

Siouxland Economic Development Corporation: "Your Partner In Small Business Development Finance"

From the Chairman



I wish to thank all of the customers and financing partners who made our last year so successful ! SEDC just finished its most productive year and we are excited to share this news with you. In addition, the end of the year brought a lower interest rate to all newly funded SBA 504 customers and we anticipate this low rate will continue into the coming months of this new year.

SEDC staff is also looking forward to relocating into new office space this spring . Construction is well underway on the 2nd floor of the historic Plymouth Block building on Historic 4th Street in Sioux City and we look forward to welcoming you to our new location early in the new year. After many years of renting space from SIMPCO, SEDC staff and Board of Directors appreciate their cooperation and friendship as we move on and expand.

Your Economic Development Partner,

Dusty Small, Chairman
Siouxland Economic Development Corporation

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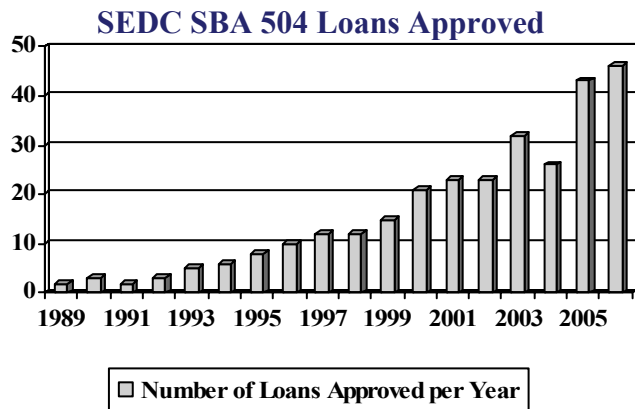
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SEDC 2006 ... A Record Breaking Year!

It has been an exciting year at SEDC. The lower interest rates on SBA 504 loans in 2006 helped us finish the year with a record number of new approved loans in our portfolio.

These dollars, directly infused into the regional economy, setup a win-win scenario. The 504 program is designed to provide access to cash for small businesses and it was our pleasure this year to help those businesses connect with that revenue source.

Making these programs work for the area is a co-operative effort and SEDC wishes to thank area lenders and regional community leaders for recognizing the benefits of low interest loans and helping us deliver our services to area small businesses.



1999	2000	2001	2002
\$5.547	\$5.662	\$10.000	\$7.952
2003	2004	2005	2006
\$7.588	\$7.446	\$14.244	\$19.954

"The Mission of the Siouxland Economic Development Corporation is to further the economic development of Siouxland."

SEDC honored as Top Volume Lender by SBA

SEDC was happy to be able to show off a portion of our new home during our Holiday Board Meeting. Our December meeting was held in the atrium of the Plymouth Block building on Historic 4th Street in downtown Sioux City, our new home.

During the meeting, representatives from the Des Moines SBA



office awarded SEDC it's 2006 Top Volume SBA Lender Award. SEDC has received this award every year since 1989. We are very proud of this standing. Out of all of the banks and CDC's in the entire state of Iowa, SEDC's volume was surpassed



by only 2 state-wide financial institutions. We anticipate and expect the next fiscal year to be filled with exciting new opportunities

and co-operative efforts with our lending

2006 Lender of the Year Chosen



The Board of Directors of SEDC is pleased to announce it has selected Mike Broek, Assistant Vice President and Commercial Loan Officer for Iowa State Bank in Hull, Iowa as Lender of the Year for 2006. Lenders of the Year are small business advocates committed to top-notch customer service and the creative utilization of the SBA 504 Program to further economic development in Siouxland. Over the last year, Mike has worked cooperatively with SEDC in completing projects totaling \$3.6 million that have created or retained 42 jobs in Siouxland.

Mike, an Ireton native, attended the University of South Dakota and entered the business world in 1996. He is currently serving Iowa State Bank as Loan Officer specializing in Real Estate and Commercial Lending. He is an Assistant Vice President at this time and has very recently been promoted to Branch

Manager of Iowa State Bank's Sanborn location.

Mike, and his wife Angie, currently live in Hull with their 3 children, Cade, Carter, and Hannah, where he serves on the Hull volunteer Fire Department, is involved in his church, and serves as treasurer for the Hull Business & Professional Club. SEDC extends it's congratulations to Mike and looks forward to a long, effective partnership with everyone at Iowa State Bank.

Dream Big ... We're Here to Help

At the end of this successful fiscal year, SEDC would like to share with you

information regard-	Industry	# of Loans
ing our entire portfo-	Car washes	8
lio. We hope this	Restaurants	13
information creates	Motels	11
additional opportuni-	Dentists	6
ties for small busi-	Convenience Stores	10
nesses as it may	Hog Loans	8
cause us all to think	Dairy Loans	8
of businesses which	All Other Industries*	92
could benefit from		
the low interest SBA		
504 loans available		
in our area.		

*All Other Industries contains less than 3 loans per industry

New Board Members Welcomed

SEDC welcomes two new members to it's advisory



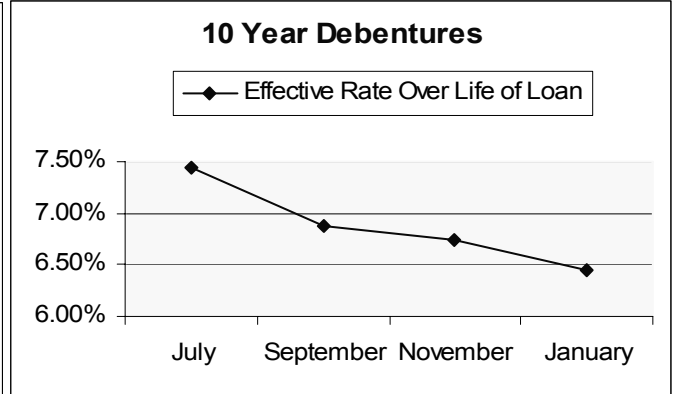
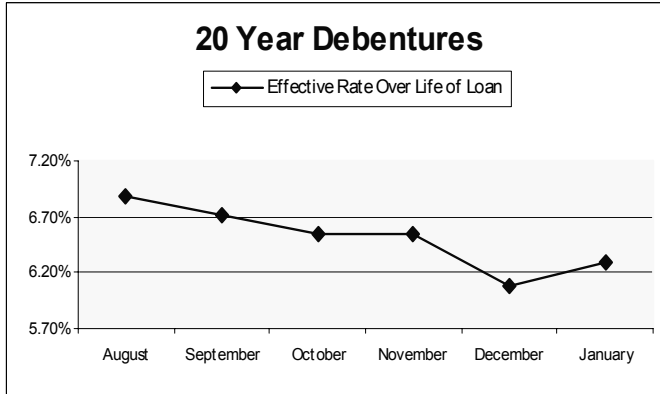
board. Brian Kröll and Pam Miller join our ranks. Brian, a commercial lender with Pioneer Bank joins us serving as the Mayor's appointee from the City of Sergeant Bluff.



Pam is a former member of the Dakota County Board of Supervisors, currently keeping very busy as the South Sioux City Campus Coordinator for Northeast Community College as well as being one of the founding members of the Siouxland Ethanol Board of Directors. Welcome .

We look forward to your input as we work together to build better businesses in Siouxland.

Recent SBA 504 Rates



SEDC Board of Directors & Officers

Dusty Small, Chairman
 Merle Long, Vice Chairman
 Grant Haight, Treasurer & Servicing Committee Chair
 George Frangedakis, Secretary
 Don Klynsma., Loan Committee Chair
 Bruce Kolbe, Past Chair
 Kenneth A. Beekley, Asst. Secretary

Craig Berenstein	Gil Bremicker, Jr.	Craig Broyhill
Paul Clousing	Merrill Hale	Glenn Ivarsen
Ron Jones	Randy Kramer	Brian Kroll
Grant Mears	Kory Menken	Pam Miller
Mark Monson	Alma Salcido	Kiley Todd
Virgil Van Beek	Ron Will	Bill Wilson

Emeritus: Fred Davenport, Jr., James Sherman, Kay Lagan, Past Chair

Ex-Officio: SEDC Attorneys and Auditor
 SIMPCO Executive Directors
 City of Sioux City Econ. Dev.
 City of SSC Administrator
 Siouxland Chamber of Commerce



**Please note our new
 e-mail address and
 new phone number -
 More changes
 coming soon !**

SEDC Staff

Kenneth A. Beekley, Executive Vice President
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 Glenda Castleberry, Vice President/Loan Manager
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 Jackie@siouxlandedc.com
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 Adam Turner, Loan Assistant
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Siouxland Economic Development Corporation

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This Institution is an Equal Opportunity Provider.

SEDC Loan Programs

SBA 504 Program

Maximum Amount: \$1,500,000 (\$2,000,000 in certain situations or \$4,000,000 for small manufacturing) or 40% of total project cost (the lesser)
Use of Proceeds: Fixed Assets (land, building, equipment)
Interest Rate: Approx. 1% above 10 yr. Treasury Note
Term: 10 or 20 years based upon economic life of the assets financed.
Typical Structure: 50% Bank, 40% 504 Debenture, 10% Local Injection
Fees: One time fee of approx. 3-4% of the loan (capitalized as part of the loan).

RLF (Revolving Loan Fund)

Maximum Amount: \$100,000 or 25% of total project cost (the lesser)
Use of Proceeds: Fixed Assets or Working Capital
Interest Rate: 2% fixed below primary lender's rate
Term: Must match life of financed assets
Typical Package: 65% Bank, 25% RLF, 10% Equity Injection
Fees: One time fee of 1% of the RLF loan, an annual fee of 1/2% of declining RLF balance, and all loan closing costs.

SBA Microloan

Maximum Amount: \$35,000
Use of Proceeds: Working capital, inventory, fixtures, lease hold improvements, and equipment
Interest Rate: Currently 10% fixed
Term: Maximum maturity of 6 years
Typical Package: 100% Microloan
Fees: \$20.00 credit report fee and all loan closing costs



Siouxland Economic Development Corporation:
“Your Partner In Small Business Development Finance”
Serving Siouxland since 1979.

Spotlighting Our Activity Report
 October 1, 2006 — December 31, 2006

Location	Business Type	Total Project Costs	SBA Funds	SBA Type	Jobs Created or Retained
Alton, IA	Truck Wash & Pet Wash	\$529,246	\$164,000	504	1.5
Holstein, IA	Assisted Living	\$2,738,037	\$969,000	504	18
Stuart, IA	Home Ctr/Wholesale/Retail Lumber Yard	\$572,500	\$300,000	504 & 7(a)	7
Sheldon, IA	Feed Processing	\$3,582,527	\$1,152,000	504	7
South Sioux City, NE	Motel	\$1,163,500	\$416,000	504	0
Akron, IA	Sand & Gravel Pits/Dredges	\$1,500,200	\$611,000	504	0
Le Mars, IA	Outpatient Physical Therapy	\$508,000	\$183,000	504	5
Sioux City, IA	Banquet Hall/Mini-Golf	\$1,571,395	\$504,000	504	8
Marcus, IA	Truck Plaza	\$1,437,100	\$441,000	504	9
Hospers, IA	Pork Plant	\$6,381,000	\$2,273,000	504	103
Sioux City, IA	Sales/Service of Music Products	\$1,544,000	\$629,000	504	21
Sioux City, IA	Catering	\$15,000	\$15,000	MLN	3
Council Bluffs, IA	Tan World Franchise	\$384,772	\$171,000	504 & 7(a)	5
Sheldon, IA	Contract Printing of Newspapers	\$1,077,285	\$395,000	504	3
TOTAL		\$23,004,562	\$8,223,000	-	191

Recent Lending Partners

SEDC thanks the following lenders for participating in our loan programs during the past few months:

Bob Butcher
 American National Bank, Holstein, IA

Nancy Cochran
 Dakota County State Bank, South Sioux City, NE

Steve Cruse
 Union State Bank, West Des Moines, IA

Kevin Eekhoff
 First National Bank, Akron, IA

Ken Hengeveld
 Iowa State Bank, Sheldon, IA

Rod Holtkamp
 Savings Bank, Primghar, IA

Patrick Kirby
 Valley Bank & Trust, Cherokee, IA

Gerald Leng
 Savings Bank, Primghar, IA

Rich Magnuson
 American Bank, N.A., Le Mars, IA

Kevin Owens
 First Federal Bank, Sioux City, IA

Brent Plantage
 Liberty National Bank, Sioux City, IA

Kiley Todd
 Northwestern Bank, Sheldon, IA