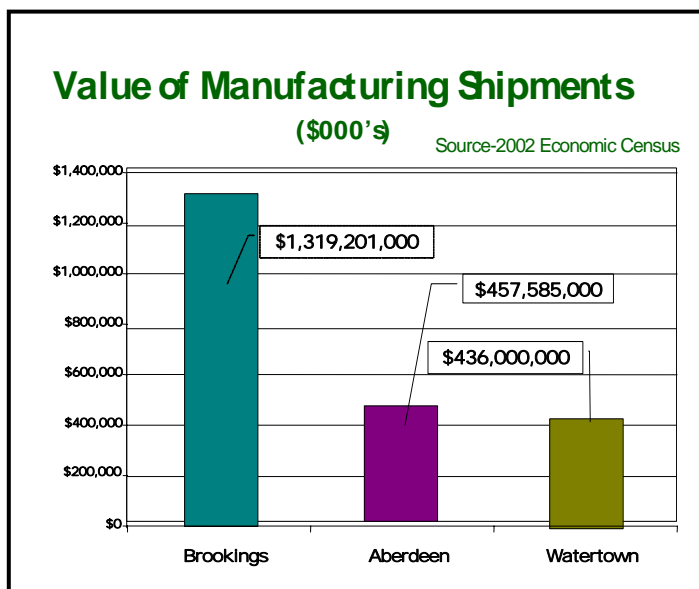


DEFINING THE NEED

Most states in the Midwest like South Dakota are faced with aging populations and limited job opportunities for graduates of its public schools and universities. Governor Mike Rounds announced plans in 2003 to address this and other economic development issues through his *2010 Initiative*. The state made a substantial commitment to research by funding the Underground Science Laboratory at Lead. This commitment to research sends an important message to the National Science Foundation that the state is prepared to answer the challenge of a National Laboratory and underscores the need for all of South Dakota's public colleges and universities to participate in the process of creating this new knowledge-based economy. Today more than ever before, South Dakota State University will play a key role in this renaissance research.

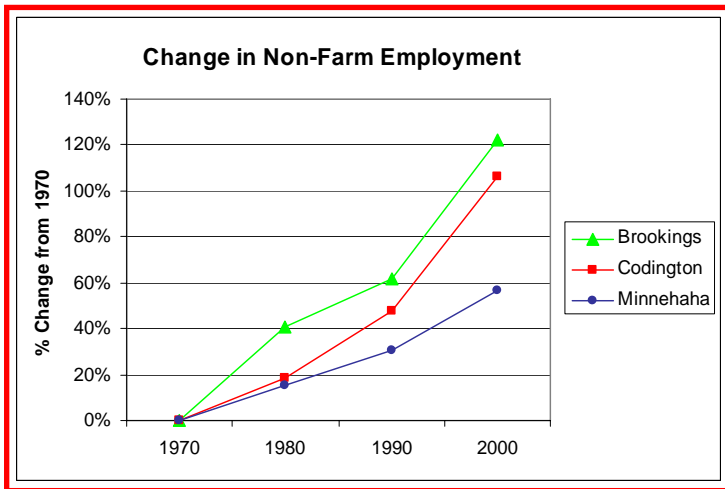
SDSU, a part of Eastern South Dakota for 125 years and a land-grant university, has a strong and proud history of supporting Brookings—not only through the jobs on campus, but also for the “student/customers” it brought to town. Today however, SDSU's strength in providing quality research and public information through the Ag Extension Service enables the University to be a partner with many of the state's leading businesses. Research, both applied and pure, conducted on campus provides new opportunities for business and encourages growth and development of entrepreneurship.



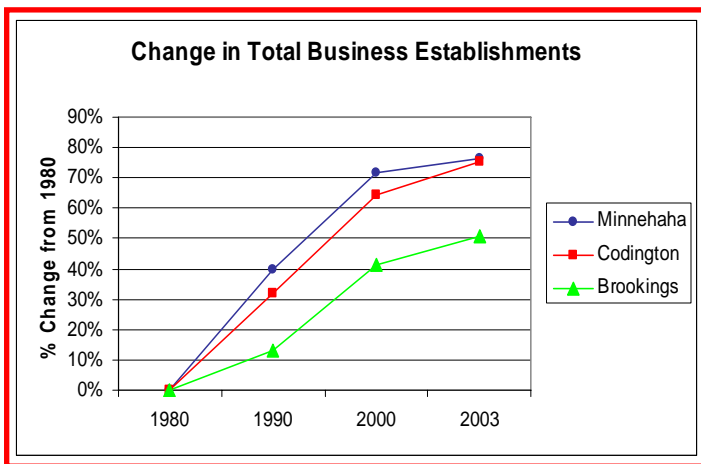
Based on the 2002 Economic Census, the value of manufacturing shipments from Brookings reached nearly \$1.4 billion-- **more than Aberdeen and Watertown combined.**

Manufacturing and education comprise the two largest employers in the area. Ordinarily, business operations flourish in such a stable environment, yet residents of Brookings go to Sioux Falls or Watertown in order to shop, dine, or seek entertainment. Since business development is dependent on consumers with

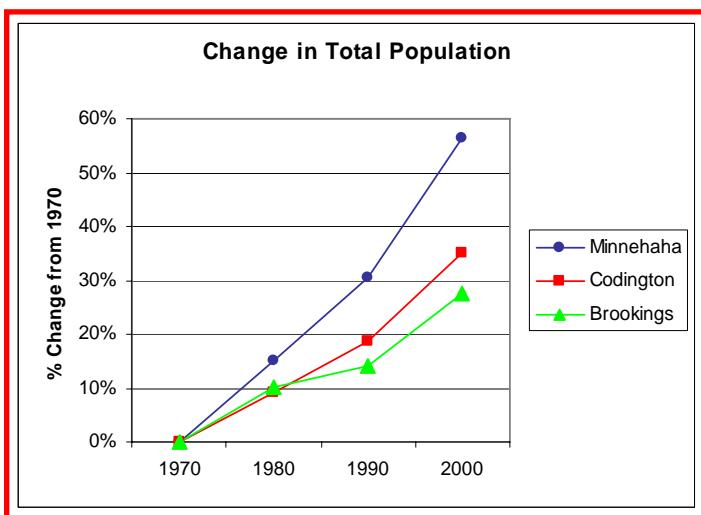
spendable income, the three economic development organizations in Brookings decided to form an organization to address the need to stimulate growth.



From 1970 to 2000, Brookings has enjoyed a greater rate of growth in non-farm employment than either Sioux Falls (Minnehaha County) or Watertown (Codington County).



While Brookings saw a 50% increase in total business establishments from 1980 to 2003, both Watertown and Sioux Falls show a 75% increase.



Brookings is falling behind its eastern South Dakota counterparts in the rate of population growth. The need for more workers is very real and personnel issues loom as potential problems.