area, including:

- Laura Ingalls Wilder Museum – DeSmet, South Dakota
- Huron, Riverside and Pearl Creek Hutterite Colonies
- Corn Palace – Mitchell, South Dakota
- Dakota Discovery Museum – Mitchell, South Dakota
- Enchanted World Doll Museum – Mitchell, South Dakota

South Dakota State Fairgrounds Market Demand Analysis

Competitive and Comparable Facilities

To further assess the growth potential for non-fair events and activities, competitive and comparable facilities were identified, researched and analyzed. During the course of the study, we identified a number of potentially competitive facilities both locally and regionally that are used to stage events and activities similar to those identified for the Fairgrounds. The types of facilities we identified include the following:

- Horse Facilities – These are facilities that are used for horse-related shows, events and activities.
- Exhibition Facilities – These are facilities that are host to larger meetings, consumer shows, swap meets and similar events.
- Arena and Spectator Facilities – These are facilities able to host horse shows and horse events, as well as ticketed events – concerts, sporting events, rodeos, and other spectator events.
- RV Parks – Campgrounds/parks for transient use and for rallies and reunions.

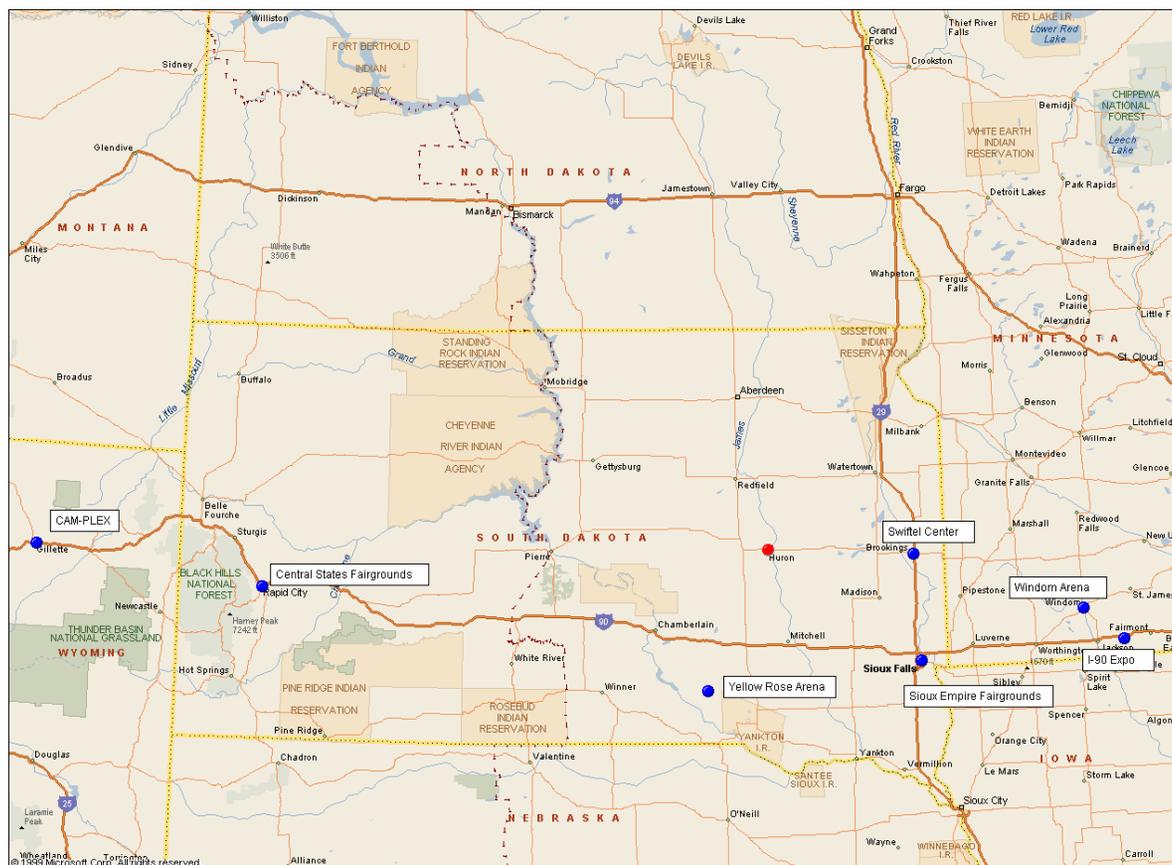
This section presents a summary of our research and assessment of the impact of these competitive facilities.

South Dakota State Fairgrounds Market Demand Analysis

Competitive and Comparable Facilities (continued)

Horse Facilities

We researched and identified seven horse event facilities that provide varying degrees of competition for the South Dakota State Fairgrounds. The location of these facilities is shown below.



South Dakota State Fairgrounds Market Demand Analysis

Competitive and Comparable Facilities (continued)

Horse Facilities (continued)

A review of the general facilities and activities of these competitive horse facilities, combined with interviews of current and potential users of horse facilities at the South Dakota State Fairgrounds revealed the following:

- While the WH Lyons Fairgrounds, home of the Sioux Empire Fair, in Sioux Falls hosts some horse shows, according to some horse promoters that use both the Fairgrounds and the WH Lyons Fairgrounds, the South Dakota State Fairground facilities are the preferred location, due to quality of facilities and staff provided services. Less than 10 horse events are held at this facility each year, including the South Dakota Regional POA Show, 4-H District Horse Show, Bold Heart Barrel Racing, SD Paint Horse Show and the South Dakota Horse Fair.
- The Yellow Rose Arena and the I-90 Expo both host significant numbers of team ropings and barrel race events during the winter months. The I-90 Expo has heated stalls attached to their indoor arena facility.
- CAM-PLEX is by far the most successful in attracting larger regional and national shows, due to the number of stalls and arenas it has for use. The East Pavilion, used for horse events, is a 52,500 square foot building (150' x 350') with a 120' x 270' dirt arena, full climate controls with year-round heating and exhaust fan system. This complex has more than 1,500 stalls, including about 1,200 permanent stalls.
- The Central States Fairgrounds, with its new Penn Event Center, holds a significant number of horse events, including barrel races and other western-style events, breed shows and rodeos. Many of the events held at this facility are local/regional to the Rapid City area and not likely competition for the Fairground facilities. The Penn Event Center includes a 150' x 325' arena, 255 covered stalls and 3 outdoor warm-up rings (all 150' x 325'). A new barn with 92 stalls is being built and is scheduled to be available in the spring of 2006

South Dakota State Fairgrounds Market Demand Analysis

Competitive and Comparable Facilities (continued)

Exhibition Facilities

Two interconnected facilities in the Huron area are considered competitive with exhibition facilities at the Fairgrounds – Huron Arena and the Huron Event Center, which opened in the fall of 2005. The Huron Arena hosts some consumer type shows, including a local home show. Though the newly opened Huron Event Center, connected to the Huron Arena, is intended to host conventions and conferences, the overall need to “fill” that facility will certainly compel its marketing staff to look beyond conventions/conferences and market to events that may be competitive with the Fairground facilities.

The Huron Event Center has an 8,175 square foot main ballroom and another smaller ballroom (3,750 square feet). Combined with the 14,000 square foot Huron Arena, the total available space in these two facilities is almost 30,000 square feet. Below is an illustrated aerial of these facilities.



South Dakota State Fairgrounds Market Demand Analysis

Competitive and Comparable Facilities (continued)

Arena and Spectator Facilities

Existing and proposed spectator facilities were researched and assessed as to their impact on the market potential for events and activities at the Fairgrounds. Eight of these facilities were identified:

- Aberdeen Civic Arena
- Barnett Center
- Corn Palace Arena
- Huron Arena
- SDSU
- Sioux Falls Arena
- Swiftel Center
- Watertown Civic Arena

Aberdeen Civic Arena

Located in Aberdeen, this facility has a 3,000-seat arena facility that is used for a variety of civic, commercial and athletic events.

Barnett Center

Located on the campus of Northern State University in Aberdeen, the 128,000 square foot athletic complex was built in 1987 at a cost of \$8.9 million. The Barnett Center features an 8,000 seat arena, classrooms, six-lane swimming pool, 160-meter track, wrestling and weight-lifting facilities, and basketball, tennis, volleyball, and handball/racquetball/squash courts.

Corn Palace Arena

Located in Mitchell, South Dakota, the Corn Palace Arena is a part of the Corn Palace. It has 3,478 seats (1,772 permanent and 1,706 portable). It can seat between 3,200 and 3,500 people for sporting events or concerts.

Huron Arena

As mentioned under Exhibition Facilities on page 36, the Huron Arena is a 14,000 square foot wooden floor structure with almost 5,500 seats (portable and permanent). It is used for high school sports and civic and commercial activities.

South Dakota State Fairgrounds Market Demand Analysis

Competitive and Comparable Facilities (continued)

Arena and Spectator Facilities

South Dakota State University

Frost Arena, located on the campus of South Dakota State University, is an 8,500 seat arena. Dedicated principally to University use, Frost Arena is used for athletic practices, collegiate sporting events, concerts and other University student activities.

Sioux Falls Arena

Sioux Falls Arena is an 8,000 seat facility that is host to both semi-pro arena football, hockey and basketball. Managed by SMG, this facility is also used for concerts, high school and college-level athletics, circuses, festivals and other events.

Swiftel Center

Located on the east side of Brookings, South Dakota, the Swiftel Center is a 6,000 seat facility (permanent and portable seating). The permanent seating is retractable, creating about 30,000 square feet of exhibit space. Concerts, consumer shows, sales and auctions, wheel events, dances, banquets and a variety of other spectator and participant events are held at this facility.

Watertown Civic Arena

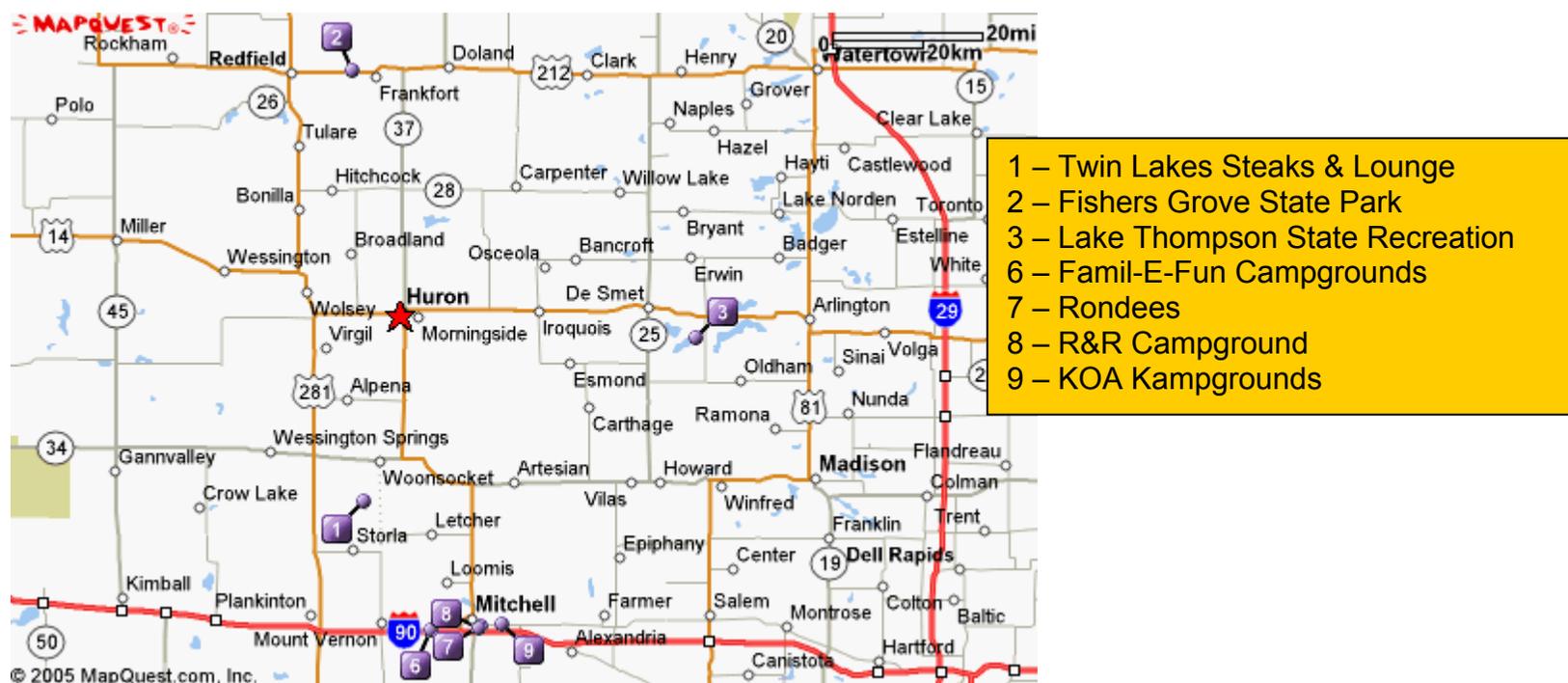
This publicly owned facility (Watertown School District) has about 5,200 seats surrounding a wood floor, a concessions area and on-site parking for about 450 cars. Like other civic arenas, it is used for high school athletic activities, sports tournaments and civic/public activities.

South Dakota State Fairgrounds Market Demand Analysis

Competitive and Comparable Facilities (continued)

RV Facilities

A review of campgrounds and RV facilities in eastern South Dakota revealed those shown in the map below.



Research and review of campgrounds, RV Parks and fairgrounds in South Dakota and surrounding states showed that only the CAM-PLEX Event Center in Gillette, Wyoming specifically and consistently targets regional, national and international RV rallies for rental of facilities. CAM-PLEX has more than 1,700 RV campsites and convention/meeting and dining facilities to host larger RV rallies.

South Dakota State Fairgrounds Market Demand Analysis

Competitive and Comparable Facilities (continued)

Summary Observations

On the basis of our review of competitive and comparable facilities, we noted the following:

- While the Fairgrounds has had (and will continue to have) strong competition from horse event facilities within the regional market area (i.e., CAM-PLEX and Penn Event Center), especially for arena type facilities and larger horse events, its local/state competition is limited, as the Fairgrounds has the largest equine facilities in the eastern South Dakota and western Minnesota area.
- There are a variety of arena/spectator event facilities located throughout the major cities of eastern South Dakota, extinguishing any demand for additional facilities in the Huron area.
- The new Huron Event Center will provide additional competition for events that require flat exhibition facilities, such as the Expo Building.
- The Fairground's camp facilities are the largest of any in the eastern South Dakota region, providing it with opportunities for attracting larger RV rallies.

South Dakota State Fairgrounds Market Demand Analysis

Potential Use Assessment

On the basis of factors affecting demand for facilities at the South Dakota State Fairgrounds (location, area economics and demographics, competitive factors), interviews and surveys of current and potential users of Fairgrounds facilities and our assessment of the optional market opportunities¹ for the future of the Fairgrounds, we believe the following market opportunities exist for the Fairgrounds:

- Equine activities – medium to strong market potential
- Auto events – medium to strong market potential
- RV rallies – medium market potential
- Festivals/unique events – weak to medium market potential
- Consumer shows – weak market potential
- High school tournament play – weak market potential
- Concerts and spectator events – weak market potential
- Banquets and receptions – weak market potential
- Livestock events – weak market potential

We believe that the South Dakota State Fairgrounds are best suited to be a “destination” event facility that hosts/stages events and activities that draw both participants and spectators/patrons from beyond the Huron/Beadle County area. For spectator/patron oriented events, people will travel from a distance for an event **only** if it is unique (unavailable in their local market), well produced and highly marketed.

¹ Weak market potential refers to a minimal number of events that can be attracted to the Fairgrounds, for which specific investment in facilities would not be recommended.

South Dakota State Fairgrounds Market Demand Analysis

New Event Potential

Our assessment of the potential market segments identified the following new events and building uses for the Fairgrounds each year:

Equine Events

- 3 to 4 state/multi-state horse shows
- 2 to 3 regional/national horse shows

RV Rallies

- 3 to 4 state rallies – 100 to 150 rigs
- 1 to 2 regional rallies – 300 to 400 rigs
- 1 to 2 national rallies – 500 to 1,000 rigs

Festivals/Unique Events

- Music or arts festival
- State-wide street rod or similar auto fest
- Ethnic festival

South Dakota State Fairgrounds Market Demand Analysis

Facility Recommendations

For the South Dakota State Fairgrounds to take advantage of existing and potential market opportunities, the following facility improvements and changes are required:

RV Rally Facilities

Overall, the RV camp sites at the Fairgrounds are in excellent condition and lend themselves to ready use for RV rallies. To attract RV rallies that have more than 400 rigs, additional meetings and dining facilities may be needed. Specifically, an additional 15,000 square feet of exhibition/banquet space and restrooms attached to the existing Expo Building would insure the ability to handle meeting and dining needs for up to 800 rigs. In addition, replacement of the single pane glass in the Expo Building and upgrades to the existing restrooms would be needed. Finally, upgrades to the Women's Building restrooms and the addition of air conditioning is recommended.

According to Bullock Smith & Partners' estimates, the costs of upgrading the Expo Building and adding additional space to the north side of the building would be around \$1.8 million, detailed as follows:

	<u>Estimated Costs</u>
Existing Expo Building	
Replace windows, glazing and doors	\$98,300
Upgrade restrooms	30,300
Upgrade of restrooms and AC in Women's Bldg.	<u>280,000</u>
Total Upgrades to Existing Facilities	408,600
Expansion of Expo Building and new restrooms	<u>1,677,100</u>
Total Exhibition/Meeting and Dining Facility Costs	<u>\$2,085,700</u>

South Dakota State Fairgrounds Market Demand Analysis

Facility Recommendations (continued)

Horse Event Facilities

While the existing horse show promoters that use the Fairground's facilities feel they are more than adequate, a few needed upgrades were noted by a few groups. One is for new lighting in the Hippodrome and another is for a ventilation system in the OCB Complex. According to Bullock Smith & Partner's estimates, the cost of new lighting in the Hippodrome is estimated at about \$160,000. The cost of installing a ventilation system in the OCB Complex is estimated at \$755,000. To further attract multi-state, regional and national shows, sometime in the future, an additional out-door warm up ring and replacement of the Pony Barns may be warranted in the future, though not at this time.

Other Facility Recommendations

Other recommendations for facility improvements/enhancements include:

- Upgrades to the grandstand, including restrooms, concessions and concession equipment, electrical upgrades and general paint and cosmetic repairs – estimated costs of \$880,000.
- Addition of decorative fencing and access gates along the north side of 3rd Street to allow for paid events, such as Wheel Jam – estimated costs of \$119,000.
- Future upgrades to camp sites, including adding water to 250 of the sites on the south side of the grounds – estimated costs of \$212,000 – could be done as needed.

A detailed analysis of Bullock Smith & Partners' estimated costs of upgrades and additions is presented in Exhibit A.

South Dakota State Fairgrounds

Financial Feasibility Analysis

Overview

This section presents the projected revenues and expenses before debt service for certain future operations of the South Dakota State Fairgrounds. The projected statements of revenues and expenses are based on (1) the projected new events and activities identified in the Market Demand Analysis portion of this report, (1) recommended rental rates and operating policies presented in this document, (3) the estimated revenues that could be realized from the potential market segments and (3) the estimated expenses associated with operating the Fairgrounds as recommended. The projections, and assumptions herein, represent revenues and expenses associated with operating certain aspects of the Fairgrounds during non-fair times of the year. There will usually be differences between the estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

South Dakota State Fairgrounds Financial Feasibility Analysis

Recommended Rental Policy Actions

Existing Facilities

During the course of our study, we identified a number of changes that the South Dakota State Fairgrounds could make with its existing facilities and operations to generate additional revenues. A review of the pricing of major facilities at the Fairgrounds, compared with competitive facilities, and considering the general conditions of the Fairground facilities indicates that the daily rental rates should be as presented in the table at right.

We recommend that rates be adjusted annually.

In addition, concession contracts with third party vendors should be no less than 30% of gross sales.

South Dakota State Fairgrounds Recommended Market Rates for Existing Facilities

Facility	Square Footage	Rate per Sq. Ft.	Daily Rate	Utilities Included?	MIMO Charge
Expo Building	14,700	\$0.040	\$600	No	\$300
Women's Building - Exhibit Space Only	7,500	\$0.040	\$300	No	\$150
Women's Building - Auditorium	N/A	\$0.040	\$300	No	\$150
Entire Women's Building	N/A	\$1.040	\$600	No	\$300
Hourly Use of Auditorium			\$50		
Open Beef Complex					
Horse Events - Daily, No Stalls	96,000	\$0.020	\$2,000	No	N/A
Horse Events - Daily, With 100 Stall Minimum		\$0.010	\$1,000	No	N/A
Horse Events - Stalls in OCB Complex			\$20	N/A	N/A
Horse Events - Stalls in Other Facilities			\$15	N/A	N/A
Hippodrome					
Horse Events - Daily, No Stalls	50,760	\$0.020	\$1,000	Yes	N/A
Horse Events - Daily, With 100 Stall Minimum		\$0.010	\$500	Yes	N/A
Horse Events - Stalls in Hippodrome			\$20	N/A	N/A
Horse Events - Stalls in Other Facilities			\$15	N/A	N/A
RV Campsites					
Daily Use - Transient, Full Hook-Ups			\$25		N/A
Daily Use - Transient, Electric Only			\$18		N/A
RV Rallies			\$18 to \$22		N/A

South Dakota State Fairgrounds Financial Feasibility Analysis

Operating Recommendations/Options

To effectively retain existing non-fair events, attract potential new events and maximize net revenues, it is imperative that the Fairgrounds management and staff address two key issues: Marketing and Customer Service.

Marketing

Like most fairgrounds throughout the United States, the South Dakota State Fairgrounds has limited resources marshaled in its efforts to market its facilities for non-fair events. Recent cut-backs in staffing and other expenditure areas have made it impossible to market the Fairground facilities. In addition, the Fairgrounds has no formal market strategy or plan.

We recommend the development of a detailed marketing plan that identifies (1) target markets, (2) image definition, (3) products and services (4) customer service strategies, (5) approaches to promotion and advertising, and (6) a marketing budget. We highly recommend the State approve the creation of a new marketing position (Sales Assistant) for the Fairgrounds. This position should be responsible for researching, identifying, contacting, qualifying and signing users of facilities for year-round events and activities.

Customer Service

During the course of our study, interviews with current users of the Fairgrounds revealed on-going problems with customer service issues, particularly in the communication area. Many users indicated that they did not know who to talk to about particular matters – building use, contract issues, etc. – and, as a consequence, they didn't talk to anyone. It is imperative that the Fairgrounds identify one person to handle **all** building use issues and another person to handle administrative contract and billing issues.

South Dakota State Fairgrounds Financial Feasibility Analysis

Projected Revenues and Expenses

We have estimated the financial impacts relating to our recommendations concerning rental rate changes, new event potential, marketing of the Fairgrounds for non-fair events, and possible operations of the race track by Fairgrounds staff. All amounts are presented in 2005 current year dollars.

Rental Rate Changes

Using the recommended rental rates shown on page 46 for existing Fairground facilities, we estimate additional annual revenues of \$25,000 to \$30,000 could be generated, based on the events held at the Fairgrounds in 2005.

New Event Potential

Three areas of new event potential exist, based on the recommended market segments and implementation of certain facility improvements – Horse Events, RV Rallies and Festivals/Special Events. The estimated impacts of these events are presented on the following pages.

Horse Shows

Based on the identified new horse shows presented on page 42, it is estimated that those events could generate almost \$226,000 as follows:

Facility Rental Income	\$39,600
Concession Income	9,200
Stall Income	165,000
Bedding Income	12,000
Camping Income	24,000
Estimated Expenses	<u>-24,000</u>
Total Potential Income	<u>\$225,800</u>

Exhibit B presents the detailed calculations and assumptions concerning the potential new horse shows. These horse shows would have a significant economic impact on both Huron and the State of South Dakota.

South Dakota State Fairgrounds
Financial Feasibility Analysis

Projected Revenues and Expenses (continued)

RV Rallies

Based on the estimated RV rallies that could be attracted to the Fairgrounds, as presented on page 42, it is estimated that these rallies could generate more than \$180,000 in net revenues

SOUTH DAKOTA STATE FAIRGROUNDS -- RV RALLY REVENUE POTENTIAL

CAMPING INCOME POTENTIAL						
<u>EVENT</u>	<u>NUMBER OF EVENTS</u>	<u>ASSUMED SITES</u>	<u>NUMBER OF DAYS</u>	<u>TOTAL SITES</u>	<u>ASSUMED RENTAL \$</u>	<u>INCOME</u>
STATE RV RALLIES	3	150	3	1,350	\$20.00	\$27,000
REGIONAL RV RALLIES	2	400	4	3,200	\$20.00	64,000
NATIONAL/INTERNATIONAL RV RALLIES	1	750	5	<u>3,750</u>	\$20.00	<u>75,000</u>
				<u>8,300</u>		<u>\$166,000</u>
EXHIBIT BUILDING INCOME POTENTIAL						
<u>EVENT</u>	<u>NUMBER OF EVENTS</u>	<u>NUMBER OF DAYS</u>	<u>FACILITIES RENTED</u>		<u>TOTAL</u>	
			<u>EXPO BLDG</u>	<u>WOMENS</u>		
STATE RV RALLIES	3	3	5,400	0		5,400
REGIONAL RV RALLIES	2	4	4,800	2,400		7,200
NATIONAL/INTERNATIONAL RV RALLIES	1	5	3,000	1,500		<u>4,500</u>
						<u>\$17,100</u>
TOTAL REVENUE POTENTIAL						<u>\$183,100</u>

In addition to the revenues generated by the Fairgrounds, these events generate a significant amount of economic impact before, during and after each RV rally.

South Dakota State Fairgrounds Financial Feasibility Analysis

Projected Revenues and Expenses (continued)

Festivals/Special Events

In recent years, the Fairgrounds staff and local community supports have staged Wheel Jam, a combination of a classic car show, semi competitions, auto races, flea market and dance. Because of a lack of security fencing and gates along 3rd Street, this has been a free event to the public. According to management of the Fairgrounds, absent bad weather, Wheel Jam has attracted about 4,000 to 5,000 people each year.

Assuming that (1) decorative fencing and gates were installed along the north side of 3rd Street, (2) an average admission charge of \$5 per person (per day) was instituted and (3) a 20 percent decline in attendance occurred due to charging for admission, it is estimated that this event could generate an additional \$10,000 to \$15,000, after costs of security, ticket sellers and takers, tickets and reductions in beer and food sales.

Other festivals/special events could be developed and held at the Fairgrounds, such as Celtic Festival, Irish Festival, Hutterites. Similar to the success of Wheel Jam and with the security fencing, such an event could generate between \$25,000 and \$35,000 in net revenue for the Fairgrounds.

Marketing of the Fairgrounds

As discussed previously in this report, it is imperative that a marketing plan be developed and implemented. The plan should include the hiring of a person to research, identify, contact, qualify and sign users of facilities for year-round events and activities. The additional cost of this person is estimated at \$40,000, including benefits and taxes. In addition, other costs need to be incurred such as increased phone charges, postage and mailing materials, advertising in publication, brochures and travel expenses. These costs are estimated to range between \$25,000 and \$35,000 per year.

South Dakota State Fairgrounds
Financial Feasibility Analysis

Projected Revenues and Expenses (continued)

Race Track Operations

Using information from Fairgrounds management, Dakota Promotions (previous race track operator), WISSOTA representatives and our knowledge of auto racetrack operations, we developed revenue and expense projections, assuming the Fairgrounds operates the weekly races held at the grandstand. All amounts are presented in current year dollars.

Operating Revenues

For purposes of the projections, it is assumed that the Fairgrounds staff would operate the auto race track as a WISSOTA sanctioned track on Saturday nights. The weekly race season for the race track is assumed to run from April through September with a major opening event weekend.

Weekly race revenues are projected to consist of the following components:

State Fair Race Track	
Projected Weekly Race Revenues	
Revenue source	Amount
Admissions	\$292,000
Entry fees and crew	105,000
Concessions and novelties	100,000
Sponsorships and signage	33,000
Total weekly race revenues	<u>\$530,000</u>

Admission Revenues

For purposes of the projections, it is assumed that the number of races, by type, estimated paid attendance, ticket prices, and ticket types for the first year of operation are as shown in the following table.

South Dakota State Fairgrounds
Financial Feasibility Analysis

Projected Revenues and Expenses (continued)

State Fair Race Track Admission Revenues			
	Weekly Racing	Opening Weekend	Major Race
Number of races	15	1	1
Paid ticket sales per race	1,500	2,500	2,500
Ticket sales distribution			
Adult	70%	70%	70%
Youth/senior	25%	20%	20%
Pit pass	<u>5%</u>	<u>10%</u>	<u>10%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>
Ticket prices			
Adult	\$10	\$15	\$15
Youth/senior	\$7	\$10	\$10
Pit pass	\$20	\$20	\$20
	Weekly	Opening	Opening
Admission revenue	<u>Racing</u>	<u>Weekend</u>	<u>Weekend</u>
Adult	\$158,000	\$26,300	\$26,300
Youth/senior	39,000	5,000	5,000
Pit pass	<u>23,000</u>	<u>5,000</u>	<u>5,000</u>
Total	<u>\$220,000</u>	<u>\$36,300</u>	<u>\$36,300</u>

South Dakota State Fairgrounds
Financial Feasibility Analysis

Projected Revenues and Expenses (continued)

Entry fees and crew income are amounts paid by each driver and car and the crew that accompanies the driver. For purposes of the projections, the assumed number of cars/drivers, crew and crew per car, as well as entry fees and pit pass costs for the crew are shown below:

South Dakota Race Track
Entry Fees and Crew Revenue Assumptions

	Weekly Races	Opening Weekend	Major Race
Number of races	15	1	1
Number of cars/drivers	90	120	120
Number of people per car	3	4	4
Entry fees – car/driver	\$20.00	\$25.00	\$25.00
Pit passes – crew	\$20.00	\$25.00	\$25.00

Concession Revenues

For purposes of the projections, it is assumed that the Fairgrounds would operate the food and beverage concessions and would net an average of 50 percent of the gross sales of food and beverage. Concession revenues (food, beverage and beer) for the weekly races are based assumed to be \$6.50.

In addition to food and beverage revenues, it is assumed that the Race Track operations would receive 10 percent of all novelty sales occurring at each race event. For purposes of the projections, it is assumed that novelty sales would range between \$0.50 and \$0.60 per person for the racing events.

Sponsorships and Signage

The Race Track operation is expected to generate revenue from sponsors of events and the sale of signage. For purposes of the projections, it is assumed that the Race Track would generate \$23,000 and \$10,000 in sponsorship and signage revenue, respectively.

South Dakota State Fairgrounds
Financial Feasibility Analysis

Projected Revenues and Expenses (continued)

Race Expenses

This section presents the assumptions for the race-related expenses for the Race Track being run by the Fairground staff. These expenses are presented in current dollars. The race expenses are based on the historical operations of Dakota State Fair Speedway, experience of other tracks in the United States, the results of other short-track operations in the U.S and input from WISSOTA. The table below shows the estimated race day expenses for operation of the Race Track.

<u>Race Expenses</u>	
Advertising	31,000
Ambulance	5,000
Announcer	5,000
Clean up	10,000
Electricity	6,000
Fire crew	7,000
Insurance	20,000
Miscellaneous	3,000
Officials	9,000
Points fund	11,000
Purses	180,000
Sanctioning fees	4,000
Security	9,000
Tickets and bands	2,000
Track payroll	14,000
Trophies	2,000
Water & sewer	<u>3,000</u>
Total race expenses	<u>321,000</u>

South Dakota State Fairgrounds
Financial Feasibility Analysis

Projected Revenues and Expenses (continued)

Non-racing expenses represent non-allocable expenditures for salaries, wages and benefits, general and administrative costs, and repairs and maintenance. General and administrative costs include office costs, postage, phone and other costs. The table below shows the expected staffing plan, salaries and wages and other non-racing expenses.

State Fair Race Track			
Estimated Staffing and Non-Racing Expenses			
<u>Staffing</u>	<u>Number</u>	<u>Salary</u>	<u>Year 1</u>
Race Director	1	\$50,000	\$50,000
Assistant	<u>1</u>	18,000	<u>18,000</u>
Total	<u>2</u>		\$68,000
Benefits and taxes	35%		<u>23,800</u>
Total wages			<u>\$91,800</u>
 <u>Non-racing expenses</u>			<u>Year 1</u>
Salaries, wages & benefits			\$92,000
General & administrative			10,000
Repairs & maintenance			<u>15,000</u>
<u>Total non-racing expenses</u>			<u>\$117,000</u>

Below is a summary of the projected race track operations:

South Dakota State Fairgrounds Race Track	
Estimated Revenues and Expenses	
	<u>Amount</u>
Weekly race revenues	\$530,000
Race Expenses	(321,000)
Non-Race Expenses	<u>(117,000)</u>
Net cash flow	<u>\$92,000</u>

South Dakota State Fairgrounds
Financial Feasibility Analysis

Projected Revenues and Expenses (continued)

Below is a summary of the potential revenues and expenses associated with the rental rate recommendations, the potential new and expanded market segments, additional marketing costs and staffing, and the Fairgrounds operating the auto race track.

Revenue/Cost Items	Net Revenue (Cost)	Costs of Necessary Improvements	Return on Investment
Rental Rate Changes	\$25,000	N/A	N/A
Horse Shows	225,800	\$915,000	24.7%
RV Rallies	183,100	\$409,000 to \$2,085,700	8.8% to 44.8%
Wheel Jam and New Festival	42,000	\$119,000	35.40%
Marketing Costs	(70,000)	N/A	N/A
Race Track Operations	<u>92,000</u>	\$880,000	10.5%
Total Annual Impacts	<u>\$497,900</u>		

South Dakota State Fairgrounds Financial Feasibility Analysis

Funding Options

A review of funding options for the Fairgrounds to invest in new and upgraded facilities or for specific marketing assistance appears to limit the options to the following:

Traditional Sources of Funding

Traditional sources of funding for any enterprise consist of equity and loans. Equity funding would most likely come from the State of South Dakota. Loans are unlikely sources for the South Dakota State Fairgrounds due to the significant losses from operations and the lack of securable assets.

Sponsorships/Exclusive Rights

Selling the naming rights for facilities or granting exclusive rights to food and beverage concessions and other service companies have become an important revenue source for public assembly facilities throughout the United States. These kind of sponsorships/exclusive rights work best in highly populated areas where facilities have “high traffic counts” on a year round basis. Absent a “friend of the Fair” benefactor, it is doubtful that any significant dollars could be raised at this time from sponsorships and exclusive rights.

Grants

Sources of grant dollars for special economic development projects and upgrades to existing Fairgrounds facilities or the construction of new facilities at the Fairgrounds include the following:

- Community Development Block Grants (CDBG) – Administered by the State of South Dakota, Planning and Housing Development, on behalf of the federal government, the Fairgrounds may qualify for some funding. CDBG Program provides funds on a competitive basis for local housing, public and community facilities, economic development and planning projects that principally benefit low- and moderate-income households. Eligible applicants must meet certain population size restrictions and not participate as members of the U.S. Housing and Urban Development (HUD) Entitlement Cities (Sioux Falls and Rapid City). It is advisable to determine if State property/operations would qualify for CDBG funding.

South Dakota State Fairgrounds Financial Feasibility Analysis

Funding Options

- Economic Development Administration (US Department of Commerce) – A few of EDA programs may be available to the Fairgrounds – EDA Adjustment Assistance Grants and Technical Assistance Grants. Descriptions of these programs are included in Exhibit C. These programs are designed to assist State and local interests in enhancing the local economies, including the creation and support of local jobs.
- Rural Business Opportunities Grant (RBOG) – The purpose of the RBOG program is to promote sustainable economic development in rural communities.
- South Dakota Community Foundation (SDCF) Unrestricted Grants – The SFCF makes grant awards from its endowment funds in the areas of economic development and other areas of community need.
- Value Added Tourism Subfund – Though principally a loan, the symbiotic relationship between the Department of Tourism and the State Fairgrounds should provide some funding/assistance from the Department of Tourism in the area of marketing and special projects for the Fairgrounds that attracts more visitors to the State. RV rallies and national/international horse shows would clearly fall into this category.

Exhibit C presents additional details concerning potential funding sources.

South Dakota State Fairgrounds

Financial Feasibility Analysis

Implementation

Vision for the Fairgrounds

We believe that the best opportunities for increasing non-fair usage of the Fairground's facilities and generating more net revenues is to position the Fairgrounds as a "destination" facility, attracting events and activities that bring visitors to the Huron area – principally horse shows, RV rallies and special events and festivals.

Implementation

To successfully market the Fairground facilities to larger regional/national horse shows, RV rallies and special events/festival, certain operational and facility changes need to be implemented, as follows:

Within the Next Year

- Develop a comprehensive marketing plan for non-fair activities
- Secure long-term funding for a dedicated staff person who handles marketing of the Fairgrounds for non-fair activities
- Implement rental rate recommendations, including a policy of increasing rates on an annual basis
- Add heating and ventilation to the OCB Complex
- Install decorative fencing and new gates on north side of 3rd Street
- Upgrade the Expo Building with new windows, doors and rest room upgrades
- Develop a specific plan concerning the future operation of the race track, including upgrades of concessions, restrooms, electrical and general appearance

Within the Next 2 to 4 Years

- As larger RV rallies and horse shows are contracted to host events at the Fairgrounds, expand the Expo Building
- As larger horse shows are contracted, upgrade lighting in the Hippodrome

Exhibits



November 28, 2005

**Consultants in
Fairground
Planning and
Design**

Southern Station
306 West Depot Avenue
Suite 201
Knoxville, TN 37917
(865) 546-5772
(865) 546-0495 FAX
knox@bullocksmith.com
www.bullocksmith.com

Charles D. Smith
David L. Forkner
Kenneth M. Moffett
Stephen L. White
P. Michael Hayes
John W. Endsley
Craig G. Hausman
Curtis E. Catron
Paul F. Palko
Thomas M. Wade
Paul B. Law
W. David Harper
Donald E. McCrary
Frances W. Hook
Cassandra McGee

Mr. Rodney Markin, President
Markin Consulting
120 Woodland Pond Park
Maple Grove, MN 55369

Via Email & Fax

South Dakota State Fair Cost Projections

Detailed Nov. 28, 2005

The following Order of Magnitude Cost Projections are presented based on cursory visual observations, allowances, historic data and national costs indicators. No detailed architectural or engineering studies were developed. All projections are in U.S. dollars. Actual costs may vary.

Exposition Building Expansion and Upgrades

Glazing: Windows and Doors

- Replace glazing on 3 sides (new construction on 4th) with insulated panels:
2,030 sf @ 27.50/ sf = \$55,825
- Replace man doors with insulated units: 8 @ \$2,250 ea. = \$18,000
- Demolition: 10% of construction costs = \$ 7,382

Restroom Upgrades (Assume 800 sf)

- Floor tile @ \$10/ sf = \$8,000
- Six (6') tile wall wainscot; 865 sf @ \$6/ sf = \$5,190
- Paint, vanities, participations, mirrors and lighting fixture general upgrades (\$15/sf allowance) = \$12,000

Additional Exhibition Space (15,000 net sf + 1,500 restrooms and support)

- 16,500 gross sf @ \$80/sf = \$1,320,000
- Demolition: 5% of construction costs: \$66,000

Subtotal construction: \$1,492,397

10% Contingency: \$149,239

10% A/E Fees : \$164,163

Order of Magnitude Cost Projection: \$1.8 Million (\$1,805,799)

Women's Building Upgrades

Restroom Upgrades

- Assume same as in Expo Building = \$28,000
- HVAC: 16,000 gross sf @ \$12/sf = \$192,000
- Demolition: 5% of construction costs: \$11,000

Subtotal: \$231,000

10% Contingency: \$23,100

10% A/E Fees: \$25,410

Order of Magnitude Cost Projection: \$280,000 (\$279,510)

Grandstand Upgrades

Restroom Upgrades and Additions

- Assume 8,312 seats / 50% male / 50% female
- 124 Water closet/ urinals and 49 lavatories
- 173 fixtures @ 20 sf/ fixture = 3,460 gross sf
- 3,460 gross sf @ \$150/ sf average for new construction and renovations/ demolition = \$519,000
- Demolition: 5% of construction costs = \$25,950

Concessions

- Fry hoods: 2@ \$4,000 = \$8,000
- Ranges: 2@\$5,000 = \$10,000
- Fryers: 4@\$2,000 = \$8,000
- Beverage coolers: 4@\$4,000 = \$16,000
- Pizza ovens: 4@\$2,000 = \$8,000
- Walk-in refrigerator: 240 sf @ \$75/sf = \$18,000
- Installation: 2% of equipment costs = \$1,360

Electrical Upgrades

- Assume 6,000 gross sf @ 2 levels
- Upgrade lighting and building distribution
- Assume 50% replacement @ \$4.00/ sf
- 12,000 gross sf @ \$4.00/sf = \$48,000
- Demolition: 10% of construction costs = \$4,800

Common Upgrades

- Paint, cosmetic repairs and general refurbishing
- 12,000 sf @ \$5/sf = \$60,000

Subtotal: \$727,110

10% Contingency: \$72,711

10% A/E Fees: \$79,982

Order of Magnitude Cost Projection: \$880,000 (\$879,803)

Replacement of Pony Barns

- 500 10'x10' box stalls
- Enclosed building
- \$ 35/sf (including stall) or \$5,600/ stall
- 500 @ \$5,600 = \$2,800,000
- Demolition: 2% of construction costs = \$56,000

Subtotal: \$2,856,000

5% Contingency: \$142,800

10% A/E Fees: \$299,880

Order of Magnitude Cost Projection: \$3.3 Million (\$3,298,680)

Hippodrome Upgrades

- Re-lamp 25% of the fixtures and associated electrical
- 50,760 gross sf @ \$2.00/sf = \$101,520
- Install 30 4'x4 dome skylights @ \$625 ea. = \$18,750
- Demolition: 10% of construction costs: \$12,000

Subtotal: \$132,270

10% Contingency: \$13,227

10% A/E Fees: \$14,549

Order of Magnitude Cost Projection: \$160,000 (\$160,046)

Open Class Beef Building

- Add gas fired heaters and power ventilation
- Assume 96,000 gross sf @ \$6/sf = \$576,000
- Replace insulation
- Assume 5,000 sf@\$5/sf = \$25,000
- Demolition: 2% of construction costs: \$13,700

Subtotal: \$614,700

10% Contingency: \$61,470

10% A/E Fees: \$78,857

Order of Magnitude Cost Projection: \$755,000 (\$755,027)

Fencing

- Decorative fencing
- 1,700 lf @ \$50/lf = \$85,000
- 6 gates @ \$3,000 ea. = \$18,000

Subtotal: \$103,000

5% Contingency: \$5,150

10% A/E Fees: \$10,815

Order of Magnitude Cost Projection: \$119,000 (\$118,965)

RV Upgrades

- 3,000 lf of distribution pipes @ \$50/lf = \$150,000
- 125 Hookups (2 units per) @ \$200 = \$25,000

Subtotal: \$175,000

10% Contingency: \$17,500

10% A/E Fees: \$19,250

Order of Magnitude Cost Projection: \$212,000 (\$211,750)

Total: \$7.5 Million (\$7,505,600)

Revenue Potential of New Horse Shows

Exhibit B

HORSE SHOWS/EVENTS

	<u>DAILY RATE</u>
OCB	\$1,000
HIPPODROME	\$500
STALL RENTALS -1ST 100	\$20
STALL RENTALS	\$15
WARM-UP RING	\$150
BEDDING CHARGES (NET)	\$3
CAMPING SITE CHARGE	\$20

FACILITY RENTAL INCOME

<u>EVENT</u>	<u>NUMBER OF EVENTS</u>	<u>DAYS PER SHOW</u>	<u>TOTAL DAYS</u>	<u>BASIC RENTAL</u>
HORSE SHOWS - MULTI-STATE	3	3.00	9.00	14,850
HORSE SHOWS - REGIONAL/NATIONAL	3	5.00	15.00	<u>24,750</u>
				<u>\$39,600</u>

CONCESSION INCOME POTENTIAL

<u>EVENT</u>	<u>NUMBER OF EVENTS</u>	<u>ASSUMED ATTEND.</u>	<u>TOTAL ATTEND.</u>	<u>PER CAP SALES</u>	<u>TOTAL SALES</u>	<u>30% PERCENT TO FACILITY</u>
HORSE SHOWS - MULTI-STATE	3	600	5,400	\$1.50	8,100	2,400
HORSE SHOWS - REGIONAL/NATIONAL	3	1,000	15,000	\$1.50	<u>22,500</u>	<u>6,800</u>
					<u>\$30,600</u>	<u>\$9,200</u>

STALL INCOME POTENTIAL

<u>EVENT</u>	<u>NUMBER OF EVENTS</u>	<u>ASSUMED STALLS</u>	<u>TOTAL STALLS</u>	<u>STALL INCOME</u>
HORSE SHOWS - MULTI-STATE	3	300	2,250	\$45,000
HORSE SHOWS - REGIONAL/NATIONAL	3	500	6,750	<u>120,000</u>
				<u>\$165,000</u>

Revenue Potential of New Horse Shows

Exhibit B

BEDDING INCOME POTENTIAL

<u>EVENT</u>	<u>NUMBER OF EVENTS</u>	<u>ASSUMED BEDDING</u>	<u>TOTAL BEDDING</u>	<u>ASSUMED CHARGE</u>	<u>STALL INCOME</u>
HORSE SHOWS - MULTI-STATE	3	600	1,800	\$3	\$4,500
HORSE SHOWS - REGIONAL/NATIONAL	3	1,000	3,000	\$3	7,500
					<u>\$12,000</u>

CAMPING INCOME POTENTIAL

<u>EVENT</u>	<u>NUMBER OF EVENTS</u>	<u>ASSUMED SITES</u>	<u>TOTAL SITES</u>	<u>ASSUMED RENTAL \$</u>	<u>STALL INCOME</u>
HORSE SHOWS - MULTI-STATE	3	150	450	\$20	\$9,000
HORSE SHOWS - REGIONAL/NATIONAL	3	250	750	\$20	15,000
					<u>\$24,000</u>

TOTAL REVENUE POTENTIAL **\$249,800**

<u>ESTIMATED EXPENSES</u>				
STAFFING COSTS				9,000
EVENT SETUP/CLEANUP				<u>15,000</u>
NET REVENUES				<u>\$225,800</u>

Community Facility Direct Loans

Program Objective: To construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. USDA Rural Development loan funds may be used to construct, enlarge or improve community facilities for health care, public safety and public services.

Use and Use Restrictions: Health care facilities include hospitals, nursing homes, dental or medical clinics or medical rehabilitation centers. Public safety facilities include fire stations and buildings to house fire and/or rescue equipment. Public service facilities include community buildings courthouses, public maintenance buildings, libraries, child care centers, schools, industrial parks, roads, bridges, airports, **fairgrounds**, utilities and other improvements or to acquire interest in lands, leases and rights-of-way necessary to develop the facilities.

Funds may also be used for necessary equipment for the operation of these facilities and to pay other necessary costs connected with them.

Funds may also be used: To purchase fire trucks, ambulances or emergency communications equipment; To buy or build fire and rescue multi-service centers, police stations and jails; or To pay necessary costs connected with these facilities.

Funds may not be used to finance: On-site utility systems or business and industrial buildings in connection with industrial parks; Facilities to be used primarily for recreation purposes; Community antenna television services or facilities; Electric generation or transmission facilities or telephone systems, except under certain circumstances; Facilities which are not modest in size, design and cost; Loan or grant finder's fees; New combined sanitary and storm water sewer facilities; That portion of a water and/or waste disposal facility normally provided by a business or industrial user.

Application Procedure: See your local USDA Rural Development office for additional information and application information.

Deadlines: None

Program Website: www.rurdev.usda.gov/sd/community_facilities_loans.htm

Financial Resource Type:

Direct Loans

Listed as a Financial Resource for Categories:

Community Facilities

Eligible Recipients:

Non Profit Organization
Township
County
Municipality
Tribe or Tribal Organization

For More Information, Contact:

U.S. Department of Agriculture - Rural Development
200 Fourth St. S.W.
Federal Building Room 210
Huron, SD 57350
Phone: 605-352-1100
Fax: 605-352-1146
www.rurdev.usda.gov/sd/

Source:

Federal

Program Available:

Statewide

South Dakota Community Foundation Unrestricted Grants

Program Objective: The South Dakota Community Foundation (SDCF) makes grant awards from its unrestricted fund in the areas of economic development, human services, health, education and cultural programs. Grant applications are accepted anytime and awards are made within a 45-60 day time period.

Use and Use Restrictions:

Application Procedure: Contact the South Dakota Community Foundation for additional information and application materials, or see SDCF's web site.

Deadlines: None

Program Website: www.sdcommunityfoundation.org

Financial Resource Type:
Grants

Listed as a Financial Resource for Categories:

Arts and Humanities
Community Facilities
Economic Development

Eligible Recipients:
Non Profit Organization
County
Municipality
Tribe or Tribal Organization

For More Information, Contact:

South Dakota Community Foundation
PO Box 296
207 E. Capitol Ave.
Pierre, SD 57501
Phone: 605-224-1025 or 800-888-1842
Fax: 605-224-5364
www.sdcommunityfoundation.org

Source:
Foundation

Program Available:
Statewide

Community Development Block Grant Community Projects Account - CDBG

Program Objective: The South Dakota CDBG Community Projects Account program provides grants to incorporated municipalities and counties in South Dakota except for Sioux Falls and Rapid City. In order to receive CDBG funding, a project must meet a National Objective and be an eligible project. A minimum of 70 percent of the state's allocation of CDBG funds, as a whole, will be used to fund projects which primarily benefit low and moderate income persons.

Specific activities that can be carried out with CDBG funds include the provision of public facilities and improvements, such as water and sewer facilities, streets, community centers and fire halls.

Use and Use Restrictions:

Application Procedure: The process is competitive in nature and the demand for funds can exceed the amount available. Eligible applicants selected for funding will be those having the greatest need and whose applications most adequately address locally-determined needs of low and moderate income persons.

Contact GOED or your local planning district for additional information.

Deadlines: None

Program Website:

Financial Resource Type:
Grants

Eligible Recipients:
County
Municipality

Source:
State

Program Available:
Statewide

Listed as a Financial Resource for Categories:
Community Facilities
Economic Development
Water / Waste / Solid Waste

For More Information, Contact:
Governors Office of Economic Development - GOED
Department of Tourism and State Development
711 E. Wells Ave.
Pierre, SD 57501
Phone: 605-773-5032 or 800-872-6190
Fax: 605-773-3256
goedinfo@state.sd.us
www.sdgreatprofits.com

EDA Adjustment Assistance Grants

Program Objective: To assist State and local interests design and implement strategies to adjust or bring about change to an economy. Program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base. Such economic change may occur suddenly or over time, and generally results from industrial or corporate restructuring, new Federal laws or requirements, reduction in defense expenditures, depletion of natural resources, or natural disaster.

This program aids the long-range economic development of areas with severe unemployment and low family income problems; and also aids in the development of public facilities and private enterprises to help create new, permanent jobs.

Use and Use Restrictions: "Strategy Investments" help organize and carry out a planning process resulting in a Comprehensive Economic Development Strategy (CEDS) tailored to the community's specific economic problems and opportunities. "Implementation Investments" support one or more activities identified in an EDA-approved CEDS. Activities may include, but are not limited to, the creation/expansion of strategically targeted business development and financing programs such as: Revolving loan funds, infrastructure improvements, organizational development, and market or industry research and analysis.

Application Procedure: Contact your local EDA Authority or the EDA Regional Office in Denver for additional information and application materials.

Deadlines: Proposals are accepted on a continuing basis and applications are invited and processed as received.

Program Website: www.eda.gov

Financial Resource Type:
Grants

Listed as a Financial Resource for Categories:
Economic Development

Eligible Recipients:
Non Profit Organization
County
Municipality
Tribe or Tribal Organization

For More Information, Contact:
Economic Development Administration
1244 Speer Boulevard, Rm 632
Denver, CO 80204
Phone: 303-844-4919
Fax: 303-844-4902
Jzender@eda.doc.gov

Source:
Federal

Program Available:
Statewide

EDA Technical Assistance Grants

Program Objective: The program provides funds to: (1) establish and operate University Centers which enlist the resources of their sponsoring institutions of higher education in promoting economic development; (2) support innovative economic development projects; (3) disseminate information and studies of economic development issues of national significance; and (4) finance feasibility studies and other projects leading to local economic development.

This program aids the long-range economic development of areas with severe unemployment and low family income problems; and also aids in the development of public facilities and private enterprise to help create new, permanent jobs.

Use and Use Restrictions: Technical assistance is used to provide information, data, and know-how in evaluating, shaping and implementing specific projects and programs that promote economic development in economically depressed areas.

Application Procedure: Contact your local EDA Authority or the EDA Regional Office in Denver for additional information and application materials.

Deadlines: See deadlines announced in the Federal Register.

Program Website: www.eda.gov

Financial Resource Type:
Grants

Listed as a Financial Resource for Categories:
Economic Development

Eligible Recipients:
Individual(s)
Private Business
Non Profit Organization
County
Municipality
Tribe or Tribal Organization

For More Information, Contact:
1244 Speer Boulevard, Rm 632
Denver, CO 80204
Phone: 303-844-4919
Fax: 303-844-4902
Jzender@eda.doc.gov

Source:
Federal

Program Available:
Statewide

Revolving Loan Fund - RLF

Program Objective: A Revolving Loan Fund, or RLF, is a source of capital that provides loans for small business or community development projects. Often, RLF loans fill a project's "financing gap," which occurs when a business needs a lower interest rate or lacks the funds to meet conventional financing requirements. Uses, interest rates, terms, equity contribution requirements, and eligible recipients vary depending on the RLF and the entity managing the fund.

There are currently more than 80 RLF's operating in South Dakota. A list of South Dakota's RLFs, along with their contact information, is provided on the South Dakota Community Network web site at www.sdcommunitynetwork.com.

Use and Use Restrictions: Eligible uses for RLF loans vary depending on the criteria set by the entity managing the RLF. Typically, RLF loans are made for fixed assets, but in some cases loans may be made for inventory or working capital.

Application Procedure: Contact your local economic development corporation or revolving loan fund for additional information.

Deadlines: N/A

Program Website:

Financial Resource Type:

Direct Loans

Listed as a Financial Resource for Categories:

Business Development

Economic Development

Eligible Recipients:

Individual(s)

Private Business

Non Profit Organization

Township

County

Municipality

Tribe or Tribal Organization

Utility

Cooperative

Public/Indian Housing Authority

For More Information, Contact:

Phone:

Fax:

Source:

Other

Program Available:

Rural Business Enterprise Grant - RBEG

Program Objective: The Rural Business-Cooperative Service (RBS) makes grants to finance and facilitate development of small and emerging private business enterprises in rural areas of cities up to 50,000 population with priority to applications for projects in open country, rural communities and towns of 25,000 and smaller, and economically distressed communities. Rural Business Enterprise Grants (RBEG) include grants made to third party lenders to establish revolving loan programs or provide technical assistance. At the state and local levels, the programs are administered by the Rural Development field offices.

Use and Use Restrictions: Funds may be used to finance and develop small and emerging private business enterprises. Costs that may be paid from grant funds include the acquisition and development of land, and the construction of buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions, refinancing, fees, technical assistance, start-up operating cost, working capital, and providing financial assistance to third parties through a loan.

Funds may not be used for: Production of agricultural products through growing, cultivating, and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries or timber operations; Comprehensive area type planning; Loans by grantees when the rates, terms and charges for those loans are not reasonable; Development of a proposal that may result in the transfer of jobs or business activity from one area to another. This provision does not prohibit establishment of a new branch or subsidiary.

Development of a proposal which may result in an increase of goods, materials, commodities, services, or facilities in an area when there is not sufficient demand.

Application Procedure: See your local USDA Rural Development office for additional information and application information.

Deadlines: None

Program Website: www.rurdev.usda.gov/sd/rbeg.htm

Financial Resource Type:
Grants

Listed as a Financial Resource for Categories:
Business Development
Economic Development

Eligible Recipients:
Non Profit Organization
Township
County
Municipality
Tribe or Tribal Organization

For More Information, Contact:
U.S. Department of Agriculture - Rural Development
200 Fourth St. S.W.
Federal Building Room 210
Huron, SD 57350
Phone: 605-352-1100
Fax: 605-352-1146
www.rurdev.usda.gov/sd/

Source:
Federal

Program Available:
Statewide

Rural Business Opportunities Grant - RBOG

Program Objective: The purpose of the Rural Business Opportunity Grants (RBOG) program is to promote sustainable economic development in rural communities with exceptional needs. This is accomplished by making grants to organizations to provide for economic development planning, technical assistance, or training activities that improve economic conditions in rural areas.

Use and Use Restrictions: Funds may be used to pay costs of providing economic planning for rural communities, technical assistance for rural businesses, or training for rural entrepreneurs or economic development officials. You must be able to show that the funding will result in economic development of a rural area. Your project must include a basis for determining the success or failure of the project and assessing its impact.

Application Procedure: See your local USDA Rural Development office for additional information and application information.

Deadlines: None

Program Website: www.rurdev.usda.gov/sd/rbog.htm

Financial Resource Type:

Grants

Listed as a Financial Resource for Categories:

Business Development
Economic Development

Eligible Recipients:

Non Profit Organization
County
Municipality
Tribe or Tribal Organization
Cooperative

For More Information, Contact:

U.S. Department of Agriculture - Rural Development
200 Fourth St. S.W.
Federal Building Room 210
Huron, SD 57350
Phone: 605-352-1100
Fax: 605-352-1146
www.rurdev.usda.gov/sd/

Source:

Federal

Program Available:

Statewide

Rural Economic Development Grant Program - REDG

Program Objective: The purpose of the Rural Economic Development Grant (REDG) Program is to make available to rural communities through Rural Utility Service borrowers (1) grants to be used for revolving loan funds for community facilities and infrastructure and (2) grant assistance in conjunction with rural economic development loans.

Use and Use Restrictions: Initial loan funds through the revolving loan fund may be used for: Community development; Business incubators by non-profit groups; Facilities and equipment for education; Facilities and equipment for medical care; and others.

Loans made from repayments of the initial loans made by RUS Borrowers may be used for any rural economic development purpose in accordance with a prior agreement between the Borrower and RBS. The Borrower will provide a Board Resolution certifying to its commitment to provide and maintain additional funding to the revolving loan fund in an amount no less than 20% of the REDG grant approved. Borrowers may charge reasonable loan servicing fees. The Borrower must supply RBS a proposed budget demonstrating that no more than 10% of grant funds received are used to cover operating expenses of the revolving loan fund. RBS requires that the revolving loan program be administered in accordance with a rural development plan, developed by the Borrower and approved by RBS. Borrowers applying for grant funds must submit a scope of work to RBS. REDG projects require 20% supplemental financing in the form of equity funds, private sources, state government, etc.

Application Procedure: See your local USDA Rural Development office for additional information and application information.

Deadlines: None

Program Website: www.rurdev.usda.gov/sd/redg.htm

Financial Resource Type:
Grants

Listed as a Financial Resource for Categories:
Community Facilities
Economic Development

Eligible Recipients:
Utility

For More Information, Contact:
U.S. Department of Agriculture - Rural Development
200 Fourth St. S.W.
Federal Building Room 210
Huron, SD 57350

Source:
Federal

Program Available:
Statewide

Phone: 605-352-1100
Fax: 605-352-1146
www.rurdev.usda.gov/sd/

Value Added Tourism Subfund - REDI Fund

Program Objective: The Value-Added Tourism Subfund is earmarked to provide loans specifically for feasibility studies, marketing studies, and marketing of value added tourism projects. The purpose of the Value Added Tourism Subfund is to attract more visitors to South Dakota from other states and countries, lengthen the stay of visitors to South Dakota, expand the visitor season to the shoulder seasons, create primary jobs in the visitor industry, and expand upon the historical, cultural, scenic, wildlife and other resources in South Dakota.

Loans cannot exceed more than 50 percent of the total project costs for marketing, feasibility study expenses or other eligible project expenses. Applicant must provide equity contribution of at least 10 percent of the total project cost for marketing, feasibility study expenses or other project expenses as determined by the board.

Use and Use Restrictions: Loan proceeds may be used for salaries, consultant contracts, supplies, equipment and necessary services for feasibility or marketing studies or other eligible project costs. The maturity of a loan may not be more than five years with payments amortized over not more than 20 years.

For additional information, See South Dakota Administrative Rules Chapter 68:02:04

Application Procedure: Contact the Department of Tourism and State Development (TSD) for additional information and application or see the TSD web site.

Deadlines: None

Program Website: www.sdgreatprofits.com/finance/tourismsubfund.htm

Financial Resource Type:

Grants
Direct Loans
Grant/Loan Combination

Listed as a Financial Resource for Categories:

Business Development
Economic Development

Eligible Recipients:

Private Business
Non Profit Organization
Tribe or Tribal Organization
Cooperative
Chamber of Commerce, Other Legal Entities

For More Information, Contact:

Governors Office of Economic Development - GOED
Department of Tourism and State Development
711 E. Wells Ave.
Pierre, SD 57501
Phone: 605-773-5032 or 800-872-6190
Fax: 605-773-3256
goedinfo@state.sd.us
www.sdgreatprofits.com

Source:

State

Program Available:

Statewide