

Location Consulting Services

Bridgewater, New Jersey
Jacksonville, Florida
Dallas, Texas

Watertown Target Industry Program

Profiles 1-4:

1. Agricultural (Seed) Testing
2. Valves, Controls, Pipe Fittings
3. Small / Modular Data Centers
4. Office Functions

Watertown Development Company
Watertown, South Dakota



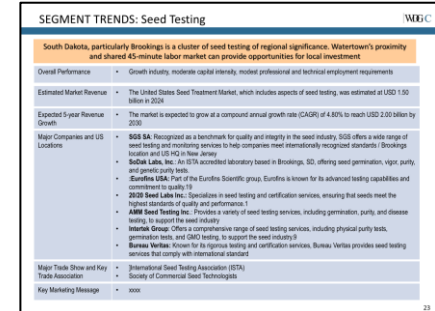
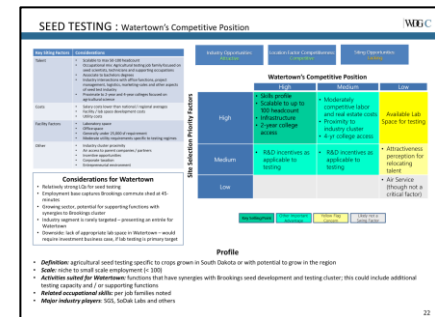
Wadley Donovan Gutshaw Consulting

Reissued: August 1, 2025

TARGET INDUSTRY PROFILE 1:

**AGRICULTURAL (SEED) TESTING, COMMERCIAL
ACTIVITIES, SUPPORT FUNCTIONS**

- | OCC Codes | Occupational Titles | Occupation | SOC | Waterfront, 10/24 | | | | St. Michaels Community Shell
Waterfront, 10/24 | | | |
|-----------|--|------------|-----|-------------------|------|-------------|--------------|---|------|-------------|--------------|
| | | | | Employment | LQ | Median Wage | Median Other | Employment | LQ | Median Wage | Median Other |
| | | | | | | | | | | | |
| 11-0000 | Management Occupations | | | 16,969 | 1.00 | \$48,000 | \$0 | 22,292 | 1.00 | \$45,500 | \$0 |
| 11-1000 | Top Management Officials | | | 1,151 | 0.01 | \$100,000 | \$0 | 1,558 | 0.01 | \$95,000 | \$0 |
| 11-2000 | Business Operations Managers | | | 1,118 | 0.01 | \$90,000 | \$0 | 1,558 | 0.01 | \$85,000 | \$0 |
| 11-3000 | General and Operations Managers | | | 14,700 | 0.07 | \$50,000 | \$0 | 19,176 | 0.09 | \$45,000 | \$0 |
| 11-4000 | Management Technicians | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 13-0000 | Professional Occupations | | | 10,323 | 0.28 | \$112,000 | \$0 | 2,032 | 0.02 | \$115,000 | \$0 |
| 13-1000 | Healthcare Practitioners and Technical | | | 1,000 | 0.00 | \$100,000 | \$0 | 1,000 | 0.00 | \$85,000 | \$0 |
| 13-2000 | Healthcare Technicians | | | 13,200 | 0.01 | \$60,000 | \$0 | 2,032 | 0.02 | \$55,000 | \$0 |
| 13-3000 | Healthcare Support | | | 1,123 | 0.00 | \$40,000 | \$0 | 2,032 | 0.02 | \$35,000 | \$0 |
| 13-4000 | Healthcare Practitioners and Technical | | | 1,000 | 0.00 | \$100,000 | \$0 | 1,000 | 0.00 | \$85,000 | \$0 |
| 13-5000 | Healthcare Technicians | | | 1,123 | 0.00 | \$40,000 | \$0 | 2,032 | 0.02 | \$35,000 | \$0 |
| 13-6000 | Healthcare Support | | | 1,123 | 0.00 | \$40,000 | \$0 | 2,032 | 0.02 | \$35,000 | \$0 |
| 13-7000 | Healthcare Practitioners and Technical | | | 1,000 | 0.00 | \$100,000 | \$0 | 1,000 | 0.00 | \$85,000 | \$0 |
| 13-8000 | Healthcare Technicians | | | 1,123 | 0.00 | \$40,000 | \$0 | 2,032 | 0.02 | \$35,000 | \$0 |
| 13-9000 | Healthcare Support | | | 1,123 | 0.00 | \$40,000 | \$0 | 2,032 | 0.02 | \$35,000 | \$0 |
| 15-0000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-1000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-2000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-3000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-4000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-5000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-6000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-7000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-8000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 15-9000 | Community and Social Services | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-0000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-1000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-2000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-3000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-4000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-5000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-6000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-7000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35,000 | \$0 |
| 17-8000 | Education and Training | | | 1,000 | 0.00 | \$40,000 | \$0 | 1,000 | 0.00 | \$35 | |



Sub-target	Location Need	Waterdown Capacity / Opportunity
Seed Testing – lab and field <i>(Promising)</i>	Workforce: scientific talent, eq. lab techs (+) Facility: may need wet and dry lab space Proximity to industry cluster	<ul style="list-style-type: none"> Experienced professional workforce (+) No current knowledge available lab space (-) Within 1 hour of Brookings cluster (+) Precision Ag Technology Curriculum (LATC) (+)
Commercialization <i>(less promising)</i>	Workforce: professional talent; scientists, business analysts, marketing / finance Facility: office space Proximity to industry cluster	<ul style="list-style-type: none"> Direct operational concentration challenging (-) Office space available (+) Within 1 hour of Brookings cluster (+) May have difficulty attracting talent (-)
Sales and Support <i>(more promising)</i>	Workforce Facility: office space Moderate labor costs; mix of customer facing and back office	<ul style="list-style-type: none"> Customer service and support workforce profile in agricultural region (+) Office space available (+) Within 1 hour of Brookings cluster (+) Cost savings vs. Minneapolis-St. Paul (+)

- Subgroups within this 'vertical' include:
 - Seed Research and Development (not targeted for Watertown)
 - Seed Testing Labs (lab activity)
 - Commercialization (office activity)
 - Sales and Support (office activity)
- Descriptions:
 - **Seed Testing:** *Seed testing evaluates the quality and standards of the seeds that includes moisture, ODV, germination, and purity, which allows the community of the farmers to receive seeds of good quality. The main objective of the seed testing services is to offer information regarding seed quality to the seed industry, the producer, and the consumer. Start-ups, company expansions, contract labs.*
 - **Commercialization:** *Process of delivering top quality seed to the marketplace so farmers will have the best possible chance of economically producing high-yielding, high-quality crops. Product life cycle management / marketing / branding – high level corporate function.*
 - **Sales and Support:** *Technical support, training, consultative services, customer relationship management, logistics as examples*
- Rationale for inclusion as a target industry:
 - Geographic: Part of South Dakota agriculture heartland and proximity to Brookings, a major center for seed research and development. Watertown provides a nearby and convenient location for downstream activities to Research and Development.
 - Stakeholder Input: Mentioned as a potential target by three interviewees

- Standard Occupational Classifications (SOC) that encompass a wide range of jobs that fall into the skills requirements of Seed Testing Labs, Commercialization and related Sales, Service and Support

SEED TESTING OCCUPATIONAL TITLES
Natural Sciences Managers
Statisticians
Data Scientists
Environmental Engineering Technicians
Calibration Technologists and Technicians
Surveying and Mapping Technicians
Animal Scientists
Food Scientists and Technologists
Soil and Plant Scientists
Biochemists and Biophysicists
Microbiologists
Zoologists and Wildlife Biologists
Biological Scientists, All Other
Environmental Scientists Including Health
Geoscientists, Exc. Hydrologists, Geographers
Hydrologists
Agricultural Technicians
Food Science Technicians
Biological Technicians
Environmental Science Technicians, Incl Health
Geological Technicians, Exc Hydrologic Techs
Hydrologic Technicians
Weighers, Measurers, Samplers, Recordkeeping
Statistical Assistants
Agricultural Inspectors
Inspectors, Testers, Sorters, Samplers, Weighers

COMMERCIALIZATION OCCUPATIONAL TITLES
Advertising and Promotions Managers
Marketing Managers
Sales Managers
Public Relations Managers
Financial Managers
Purchasing Managers
Natural Sciences Managers
Logisticians
Project Management Specialists
Management Analysts
Market Research Analysts and Marketing Specialists
Business Operations Specialists, All Other
Financial Specialists, All Other
Web Developers
Web and Digital Interface Designers
Operations Research Analysts
Statisticians
Data Scientists
Agricultural Engineers
Environmental Engineers
Soil and Plant Scientists
Microbiologists
Conservation Scientists
Environmental Scientists and Specialists, Incl. Health
Geoscientists, Except Hydrologists and Geographers
Hydrologists
Agricultural Technicians
Environmental Science & Protection Technicians, Incl. Health
Hydrologic Technicians
Agricultural Sciences Teachers, Postsecondary
Agricultural Inspectors

SALES AND SUPPORT OCCUPATIONAL TITLES
Sales Managers
Administrative Services Managers
Purchasing Managers
Training and Development Managers
Natural Sciences Managers
Buyers and Purchasing Agents, Farm Products
Logisticians
Project Management Specialists
Compensation, Benefits, and Job Analysis Specialists
Training and Development Specialists
Business Operations Specialists, All Other
Accountants and Auditors
Budget Analysts
Credit Analysts
Financial Specialists, All Other
Web Developers
Web and Digital Interface Designers
Agricultural Engineers
Environmental Engineers
Soil and Plant Scientists
Conservation Scientists
Agricultural Technicians
Agricultural Sciences Teachers, Postsecondary
Farm and Home Management Educators
First-Line Supervisors of Non-Retail Sales Workers
Sales Reps of Services, Except Advertising, Fin./Insurance, & Travel
Sales Reps, Wholesale & Mfg, Tech/Sci Products
Sales Reps, Wholesale & Mfg, Except Tech/Sci Products
Telemarketers
Sales and Related Workers, All Other
First-Line Supervisors of Office & Admin Support Workers
Bill and Account Collectors
Billing and Posting Clerks
Bookkeeping, Accounting, and Auditing Clerks
Customer Service Representatives
New Accounts Clerks
Order Clerks
Agricultural Inspectors
Graders and Sorters, Agricultural Products

OCCUPATIONAL SCALE & CONCENTRATION: Seed Testing Labs

- WDGC prefers occupational location quotients (LQs) within 0.9-1.5, indicating sufficient, but not overly competitive labor resources in the applicable job families
- 171 employed in related occupations within a 30-minute commute (**LQ=.88**)
- Seek direct lab / testing talent
- 30 to 45-minute commute zone likely captures residents working in the Brookings cluster

- Highlighted occupation: Inspectors, Testers, Sorters, Samplers, Weighers with 67 to 83 employees and LQ of 1.03
- Aligned to smaller scale operations, perhaps adjuncts to operations in Brookings
- Some presence of soil and plant scientists and ag technicians as well – perhaps presently commuting to Brookings

Occupation	SOC	Watertown, SD μSA			30-minute Commute Shed		
					Watertown SD		
					Calvin Trade Ctr.		
		Employment	LQ	Median Wage	Employment	LQ	Median Wage
Total - All Occupations	00-0000	16,903	1.00	\$45,000	22,292	1.00	\$45,500
Watertown Agriculture Labs		111	0.77	\$55,800	171	0.88	\$55,400
Natural Sciences Managers	11-9121	2	0.28	\$132,600	2	0.32	\$131,400
Statisticians	15-2041	0	0.39	\$83,900	1	0.38	\$83,400
Data Scientists	15-2051	0	0.23	\$95,700	2	0.22	\$95,300
Environmental Engineering Technicians	17-3025	1	0.49	\$45,500	1	0.54	\$45,200
Calibration Technologists and Technicians	17-3028	1	0.59	\$55,400	2	0.67	\$54,900
Surveying and Mapping Technicians	17-3031	3	0.40	\$47,700	4	0.41	\$47,300
Animal Scientists	19-1011	1	3.48	\$57,100	2	5.25	\$56,100
Food Scientists and Technologists	19-1012	0	0.40	\$78,400	3	2.01	\$76,100
Soil and Plant Scientists	19-1013	10	5.32	\$65,200	18	6.87	\$64,400
Biochemists and Biophysicists	19-1021	0	0.08	\$95,900	1	0.15	\$94,200
Microbiologists	19-1022	0	0.40	\$57,300	1	0.46	\$56,800
Zoologists and Wildlife Biologists	19-1023	1	1.68	\$62,100	2	1.69	\$61,800
Biological Scientists, All Other	19-1029	1	0.38	\$63,500	2	0.41	\$63,000
Environmental Scientists Including Health	19-2041	1	0.48	\$71,500	4	0.52	\$71,000
Geoscientists, Exc. Hydrologists, Geographers	19-2042	0	0.35	\$70,100	1	0.36	\$69,700
Hydrologists	19-2043	0	0.77	\$90,200	0	0.78	\$89,600
Agricultural Technicians	19-4012	9	4.58	\$42,000	16	6.88	\$41,400
Food Science Technicians	19-4013	2	0.66	\$48,500	8	3.23	\$47,300
Biological Technicians	19-4021	0	0.35	\$41,600	3	0.37	\$41,300
Environmental Science Technicians, Incl Health	19-4042	0	0.52	\$44,400	2	0.60	\$44,000
Geological Technicians, Exc Hydrologic Techs	19-4043	0	0.33	\$49,500	0	0.33	\$49,300
Hydrologic Technicians	19-4044	0	2.37	\$57,500	0	2.30	\$57,200
Weighers, Measurers, Samplers, Recordkeeping	43-5111	8	1.05	\$46,300	12	1.14	\$45,900
Statistical Assistants	43-9111	0	0.34	\$47,200	0	0.34	\$47,000
Agricultural Inspectors	45-2011	0	0.60	\$54,300	1	0.77	\$53,600
Inspectors, Testers, Sorters, Samplers, Weighers	51-9061	67	1.03	\$48,900	83	1.03	\$48,600

OCCUPATIONAL SCALE & CONCENTRATION: Commercialization Activities

- WDGC prefers occupational location quotients (LQs) within 0.9-1.5, indicating sufficient, but not overly competitive labor resources in the applicable job families
- 429 employed in related occupations within a 30-minute commute (**LQ=.48**)

- Seek experienced marketing / sales talent, preferably with background in seed science
- Significant employment overall in this job family but low general concentration
- Overall, a pool of business specialists with minor alignment with soil scientists and agricultural technicians
- Insufficient to stand as a target without the context of proximity to Brookings

Occupation	SOC	Watertown, SD μSA			30-minute Commute Shed		
					Watertown SD		
					Calvin Trade Ctr.		
		Employment	LQ	Median Wage	Employment	LQ	Median Wage
Watertown Ag Commercialization		303	0.47	\$90,000	429	0.48	\$88,200
Advertising and Promotions Managers	11-2011	0	0.45	\$128,700	1	0.44	\$128,100
Marketing Managers	11-2021	1	0.11	\$138,800	5	0.11	\$138,000
Sales Managers	11-2022	22	0.41	\$163,400	31	0.39	\$162,700
Public Relations Managers	11-2032	1	0.51	\$132,500	3	0.50	\$131,800
Financial Managers	11-3031	23	0.33	\$157,300	29	0.31	\$156,600
Purchasing Managers	11-3061	3	0.53	\$127,900	4	0.51	\$127,300
Natural Sciences Managers	11-9121	2	0.28	\$132,600	2	0.32	\$131,400
Logisticians	13-1081	9	0.39	\$81,800	12	0.41	\$81,300
Project Management Specialists	13-1082	54	0.51	\$73,200	72	0.53	\$72,800
Management Analysts	13-1111	69	0.68	\$83,400	88	0.69	\$82,900
Market Research Analysts and Marketing Specialists	13-1161	51	0.59	\$63,800	71	0.57	\$63,500
Business Operations Specialists, All Other	13-1199	29	0.23	\$90,900	35	0.22	\$90,400
Financial Specialists, All Other	13-2099	0	0.77	\$71,400	2	0.71	\$71,100
Web Developers	15-1254	7	0.87	\$51,900	10	0.84	\$51,600
Web and Digital Interface Designers	15-1255	1	0.35	\$122,200	4	0.34	\$121,600
Operations Research Analysts	15-2031	0	0.59	\$68,700	2	0.55	\$68,400
Statisticians	15-2041	0	0.39	\$83,900	1	0.38	\$83,400
Data Scientists	15-2051	0	0.23	\$95,700	2	0.22	\$95,300
Agricultural Engineers	17-2021	0	0.80	\$79,200	0	0.81	\$78,700
Environmental Engineers	17-2081	0	0.48	\$93,100	1	0.55	\$92,300
Soil and Plant Scientists	19-1013	10	5.32	\$65,200	18	6.87	\$64,400
Microbiologists	19-1022	0	0.40	\$57,300	1	0.46	\$56,800
Conservation Scientists	19-1031	6	3.29	\$63,900	11	3.49	\$63,400
Environmental Scientists and Specialists, Incl. Health	19-2041	1	0.48	\$71,500	4	0.52	\$71,000
Geoscientists, Except Hydrologists and Geographers	19-2042	0	0.35	\$70,100	1	0.36	\$69,700
Hydrologists	19-2043	0	0.77	\$90,200	0	0.78	\$89,600
Agricultural Technicians	19-4012	9	4.58	\$42,000	16	6.88	\$41,400
Environmental Science & Protection Technicians, Incl. Health	19-4042	0	0.52	\$44,400	2	0.60	\$44,000
Hydrologic Technicians	19-4044	0	2.37	\$57,500	0	2.30	\$57,200
Agricultural Sciences Teachers, Postsecondary	25-1041	0	0.35	\$70,100	0	0.28	\$70,100
Agricultural Inspectors	45-2011	0	0.60	\$54,300	1	0.77	\$53,600

OCCUPATIONAL SCALE & CONCENTRATION: Related Sales & Support Occupations

- WDGC prefers occupational location quotients (LQs) within 0.9-1.5, indicating sufficient, but not overly competitive labor resources in the applicable job families
- 1,997 employed in related occupations within a 30-minute commute (**LQ=.92**)
- Seek a mix of business / customer support functions; agricultural industry experience preferred
- Significant employment overall in this job family and a strong LQ (0.92)
- Overall, a pool of business and support talent typical for a market this sizes with minor alignment with soil scientists and agricultural technicians
- Considerable alignment with cross-industry office functions

Occupation	SOC	Watertown, SD μSA			30-minute Commute Shed		
					Watertown SD		
					Calvin Trade Ctr.		
		Employment	LQ	Median Wage	Employment	LQ	Median Wage
Watertown Ag Sales & Support Job Fam		1,537	0.94	\$63,500	1,997	0.92	\$63,100
Sales Managers	11-2022	22	0.41	\$163,400	31	0.39	\$162,700
Administrative Services Managers	11-3012	15	0.58	\$95,000	18	0.56	\$94,500
Purchasing Managers	11-3061	3	0.53	\$127,900	4	0.51	\$127,300
Training and Development Managers	11-3131	0	0.29	\$111,900	1	0.28	\$111,500
Natural Sciences Managers	11-9121	2	0.28	\$132,600	2	0.32	\$131,400
Buyers and Purchasing Agents, Farm Products	13-1021	0	1.43	\$74,700	2	1.42	\$74,200
Logisticians	13-1081	9	0.39	\$81,800	12	0.41	\$81,300
Project Management Specialists	13-1082	54	0.51	\$73,200	72	0.53	\$72,800
Compensation, Benefits, and Job Analysis Specialists	13-1141	22	2.21	\$62,900	29	2.10	\$62,600
Training and Development Specialists	13-1151	6	0.41	\$62,600	9	0.39	\$62,300
Business Operations Specialists, All Other	13-1199	29	0.23	\$90,900	35	0.22	\$90,400
Accountants and Auditors	13-2011	206	1.34	\$76,600	273	1.32	\$76,100
Budget Analysts	13-2031	0	0.62	\$75,500	1	0.61	\$75,100
Credit Analysts	13-2041	8	1.26	\$69,100	12	1.14	\$68,800
Financial Specialists, All Other	13-2099	0	0.77	\$71,400	2	0.71	\$71,100
Web Developers	15-1254	7	0.87	\$51,900	10	0.84	\$51,600
Web and Digital Interface Designers	15-1255	1	0.35	\$122,200	4	0.34	\$121,600
Agricultural Engineers	17-2021	0	0.80	\$79,200	0	0.81	\$78,700
Environmental Engineers	17-2081	0	0.48	\$93,100	1	0.55	\$92,300
Soil and Plant Scientists	19-1013	10	5.32	\$65,200	18	6.87	\$64,400
Conservation Scientists	19-1031	6	3.29	\$63,900	11	3.49	\$63,400
Agricultural Technicians	19-4012	9	4.58	\$42,000	16	6.88	\$41,400
Agricultural Sciences Teachers, Postsecondary	25-1041	0	0.35	\$70,100	0	0.28	\$70,100
Farm and Home Management Educators	25-9021	0	0.29	\$69,500	1	0.30	\$69,000
First-Line Supervisors of Non-Retail Sales Workers	41-1012	31	0.92	\$117,000	43	0.94	\$116,300
Sales Reps of Services, Except Advertising, Fin./Insurance, & Travel	41-3091	18	0.17	\$42,500	29	0.18	\$42,200
Sales Reps, Wholesale & Mfg, Tech/Sci Products	41-4011	62	2.00	\$101,300	79	1.82	\$100,900
Sales Reps, Wholesale & Mfg, Except Tech/Sci Products	41-4012	230	1.71	\$79,700	296	1.65	\$79,300
Telemarketers	41-9041	5	0.49	\$32,800	8	0.44	\$32,700
Sales and Related Workers, All Other	41-9099	8	0.69	\$59,700	13	0.74	\$59,300
First-Line Supervisors of Office & Admin Support Workers	43-1011	70	0.41	\$56,600	83	0.39	\$56,300
Bill and Account Collectors	43-3011	39	1.94	\$42,100	45	1.75	\$41,900
Billing and Posting Clerks	43-3021	38	0.73	\$43,400	45	0.68	\$43,200
Bookkeeping, Accounting, and Auditing Clerks	43-3031	349	2.01	\$43,100	446	1.99	\$42,900
Customer Service Representatives	43-4051	262	0.85	\$40,400	320	0.79	\$40,300
New Accounts Clerks	43-4141	7	1.60	\$40,900	11	1.49	\$40,700
Order Clerks	43-4151	5	1.12	\$44,000	9	1.09	\$43,700
Agricultural Inspectors	45-2011	0	0.60	\$54,300	1	0.77	\$53,600
Graders and Sorters, Agricultural Products	45-2041	1	1.85	\$43,100	7	3.01	\$42,400

- **Talent availability / experience and appropriate facility space (lab and office) are perhaps the most important factors towards successful development of the Seed Testing Industry in Watertown. Proximity to the established and significant cluster in Brookings is an addition advantage.**

- These are general factors and categories – more nuanced considerations applicable to each sector would be considered in an actual location selection study, with factors weighted accordingly
- Highlighted are typical siting considerations for which comparable macro-level data is readily available and measurable
- Watertown’s strengths per each of these factors can be applied to competitive marketing messages

Key Siting Factors	Considerations
Talent	<ul style="list-style-type: none"> • Scalable to max 50-100 headcount • Occupational mix: Agricultural testing job family focused on seed scientists, technicians and supporting occupations • Associate to bachelors degrees • Industry intersections with office functions, project management, logistics, marketing-sales and other aspects of seed test industry • Proximate to 2-year and 4-year colleges focused on agricultural science
Costs	<ul style="list-style-type: none"> • Salary costs lower than national / regional averages • Facility / lab space development costs • Utility costs
Facility Factors	<ul style="list-style-type: none"> • Laboratory space • Office space • Generally under 25,000 sf requirement • Moderate utility requirements specific to testing regimes
Other	<ul style="list-style-type: none"> • Industry cluster proximity • Air access to parent companies / partners • Incentive opportunities • Corporate taxation • Entrepreneurial environment

SEED TESTING: Watertown's Competitive Position

Key Siting Factors	Considerations
Talent	<ul style="list-style-type: none"> Scalable to max 50-100 headcount Occupational mix: Agricultural testing job family focused on seed scientists, technicians and supporting occupations Associate to bachelors degrees Industry intersections with office functions, project management, logistics, marketing-sales and other aspects of seed test industry Proximate to 2-year and 4-year colleges focused on agricultural science
Costs	<ul style="list-style-type: none"> Salary costs lower than national / regional averages Facility / lab space development costs Utility costs
Facility Factors	<ul style="list-style-type: none"> Laboratory space Office space Generally under 25,000 sf requirement Moderate utility requirements specific to testing regimes
Other	<ul style="list-style-type: none"> Industry cluster proximity Air access to parent companies / partners Incentive opportunities Corporate taxation Entrepreneurial environment

Considerations for Watertown

- Relatively strong LQs for seed testing
- Employment base captures Brookings commute shed at 45-minutes
- Growing sector, potential for supporting functions with synergies to Brookings cluster
- Industry segment is rarely targeted – presenting an entrée for Watertown
- Downside: lack of appropriate lab space in Watertown – would require investment business case, if lab testing is primary target

Industry Opportunities:
Attractive

Location Factor Competitiveness:
Competitive

Siting Opportunities:
Lacking

Watertown's Competitive Position

Site Selection Priority Factors				
		High	Medium	Low
	High	<ul style="list-style-type: none"> Skills profile Scalable to up to 100 headcount Infrastructure 2-year college access 	<ul style="list-style-type: none"> Moderately competitive labor and real estate costs Proximity to industry cluster 4-yr college access 	Available Lab Space for testing
	Medium			<ul style="list-style-type: none"> Attractiveness perception for relocating talent
	Low			<ul style="list-style-type: none"> Air Service (though not a critical factor)

Key Selling Point

Other Important Advantage

Yellow Flag Concern

Likely not a Swing Factor

Profile

- Definition:** agricultural seed testing specific to crops grown in South Dakota or with potential to grow in the region
- Scale:** niche to small scale employment (< 100)
- Activities suited for Watertown:** functions that have synergies with Brookings seed development and testing cluster; this could include additional testing capacity and / or supporting functions. Marketing-commercialization activities more challenging to include.
- Related occupational skills:** per job families noted
- Major industry players:** SGS, SoDak Labs and others

South Dakota, particularly Brookings, is a cluster of seed testing of regional significance. Watertown's proximity and shared 45-minute labor market can provide opportunities for local investment.

Overall Performance	<ul style="list-style-type: none"> Growth industry, moderate capital intensity, modest professional and technical employment requirements
Estimated Market Revenue	<ul style="list-style-type: none"> The United States Seed Treatment Market, which includes aspects of seed testing, was estimated at USD 1.50 billion in 2024
Expected 5-year Revenue Growth	<ul style="list-style-type: none"> Market expected to grow at a compound annual growth rate (CAGR) of 4.80% to reach USD 2.00 billion by 2030
Constraints	<ul style="list-style-type: none"> No specific constraints other than availability of appropriate lab space in Watertown and gravitation to Brookings with university proximity / a competitive incentive package will likely be necessary
Major Companies and US Locations	<ul style="list-style-type: none"> SGS SA: Recognized as a benchmark for quality and integrity in the seed industry, SGS offers a wide range of seed testing and monitoring services to help companies meet internationally recognized standards / Brookings location and US HQ in New Jersey SoDak Labs, Inc.: An ISTA accredited laboratory based in Brookings, SD, offering seed germination, vigor, purity, and genetic purity tests. Eurofins USA: Part of the Eurofins Scientific group, Eurofins is known for its advanced testing capabilities and commitment to quality (offices / testing in several US locations, closest is Minneapolis) 20/20 Seed Labs Inc.: Specializes in seed testing and certification services, ensuring that seeds meet the highest standards of quality and performance (based in Winnipeg, Manitoba) AMM Seed Testing Inc.: Provides a variety of seed testing services, including germination, purity, and disease testing, to support the seed industry (based in Santa Barbara, CA) Intertek Group: Offers a comprehensive range of seed testing services, including physical purity tests, germination tests, and GMO testing, to support the seed industry (closest location is Winnipeg). Ag testing is one of many segments Bureau Veritas: Known for its rigorous testing soil and seed testing, pesticide analysis and certification services, Bureau Veritas provides seed testing services that comply with international standards. HQ in Belgium / numerous offices in US, closest in Chicago and Kansas City. Ag testing is one of many segments.
Major Trade Show and Key Trade Association	<ul style="list-style-type: none"> International Seed Testing Association (ISTA) Society of Commercial Seed Technologists
Key Marketing Message	<ul style="list-style-type: none"> A solid base for expansion: field / lab testing and supporting functions

- Rationale for inclusion as a target industry:
 - Geographic: part of South Dakota agriculture heartland and proximity to Brookings, a major center for seed research and development at South Dakota State University and private testing companies (e.g., SoDak Labs, SGS)
 - Location requirements: not employment intensive / not infrastructure intensive / however, lab facilities might be required; some field testing with precision instrumentation as well
 - Watertown workforce profile supports testing labs and supporting functions provide an attractive talent base; marketing and commercialization will likely be more challenging to develop locally
 - Market trends suggest continued growth overall
 - Lake Area Technical College as a training resource: Agricultural Curriculum – business / merchandising / precision technology

Sub-target	Location Need	Watertown Capacity / Opportunity
Seed Testing – lab and field (Promising)	Workforce: scientific talent, qc, lab techs (< 50 headcount) Facility: may need wet and dry lab space Proximity to industry cluster	<ul style="list-style-type: none"> • Experienced professional workforce (+) • No current knowledge of available lab space (-) • Within 1 hour of Brookings cluster (+) • Precision Ag Technology Curriculum (LATC) (+)
Commercialization (less promising)	Workforce: professional talent: scientists, business analysts, marketing / finance professionals Facility: office space Proximity to industry cluster	<ul style="list-style-type: none"> • Direct occupational concentration challenging (-) • Office space available (+) • Within 1 hour of Brookings cluster (+) • May have difficulty attracting talent (-)
Sales and Support (more promising)	Workforce Facility: office space Moderate labor costs: mix of customer facing and back office	<ul style="list-style-type: none"> • Customer service and support workforce profile in an agricultural region (+) • Office space available (+) • Within 1 hour of Brookings cluster (+) • Cost savings vs. Minneapolis-St Paul (+)

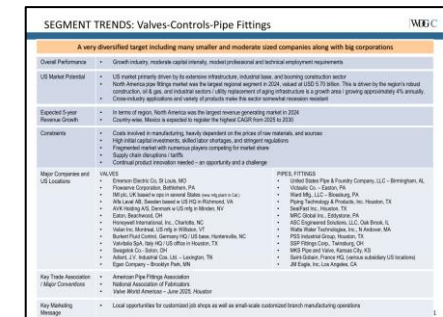
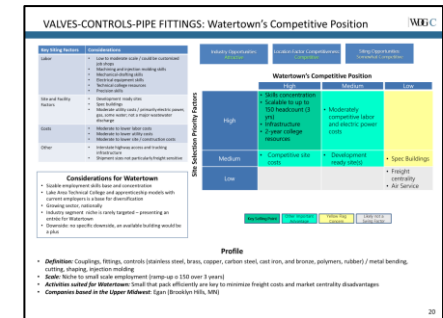
- Sources

- <https://www.maximizemarketresearch.com/market-report/global-seed-testing-services-market/120143/>
- <https://www.marketdataforecast.com/market-reports/seed-testing-market>
- <https://www.marketresearchintellect.com/blog/ensuring-agricultural-success-trends-in-seed-testing/>
- <https://www.marketresearchintellect.com/blog/seeds-under-scrutiny-the-market-dynamics-of-seed-testing-services/>

TARGET INDUSTRY PROFILE 2:

VALVES, CONTROLS, PIPE FITTINGS

- Sector Definitions and Job Families
- Watertown Occupational Scale and Concentration
- Location Criteria
- Watertown's Competitive Position
- Industry Sector Profile: Size, Trends, Major Companies / Geographies / Trade Associations
- Watertown Opportunities and Messaging

[illegible]

Target	Location Need	Watertown Capacity / Opportunity
Valves-Controls-Pipetting <i>(promising)</i>	<ul style="list-style-type: none"> • Skilled / trainable workforce • Available building, virtual building or ability construct on a development ready site • Moderate labor costs 	<ul style="list-style-type: none"> • ~2,300 hundred skilled workers in this job family reside within 30-minutes (±) • Available industrial building (±) • Available development ready subdividable site (±) • Electric power and gas (±) • Labor costs (±) relative to Twin Cities • Electric power costs (±)

- Subgroups include:
 - Manufacturing: pipe and valve fittings which offers good skills transfer with existing local industry, training resources and precision skills
 - Manufacturing: controls, electronic or hydraulic, also offering good skills transfer with existing local industry, training resources and precision skills
 - Support Functions: wholesale, customer service functions (cross-over with Office Functions)
- Descriptions:
 - **Pipe Fittings Manufacturing:** *adapters, couplings, elbows, tees, flanges, valves, reducers, and sleeves for fluid management systems. Each type of fitting serves a specific purpose, ensuring that pipes are securely connected and that fluids flow efficiently. Materials include stainless steel, brass, copper, carbon steel, cast iron, and bronze as well as plastics / polymers / rubber compounds. Note that significant tariffs are proposed for several materials, particularly copper.*
 - **Control Valves Manufacturing:** *linear and rotary control valves are extensively used in process industries such as food & beverages, oil & gas, water & wastewater, petrochemicals, energy & power, and pharmaceuticals to reach growing automation needs. The solenoid valve market is increasingly gaining popularity across different industries, especially as they complement industrial process automation strategies.*
 - **Support Functions:** *Customer service, wholesalers are potential niches*
- Rationale for inclusion as a target industry:
 - Somewhat freight-neutral: general small parts / lower weight that readily packs efficiently for shipment, reducing freight as a % of cost of goods sold, mitigating a disadvantage (market access) for South Dakota's logistics geography
 - The market presents significant opportunities, particularly in the development of eco-friendly and advanced material-based fittings
 - Product quality: fittings and valves are high precision components subject to regulatory scrutiny – Watertown's reputation for workforce-product quality and precision talent are marketable assets

- Standard Occupational Classifications (SOC) that encompass a wide range of jobs that fall into the skills requirements of Pipe Fittings and Valve Controls

Watertown Pipe & Valve Fittings Job Family Occupational Titles
Facilities Managers
Industrial Production Managers
Computer Network Support Specialists
Network and Computer Systems Administrators
Industrial Engineers
Materials Engineers
Mechanical Engineers
Mechanical Drafters
Industrial Engineering Technicians
Mechanical Engineering Technicians
Calibration Technologists and Technicians
Production, Planning, and Expediting Clerks
Shipping, Receiving, and Inventory Clerks
Weighers, Measurers, Samplers, Recordkeeping
Electrical Repairers, Commercial & Industrial Eqpt.
Industrial Machinery Mechanics
Supervisors of Production and Operating Workers
Extruding and Drawing Machine Operators, Tenders
Forging Machine Setters, Operators, and Tenders
Rolling Machine Setters, Operators, and Tenders
Cutting, Punching, and Press Machine Operators
Drilling and Boring Machine Tool Setters, Operators
Grinding, Lapping, Polishing, and Buffing Machine Operators
Lathe and Turning Machine Tool Setters, Operators
Milling and Planing Machine Setters, Operators
Machinists
Multiple Machine Tool Setters, Operators, and Tenders
Tool and Die Makers
Welders, Cutters, Solderers, and Brazers
Welding, Soldering, and Brazing Machine Setters, Operators
Heat Treating Equipment Setters, Operators
Layout Workers, Metal and Plastic
Plating Machine Setters, Operators, and Tenders
Tool Grinders, Filers, and Sharpeners
Metal Workers and Plastic Workers, All Other
Extruding, Forming, Pressing, & Compacting Machine Operators
Inspectors, Testers, Sorters, Samplers, and Weighers
Packaging and Filling Machine Operators and Tenders
Computer Numerically Controlled Tool Operators
Computer Numerically Controlled Tool Programmers
Helpers--Production Workers
Production Workers, All Other
Industrial Truck and Tractor Operators
Laborers and Freight, Stock, and Material Movers, Hand

OCCUPATIONAL SCALE & CONCENTRATION: Valves-Controls-Pipe Fittings

- WDGC prefers occupational location quotients (LQs) within 0.9-1.5, indicating sufficient, but not overly competitive labor resources in the applicable job families
- Strong occupational employment and concentration (**LQ=1.54**) within 30-minutes of Watertown
- Highlighted occupations:
 - Various machine operator occupations
 - Welders (although market saturated)
 - Shipping-receiving clerks (office support function)
- Considerable cross-over skills with current industries in Watertown
- Seek small to moderate scale manufacturing opportunities
- Emphasize continued skills development at Lake Area Tech

Occupation	SOC	Watertown, SD μSA			30-minute Commute Shed		
		Watertown SD			Calvin Trade Ctr.		
		Employment	LQ	Median Wage	Employment	LQ	Median Wage
Watertown Pipe & Valve Fittings Job Fam		1,876	1.61	\$54,400	2,328	1.54	\$54,200
Facilities Managers	11-3013	12	0.81	\$102,500	15	0.82	\$101,900
Industrial Production Managers	11-3051	44	1.83	\$112,000	56	1.90	\$111,200
Computer Network Support Specialists	15-1231	11	0.71	\$58,900	16	0.75	\$58,500
Network and Computer Systems Administrators	15-1244	35	1.09	\$70,700	48	1.07	\$70,400
Industrial Engineers	17-2112	56	1.75	\$91,300	70	1.62	\$90,900
Materials Engineers	17-2131	1	1.63	\$91,600	3	1.41	\$91,400
Mechanical Engineers	17-2141	51	1.85	\$84,600	62	1.64	\$84,400
Mechanical Drafters	17-3013	12	2.36	\$54,700	15	2.12	\$54,500
Industrial Engineering Technicians	17-3026	26	3.27	\$53,500	30	2.96	\$53,300
Mechanical Engineering Technicians	17-3027	10	2.22	\$54,600	12	1.97	\$54,400
Calibration Technologists and Technicians	17-3028	1	0.59	\$55,400	2	0.67	\$54,900
Production, Planning, and Expediting Clerks	43-5061	30	0.79	\$51,000	41	0.77	\$50,800
Shipping, Receiving, and Inventory Clerks	43-5071	132	1.45	\$44,200	162	1.37	\$44,000
Weighers, Measurers, Samplers, Recordkeeping	43-5111	8	1.05	\$46,300	12	1.14	\$45,900
Electrical Repairers, Commercial & Industrial Eqpt.	49-2094	10	1.53	\$61,700	15	1.69	\$61,300
Industrial Machinery Mechanics	49-9041	80	1.78	\$62,300	110	1.96	\$61,800
Supervisors of Production and Operating Workers	51-1011	120	1.64	\$70,200	156	1.70	\$69,700
Extruding and Drawing Machine Operators, Tenders	51-4021	7	1.00	\$50,200	9	0.91	\$50,000
Forging Machine Setters, Operators, and Tenders	51-4022	3	2.67	\$50,800	3	2.36	\$50,700
Rolling Machine Setters, Operators, and Tenders	51-4023	7	2.72	\$48,400	9	2.28	\$48,400
Cutting, Punching, and Press Machine Operators	51-4031	58	3.09	\$43,100	68	2.61	\$43,000
Drilling and Boring Machine Tool Setters, Operators	51-4032	2	2.69	\$45,300	2	2.30	\$45,200
Grinding, Lapping, Polishing, and Buffing Machine Operators	51-4033	21	2.57	\$36,200	23	2.17	\$36,100
Lathe and Turning Machine Tool Setters, Operators	51-4034	7	3.14	\$47,500	7	2.63	\$47,400
Milling and Planing Machine Setters, Operators	51-4035	4	2.38	\$47,600	4	2.03	\$47,500
Machinists	51-4041	78	2.59	\$49,700	87	2.23	\$49,600
Multiple Machine Tool Setters, Operators, and Tenders	51-4081	26	1.98	\$52,100	30	1.69	\$52,000
Tool and Die Makers	51-4111	13	2.20	\$60,500	16	1.94	\$60,300
Welders, Cutters, Solderers, and Brazers	51-4121	368	7.95	\$49,200	408	6.95	\$49,000
Welding, Soldering, and Brazing Machine Setters, Operators	51-4122	24	6.42	\$51,400	26	5.45	\$51,300
Heat Treating Equipment Setters, Operators	51-4191	3	2.15	\$44,700	4	1.85	\$44,600
Layout Workers, Metal and Plastic	51-4192	1	0.93	\$62,200	1	0.84	\$61,900
Plating Machine Setters, Operators, and Tenders	51-4193	4	1.03	\$40,300	4	0.87	\$40,200
Tool Grinders, Filers, and Sharpeners	51-4194	2	2.15	\$47,400	2	2.01	\$47,200
Metal Workers and Plastic Workers, All Other	51-4199	4	2.16	\$42,100	5	1.81	\$42,000
Extruding, Forming, Pressing, & Compacting Machine Operators	51-9041	28	4.47	\$49,900	40	4.32	\$49,600
Inspectors, Testers, Sorters, Samplers, and Weighers	51-9061	67	1.03	\$48,900	83	1.03	\$48,600
Packaging and Filling Machine Operators and Tenders	51-9111	21	0.36	\$44,500	55	1.19	\$43,300
Computer Numerically Controlled Tool Operators	51-9161	155	8.17	\$51,300	171	6.93	\$51,200
Computer Numerically Controlled Tool Programmers	51-9162	12	3.83	\$63,300	13	3.31	\$63,200
Helpers--Production Workers	51-9198	32	1.44	\$37,600	39	1.51	\$37,300
Production Workers, All Other	51-9199	39	1.37	\$38,600	55	1.45	\$38,300
Industrial Truck and Tractor Operators	53-7051	64	0.73	\$49,400	96	0.79	\$49,000
Laborers and Freight, Stock, and Material Movers, Hand	53-7062	185	0.56	\$38,000	241	0.55	\$37,800

- **Transferable experience / work ethic / precision skills and a base of trainable entry level employees, supported by robust training resources are the most important set of criteria for attracting valve-controls-pipe fitting manufacturing to Watertown; a development ready site (Calvin) is a solid asset / an available building can be a ‘deal-clincher’ for projects needing rapid speed to operational start-up. If not existing, a well-documented virtual building is an attractive alternative at much lower investment cost. Utility requirements will generally be moderate.**
- These are general factors and categories – more nuanced considerations applicable to each sector would be considered in an actual location selection study, with factors weighted accordingly
- Highlighted are typical siting considerations for which comparable macro-level data is readily available and measurable
- Watertown’s strengths per each of these factors can be applied to competitive marketing messages

Key Siting Factors	Considerations
Labor	<ul style="list-style-type: none"> • Low to moderate scale / could be customized job shops • Machining and injection molding skills • Mechanical-drafting skills • Electrical equipment skills • Technical college resources • Precision skills
Site and Facility Factors	<ul style="list-style-type: none"> • Development ready sites • Spec buildings • Moderate utility costs / primarily electric power, gas, some water; not a major wastewater discharge
Costs	<ul style="list-style-type: none"> • Moderate to lower labor costs • Moderate to lower utility costs • Moderate to lower site / construction costs
Other	<ul style="list-style-type: none"> • Interstate highway access and trucking infrastructure • Shipment sizes not particularly freight sensitive

Key Siting Factors	Considerations
Labor	<ul style="list-style-type: none"> • Low to moderate scale / could be customized job shops • Machining and injection molding skills • Mechanical-drafting skills • Electrical equipment skills • Technical college resources • Precision skills
Site and Facility Factors	<ul style="list-style-type: none"> • Development ready sites • Spec buildings • Moderate utility costs / primarily electric power, gas, some water; not a major wastewater discharge
Costs	<ul style="list-style-type: none"> • Moderate to lower labor costs • Moderate to lower utility costs • Moderate to lower site / construction costs
Other	<ul style="list-style-type: none"> • Interstate highway access and trucking infrastructure • Shipment sizes not particularly freight sensitive

Industry Opportunities:
Attractive

Location Factor Competitiveness:
Competitive

Siting Opportunities:
Somewhat Competitive

Watertown's Competitive Position

Site Selection Priority Factors			
	High	Medium	Low
	High <ul style="list-style-type: none"> • Skills concentration • Scalable to up to 150 headcount (3 yrs) • Infrastructure • 2-year college resources 	<ul style="list-style-type: none"> • Moderately competitive labor and electric power costs 	
	Medium <ul style="list-style-type: none"> • Competitive site costs 	<ul style="list-style-type: none"> • Development ready site(s) 	<ul style="list-style-type: none"> • Spec Buildings
	Low		<ul style="list-style-type: none"> • Freight centrality • Air Service

Considerations for Watertown

- Sizable employment skills base and concentration
- Lake Area Technical College and apprenticeship models with current employers is a base for diversification
- Growing sector, nationally
- Industry segment niche is rarely targeted – presenting an entrée for Watertown
- Downside: no specific downside, an available building would be a plus

Key Selling Point

Other Important Advantage

Yellow Flag Concern

Likely not a Swing Factor

Profile

- **Definition:** Couplings, fittings, controls (stainless steel, brass, copper, carbon steel, cast iron, and bronze, polymers, rubber) / metal bending, cutting, shaping, injection molding
- **Scale:** Niche to small scale employment (ramp-up o 150 over 3 years)
- **Activities suited for Watertown:** Small that pack efficiently are key to minimize freight costs and market centrality disadvantages
- **Companies based in the Upper Midwest:** Egan (Brooklyn Hills, MN)

A very diversified target including many smaller and moderate sized companies along with big corporations

Overall Performance	<ul style="list-style-type: none"> Growth industry, moderate capital intensity, modest professional and technical employment requirements 	
US Market Potential	<ul style="list-style-type: none"> US market primarily driven by its extensive infrastructure, industrial base, and booming construction sector North America pipe fittings market was the largest regional segment in 2024, valued at USD 5.70 billion. This is driven by the region's robust construction, oil & gas, and industrial sectors / utility replacement of aging infrastructure is a growth area / growing approximately 4% annually. Cross-industry applications and variety of products make this sector somewhat recession resistant 	
Expected 5-year Revenue Growth	<ul style="list-style-type: none"> In terms of region, North America was the largest revenue generating market in 2024 Country-wise, Mexico is expected to register the highest CAGR from 2025 to 2030 	
Constraints	<ul style="list-style-type: none"> Costs involved in manufacturing, heavily dependent on the prices of raw materials, and sources High initial capital investments, skilled labor shortages, and stringent regulations Fragmented market with numerous players competing for market share Supply chain disruptions / tariffs Continual product innovation needed – an opportunity and a challenge 	
Major Companies and US Locations	VALVES <ul style="list-style-type: none"> Emerson Electric Co, St Louis, MO Flowserve Corporation, Bethlehem, PA IMI plc, UK based w ops in several States (new mfg plant in Cal.) Alfa Laval AB, Sweden based w US HQ in Richmond, VA AVK Holding A/S, Denmark w US mfg in Minden, NV Eaton, Beachwood, OH Honeywell International, Inc., Charlotte, NC Velan Inc. Montreal, US mfg in Williston, VT Burkert Fluid Control, Germany HQ / US base, Huntersville, NC Valvitalia SpA, Italy HQ / US office in Houston, TX Swagelok Co.- Solon, OH Adient, J.V. Industrial Cos. Ltd. – Lexington, TN Egan Company – Brooklyn Park, MN 	PIPES, FITTINGS <ul style="list-style-type: none"> United States Pipe & Foundry Company, LLC – Birmingham, AL Victaulic Co. – Easton, PA Ward Mfg., LLC – Blossburg, PA Piping Technology & Products, Inc. Houston, TX SealFast Inc., Houston, TX MRC Global Inc., Eddystone, PA ASC Engineered Solutions, LLC, Oak Brook, IL Watts Water Technologies, Inc., N Andover, MA PSS Industrial Group, Houston, TX SSP Fittings Corp., Twinsburg, OH MKS Pipe and Valve, Kansas City, KS Saint-Gobain, France HQ, (various subsidiary US locations) JM Eagle, Inc, Los Angeles, CA
Key Trade Association / Major Conventions	<ul style="list-style-type: none"> American Pipe Fittings Association National Association of Fabricators Valve World Americas – June 2025, Houston 	
Key Marketing Message	<ul style="list-style-type: none"> Local opportunities for customized job shops as well as small-scale customized branch manufacturing operations 	

- Rationale for inclusion as a target industry:
 - Location requirements: skilled precision and trainable workforce up to 150 employee ramp-up over 3 years
 - Manufacturing work ethic and experience are embedded into the local workforce
 - Watertown workforce profile supports the full family of jobs in the valves-controls-pipefitting segment
 - Market trends in this industry suggest continued growth overall in the US
 - Lake Area Technical College as a training resource: apprenticeship programs / academic programs in precision machining, welding, maintenance and robotics are applicable

Target	Location Need	Watertown Capacity / Opportunity
Valves-Controls-Pipefitting <i>(promising)</i>	<ul style="list-style-type: none"> • Skilled / trainable workforce • Available building, virtual building or ability construct on a development ready site • Moderate labor costs 	<ul style="list-style-type: none"> • ~2,300 hundred skilled workers in this job family reside within 30-minutes (-) • Available industrial building (-) • Available development ready subdividable site (+) • Electric power and gas (+) • Labor costs (+) relative to Twin Cities • Electric power costs (+)

- In addition to WDGC insight and proprietary data sources, the following sources provided information on segment trends, opportunities, and concerns
 - <https://www.grandviewresearch.com/pipeline/pipe-and-pipe-fittings-market-procurement-intelligence-report>
 - <https://www.cognitivemarketresearch.com/pipe-and-valve-and-fittings-market-report>
 - <https://www.myssp.com/>

TARGET INDUSTRY PROFILE 3:

SMALL / MODULAR DATA CENTERS

WDG C

- Watertown Opportunities and Messaging

Waterstown Modular Data Ctr Job Family						
Occupational Titles						
Facilities Managers						
Computer and Information Systems Managers						
Computer Network Support Specialists						
Computer User Support Specialists						
Network and Computer Systems Administrators						
Computer Occupations, All Other						
Computer Hardware Engineers						
Electrical Engineers						
Electronics Engineers, Except Computer						
Electrical and Electronic Engineering Technicians						
Engineering Technicians, Except Drafters, All Other						
Computer, Automated Teller, & Office Machine Repairs						
Electronics Repairers, Commercial & Industrial Eqpt.						
SOC						
Waterstown, SD Job F			30 minute Commute Based Cabinet Ctr, SD			
Employment	LQ	Median Wage	Employment	LQ	Median Wage	
Waterstown Modular Data Ctr Job Family			Waterstown Modular Data Ctr Job Family			
Facilities Managers			Facilities Managers			
15-1003	12	20.81 \$592.60	15-1003	15	22.82 \$594.00	
Computer and Information Systems Managers	15-1002	1	0.14 \$149.00	15-1002	1	0.14 \$149.00
Computer Network Support Specialists	15-1212	12	0.71 \$170.00	15-1212	12	0.71 \$170.00
Computer User Support Specialists	15-1212	37	0.51 \$50.70	15-1212	48	0.40 \$51.40
Network and Computer Systems Administrators	15-1244	5	0.14 \$130.80	15-1244	8	0.14 \$130.80
Computer Occupations, All Other	15-1399	5	0.14 \$130.80	15-1399	8	0.14 \$130.80
Computer Hardware Engineers	17-0001	0	1.24 \$221.00	17-0001	1	1.08 \$212.10
Electrical Engineers	17-0071	15	0.54 \$164.00	17-0071	22	0.54 \$164.00
Electronics Engineers, Except Computer	17-0072	0	1.24 \$221.00	17-0072	1	1.08 \$212.10
Electrical and Electronic Engineering Technicians	17-0082	13	1.35 \$364.00	17-0082	12	1.27 \$354.00
Engineering Technicians, Except Drafters, All Other	17-0029	3	0.80 \$144.00	17-0029	4	0.80 \$144.00
Computer, Automated Teller, & Office Machine Repairs	49-0201	13	0.31 \$92.80	49-0201	12	0.31 \$92.80
Electronics Repairers, Commercial & Industrial Eqpt.	49-2024	10	1.13 \$250.00	49-2024	15	1.09 \$250.00

SEGMENT TRENDS: Small Data Centers		WOT
Expanding need for Edge computing and SD networks in driving growth of small / modular data centers		
Overall Perception	<ul style="list-style-type: none"> Small data center market is experiencing significant growth, even as increasing demand for hyperscale, satellite, and flexible data centers 	
Estimated Revenue Growth	<ul style="list-style-type: none"> Mid-size data center valued at 200 growing exponentially... some estimates suggest \$24 billion by 2034 from \$2 billion in 2024 	
Expected 1 Year Revenue Growth	<ul style="list-style-type: none"> Growing at 20-25% annually averaging in some sources Small data centers represent over 80% of the overall data center market... several industry estimates at 10% increase for IDC's 1st forecast 	
Concerns	<ul style="list-style-type: none"> Low market need to qualify Edge infrastructure (fewer customers) Power limits - need only small capacity available Not all data centers have SD-WAN and SDN capabilities... other vendors - need to verify that approved for infrastructure used 	
Major Companies and Key Locations/Investing	<ul style="list-style-type: none"> Major Companies of Edge, 5G, and SDN Tech: Tech companies are at the vanguard of edge technology initiatives, including mobile data center operators, supporting digital transformation for businesses globally Cloud providers: Amazon, Microsoft, Google, and others are expanding their edge computing capabilities, offering modular data center solutions that enhance IT resilience and support digital transformation Telecom providers: Verizon, AT&T, T-Mobile, and others are investing in edge computing infrastructure, offering modular data center solutions and 5G network capabilities Specialized providers: EdgeLogic, EdgeScale, and others provide modular infrastructure, including rackable data center systems that are turn-key and self-powered, enabling easy on-site installation Government: U.S. National Science Foundation, Science & Technology is a major edge computing management and accelerator, offering modular data center solutions that enhance efficiency and sustainability Government, Academic, Non-Profit, 501(c)(3) provide modular infrastructure and services, including modular data center solutions that support data computing and edge computing Franchises: Bluebird, SaaS, Onecloud, and other franchises data centers, some located for Edge computing applications Service Providers: 5G Network Builders, SaaS Providers, and other service providers are expanding their edge computing capabilities, offering modular data center solutions that enhance efficiency and sustainability Service Providers: 5G Network Builders, SaaS Providers, and other service providers are expanding their edge computing capabilities, offering modular data center solutions that enhance efficiency and sustainability 	
Major Trade Shows, Conferences, Trade Association	<ul style="list-style-type: none"> South East Asia Technology Expo (SEA Tech Expo) - Singapore (2024) Asia Pacific Edge Computing Expo (APEX) - Houston (2024) Asia Pacific Edge Computing Expo (APEX) - Singapore (2025) Asia Pacific Edge Computing Expo (APEX) - Singapore (2026) 	
Key Rating Agency	<ul style="list-style-type: none"> Available sites, available power and energy located in the 100 best cities 	

33

Sub-target	Location Need	Watertown Capacity / Opportunity
<p>Modular Data Centers: factory power up to 100 kW</p> <p>Cooling water and placed on site</p> <p><i>(Very Promising)</i></p>	<p>Minimal siting and labor requirements as contained</p> <p>Power up to 100 kW</p> <p>Cooling water</p> <p>Robust fiber network</p>	<ul style="list-style-type: none"> • More than adequate siting • 1-20 upgraded fiber corridor • Potential localized and users • Redundant power • Water since new fields tapped • Lower hazard risks
<p>Small Data Centers – constructed on</p> <p><i>(Promising)</i></p>	<p>Up to 10,000 of Power 1 to 5 MW</p> <p>Cooling water</p> <p>Robust fiber network</p>	<ul style="list-style-type: none"> • More than adequate siting • Redundant power • Can achieve 1 MW in short term • Water since new fields tapped • Lower hazard risk

- There are various definitions of what constitutes a data center. A general hierarchy of data centers from smallest to largest fits the following pattern:

Target Niche for Watertown	Type	Defined by	Space	Power	Servers	Location Driver	Tier
	Micro-modular	Containers that can be linked	1,000 sf per unit	50-300 kW	Limited	Highly flexible to customer needs	Tier 1-2-3-4
	Small	On-site scale	5,000-20,000 sf	1 MV-5 MV	500-2,000	Less location impactful as smaller scale	Tier 2-3-4
	Edge	Edge of networks / tend to overlap with 'small data centers'; typically, smaller than other data center types, help businesses facilitate data transfer requiring minimum delay. They are typically located near the end user	5,000-20,000 sf	1 MV-5 MV	500-2,000	Closer to end users or devices, reducing data transit time and latency	Tier 3 and 4
	Hyper	Huge scale, can be co-location, cloud, single user (e.g. AWS); support large-scale IT projects, like social media platforms and search engines, AI	100,000 sf to 1 million sf +	20 MW-100 MW+	Up to 10,000 plus	Power / water / siting	Tier 4
	Co-location	Usage shared by multiple organization; serve businesses that want to host their servers off-site and away from their business premises. Colocation data centers are typically owned by service providers that provide power, security, cooling, and networking components.	Up to the scale of hyper	Up to the scale of hyper	Up to the scale of hyper	Power / water / siting / proximate to users per latency	Tier 4
	Cloud	Distributed data centers run by third-party service providers. These data centers let you rent both space and infrastructure as needed via cloud services	Up to the scale of hyper	Up to the scale of hyper	Up to the scale of hyper	Power / water / siting / can be remote	Tier 4

- Small Data Center, generally defined by size: under 10,000 sf / some sources indicated 5,000 sf or less
- Modular Data Center, a construction delivery approach in modular containers which can be linked and expanded – shorter delivery time frames from groundbreaking to occupancy (e.g., approximately seven months), but a weak link may be factory assembly backlog of the modules for shipment to a site
- Edge Data Center, locations closer to end users or devices, reducing data transit time and latency – could potentially serve the local industrial base, but concern there is enough local scale to support – would need to be further explored – note the ‘Edge’ term overlaps with ‘modular’ and ‘Small’
- Commonalities of small and modular data centers: mostly related to scale
 - **Lower power demand than large scale data centers:** *Opening up opportunities within the 1 MW capacity of Watertown’s industrial sites (some small data centers will require far less power)*
 - **Smaller site footprints:** *Which can readily be accommodated in Watertown’s industrial parks / demand reinforced in that large sites with mega power demands are in increasingly short supply nationwide*
 - **Less local resistance:** *Large data centers have become the latest ‘NIMBY’ in the site selection world; smaller footprints can incur less resistance, but messaging is critical as the term ‘data center’ can spurn resistance*
 - **Limited permanent employment:** *Data centers in general are not large employment generators relative to investment costs, power demands and site footprint; construction employment is normally more significant than long-term jobs, the key benefit to communities related to tax benefits and the power revenue for a municipal utility. This said, there can be downstream employment benefits in attracting companies benefitting from close data center proximity.*
- Rationale for inclusion as a target industry:
 - Site availability, moderate power capacity and attractive electric power rates
 - Limited employment impact in a small and competitive labor market

- Generally accepted tiers (sources NEXESS, IBM)
 - **Tier 1 data center: Basic Site Infrastructure.** Tier 1 data centers offer a basic level of support for IT systems, typically in an office setting. They come with an uninterruptible power supply for potential power outages and spikes, a dedicated physical area for IT systems, cooling equipment, and a backup power generator.
 - **Tier 2 data center: Redundant Component Site Infrastructure.** Tier 2 data centers come with extra cooling components like chillers, cooling units, and exhaust pumps. They typically offer better maintenance and protection against disruptions than tier 1 data centers, and you can replace components without shutting the system down. Maximum downtime 22 hours.
 - **Tier 3 data center: Concurrently Maintainable Site Infrastructure.** Tier 3 data centers offer high data redundancy levels and allow equipment maintenance or replacement without system shutdown. They have redundant support systems such as power and cooling units, ensuring a very low annual downtime of less than 1.6 hours.
 - **Tier 4 data center: Fault Tolerant Site Infrastructure.** Tier 4 data centers have physically isolated systems that prevent disruptions from planned and unplanned events. They are fault-tolerant, fully redundant, and can guarantee a downtime of only 26 minutes annually.
- Calvin Industrial Park offers redundant power and can service up to 1MW capacity. The degree to which the electric power infrastructure can match up to Tier 4 requirements is a technical matter specific to the needs of the particular data center and the investment therein – this should be studied further as the ability to provide Tier 4 capabilities is a major asset.

- All though not employment intensive, the small data center job family comprises the following occupations:

Watertown Modular Data Ctrs Job Family Occupational Titles
Facilities Managers
Computer and Information Systems Managers
Computer Network Support Specialists
Computer User Support Specialists
Network and Computer Systems Administrators
Computer Occupations, All Other
Computer Hardware Engineers
Electrical Engineers
Electronics Engineers, Except Computer
Electrical and Electronic Engineering Technicians
Engineering Technicians, Except Drafters, All Other
Computer, Automated Teller, & Office Machine Repairers
Electronics Repairers, Commercial & Industrial Eqpt.

- WDGC prefers occupational location quotients (LQs) within 0.9-1.5, indicating sufficient, but not overly competitive labor resources in the applicable job families
- Relatively weak location quotient and occupational presence, however key criteria will likely be site readiness, power availability and cost

Occupation	SOC	Watertown, SD μSA			30-minute Commute Shed		
					Watertown SD		
					Calvin Trade Ctr.		
		Employment	LQ	Median Wage	Employment	LQ	Median Wage
Watertown Modular Data Ctrs Job Family		164	0.59	\$75,600	222	0.58	\$75,100
Facilities Managers	11-3013	12	0.81	\$102,500	15	0.82	\$101,900
Computer and Information Systems Managers	11-3021	1	0.14	\$149,400	3	0.14	\$148,700
Computer Network Support Specialists	15-1231	11	0.71	\$58,900	16	0.75	\$58,500
Computer User Support Specialists	15-1232	37	0.51	\$51,700	48	0.49	\$51,400
Network and Computer Systems Administrators	15-1244	35	1.09	\$70,700	48	1.07	\$70,400
Computer Occupations, All Other	15-1299	5	0.14	\$110,800	8	0.14	\$110,200
Computer Hardware Engineers	17-2061	0	1.24	\$121,400	1	1.08	\$121,100
Electrical Engineers	17-2071	15	0.84	\$91,900	22	0.83	\$91,500
Electronics Engineers, Except Computer	17-2072	7	0.74	\$83,000	9	0.72	\$82,700
Electrical and Electronic Engineering Technicians	17-3023	13	1.35	\$54,900	17	1.27	\$54,700
Engineering Technicians, Except Drafters, All Other	17-3029	6	0.80	\$64,400	8	0.80	\$64,000
Computer, Automated Teller, & Office Machine Repairers	49-2011	10	1.31	\$52,800	12	1.12	\$52,700
Electronics Repairers, Commercial & Industrial Eqpt.	49-2094	10	1.53	\$61,700	15	1.69	\$61,300

- **Site, infrastructure (particularly robust electric power), electrical power costs and construction resources are key. Incentives favoring data centers can be a deal closer.**

- These are general factors and categories – more nuanced considerations applicable to each sector would be considered in an actual location selection study, with factors weighted accordingly
- Highlighted are typical siting considerations for which comparable macro-level data is readily available and measurable
- Watertown’s strengths per each of these factors can be applied to competitive marketing messages

Key Siting Factors	Considerations
Site and Facility Factors	<ul style="list-style-type: none"> • Development ready sites • Electric power availability • Robust power redundancy • Construction resources
Costs	<ul style="list-style-type: none"> • Low power costs • Low construction costs
Other	<ul style="list-style-type: none"> • Attractive tax structure and incentives geared to data centers • Low natural hazard risks / cool climate preferred
Labor	<ul style="list-style-type: none"> • Not employment intense • Regional construction labor / electrical technicians • Computer facility operations occupations

Key Siting Factors	Considerations
Site and Facility Factors	<ul style="list-style-type: none"> Development ready sites Electric power availability Robust power redundancy Construction resources
Costs	<ul style="list-style-type: none"> Low power costs Low construction costs
Other	<ul style="list-style-type: none"> Attractive tax structure and incentives geared to data centers Low natural hazard risks / cool climate preferred
Labor	<ul style="list-style-type: none"> Not employment intense Regional construction labor / electrical technicians Computer facility operations occupations

Considerations for Watertown

- Power costs, redundancy and capacity to 10 mW a key advantage
- Defeat of a tax incentive for data centers is an upcurrent, not a non-starter
- Distinctions between small and modular data centers – modular centers are essentially containers in a box
- Mixed: few jobs will be created, but potential for tax revenue, electric power revenue and downstream jobs

Industry Opportunities:
Attractive

Location Factor Competitiveness:
Competitive

Siting Opportunities:
Lacking

Watertown's Competitive Position

Site Selection Priority Factors		High	Medium	Low
	High	<ul style="list-style-type: none"> Electric Power Availability up to 10 mW Electric power costs Development ready site Power redundancy 	<ul style="list-style-type: none"> Natural hazard risk 	<ul style="list-style-type: none"> Incentives geared to attract data centers
	Medium	<ul style="list-style-type: none"> Favorable tax structure 	<ul style="list-style-type: none"> Low construction costs Construction labor 	<ul style="list-style-type: none"> Data center operations occupations
	Low			

Key Selling Point

Other Important Advantage

Yellow Flag Concern

Likely not a Swing Factor

Profile

- Definition:** focus on small data centers requiring 5,000-10,000 sf that will provide facility and M&E tax revenue potential and electric power revenue
- Scale:** niche to small scale employment (< 25, maybe less than 10)
- Activities suited for Watertown:** modular data centers, edge data centers, small scale / not employment intensive
- Related occupational skills:** per job families noted
- Major industry players:** to be determined

Expanding need for Edge computing and 5G networks is driving growth of small / modular data centers

Overall Performance	<ul style="list-style-type: none"> Small modular data center industry is experiencing significant growth, driven by increasing demand for cost-effective, scalable, and flexible data center solutions
Estimated Market Revenue	<ul style="list-style-type: none"> Micro-data center market in US growing exponentially – some estimates suggest \$24 billion by 2034 from under \$2 billion in 2024
Expected 5-Year Revenue Growth	<ul style="list-style-type: none"> Growing at nearly 30% annually according to some sources Small data centers represent over 40% of the overall data center market – somewhat hidden statistic as PR focuses on big DCs Tier 3 centers dominate the market
Constraints	<ul style="list-style-type: none"> Local market size to justify Edge infrastructure (needs further research) Power limits – need to verify actual capacity available Well situated between Sioux Falls and Fargo on the I-29 fiber corridor – need to verify that upgraded fiber infrastructure would accommodate small data center buildout
Major Companies and HQ Locations (manufacturing modular data center components)	<ul style="list-style-type: none"> Dell Technologies: Round Rock, Texas, Dell Technologies offers a wide range of technology solutions, including modular data center components, supporting digital transformation for businesses globally Hewlett Packard Enterprise (HPE): Houston, Texas, HPE specializes in enterprise products and services, including modular data center solutions that enhance IT infrastructure and support digital transformation Vertiv Group: Columbus, Ohio, Vertiv Group focuses on critical digital infrastructure, offering modular data center solutions for power, cooling, and IT management Eaton: Dublin, Ireland, Eaton provides power management solutions, including modular data center systems that ensure reliable and efficient energy use across industries Schneider Electric: Rueil-Malmaison, France, Schneider Electric is a global leader in energy management and automation, offering modular data center solutions that enhance efficiency and sustainability IBM Corporation: Armonk, New York, IBM provides innovative technologies and services, including modular data center solutions that support cloud computing and AI applications Flexenclosure: Stockholm, Sweden, Develops pre-fabricated data centers, some tailored for Edge computing applications Submer Technologies: (US HQ Houston) Submer's MicroPod is an immersion cooling solution for Edge applications, colocation data centers, telcos, and cloud computing, offering energy-efficient and scalable data center solutions Switch: (Las Vegas, NV) Modular data centers, colocation centers
Major Trade Show and Key Trade Association	<ul style="list-style-type: none"> Data Center Expo / Energy Live 2025 – Houston (Dec 9-10, 2025) Data Center World Power – San Antonio (Sep 29-Oct 1, 2025)
Key Marketing Message	<ul style="list-style-type: none"> Available sites, available power and strategic location on the I-29 fiber corridor

- Rationale for inclusion as a target industry:
 - Electric power resources, redundancy and moderate costs up to a 1 MW threshold
 - Location along the I-29 fiber corridor, being upgraded to 5G
 - Location requirements: not employment intensive
 - Ample siting capacity to the scale of small data centers
 - A local industrial market with HQ companies – would need to be verified as having sufficient potential for a localized Edge center

Edge Data Centers

Sub-target	Location Need	Watertown Capacity / Opportunity
Modular Data Centers factory built and placed on site (Very Promising)	Minimal siting and labor requirements as containerized Power up to 300 kW Cooling water Robust fiber network	<ul style="list-style-type: none"> • More than adequate siting • I-29 upgraded fiber corridor • Potential localized end users • Redundant power • Water once new fields tapped • Lower hazard risks
Small Data Centers – constructed on site (Promising)	Up to 10,000 sf Power 1 to 5 MW Cooling water Robust fiber network	<ul style="list-style-type: none"> • More than adequate siting • Redundant power • Can achieve 1 MW in short term • Water once new fields tapped • Lower hazard risk

- Sources for definitions and requirements
 - <https://www.nexcess.net/blog/types-of-data-centers/>
 - <https://www.hpe.com/us/en/what-is/edge-datacenter.html#:~:text=Edge%20datacenters%20are%20located%20closer,to%20increase%20computing%20response%20time.>
 - https://nescoe.com/resource-center/data-centers-primer/#_Toc168597118
- Sources for market growth / demand
 - <https://www.marketresearchfuture.com/reports/modular-data-center-market>
 - <https://www.fortunebusinessinsights.com/industry-reports/modular-data-center-market-100504>
 - <https://www.grandviewresearch.com/industry-analysis/modular-data-center-market-report>

TARGET INDUSTRY PROFILE 4:

OFFICE FUNCTIONS

- Watertown Opportunities and Messaging

[illegible][illegible]

ABBREVIATED SEGMENT TRENDS: Three Highlighted Segments

WFOC

Selective offer functions aligned to the current industry base or where Waterfront offers cost advantage

Healthcare / Medical Equipment Servicing

Contract	<ul style="list-style-type: none"> Contracting and equipment services, including the complexity of the related product/service experience 	
Vertical Potential	<ul style="list-style-type: none"> Vertical sales and service, for example, for hospital equipment Equipment are customized to fit the customer's needs Service and repair services are performed on-site Equipment are used in a variety of settings, including hospitals, clinics, and long-term care facilities Equipment is used in a variety of settings, including hospitals, clinics, and long-term care facilities 	
Opportunity	<ul style="list-style-type: none"> Equipment are customized to fit the customer's needs Service and repair services are performed on-site Equipment are used in a variety of settings, including hospitals, clinics, and long-term care facilities Equipment is used in a variety of settings, including hospitals, clinics, and long-term care facilities 	

Engineering / Design Services

Contract	<ul style="list-style-type: none"> Designing and design for industrial facilities, building of processing facilities, industrial clusters 	
Vertical Potential	<ul style="list-style-type: none"> Contracting and design services, including industrial facilities Vertical sales and service, for example, for hospital equipment Equipment are customized to fit the customer's needs Service and repair services are performed on-site Equipment are used in a variety of settings, including hospitals, clinics, and long-term care facilities Equipment is used in a variety of settings, including hospitals, clinics, and long-term care facilities 	
Opportunity	<ul style="list-style-type: none"> Equipment are customized to fit the customer's needs Service and repair services are performed on-site Equipment are used in a variety of settings, including hospitals, clinics, and long-term care facilities Equipment is used in a variety of settings, including hospitals, clinics, and long-term care facilities 	

Inside Sales

Contract	<ul style="list-style-type: none"> Business to Business Sales, including sales of industrial equipment, building of processing facilities, industrial clusters 	
Vertical Potential	<ul style="list-style-type: none"> Vertical sales and service, for example, for hospital equipment Equipment are customized to fit the customer's needs Service and repair services are performed on-site Equipment are used in a variety of settings, including hospitals, clinics, and long-term care facilities Equipment is used in a variety of settings, including hospitals, clinics, and long-term care facilities 	
Opportunity	<ul style="list-style-type: none"> Equipment are customized to fit the customer's needs Service and repair services are performed on-site Equipment are used in a variety of settings, including hospitals, clinics, and long-term care facilities Equipment is used in a variety of settings, including hospitals, clinics, and long-term care facilities 	

Office Segment	Location Need	Watertown Capacity / Highlighted Opportunity
Health Care / Medical Payments (<i>promising</i>)	<ul style="list-style-type: none"> Customer-centric workforce Healthcare insurance industry experience desirable but not critical Moderate to lower labor and occupancy costs 	<ul style="list-style-type: none"> ~11,600 employees within the customer service job family reside within 30-minutes (+) Concentration of customer facing jobs from the hospitalary sector, a possible feeder pool Available office building (+) in 2027 Labor costs (+) relative to Twin Cities Health care industry among largest local segments although concentration no more than national avg
Engineering / Design Services (<i>promising</i>)	<ul style="list-style-type: none"> Scale and concentration of engineering and drafting-design talent Distinctive advantages in labor availability and costs relative to larger metro areas 	<ul style="list-style-type: none"> Likely presence of design talent at local companies plus technical training resources at Lake Area Tech
Inside Sales (<i>promising</i>)	<ul style="list-style-type: none"> Customer-centric workforce Entry level 2-year and 4-year grads 	<ul style="list-style-type: none"> ~11,600 employees within the customer service job family reside within 30-minutes (+) Concentration of customer facing jobs from the hospitalary sector, a possible feeder pool

- WDGC has developed a rigorous process to define jobs that can be characterized as ‘office’ related
- Based on Standard Occupational Classifications (SOC) that encompass a wide range of jobs that are generally ‘housed’ in an office (as opposed to manufacturing / distribution) environment, as defined by the U.S. Bureau of Labor Statistics (BLS)
- Further informed by our interviews of major employers and other organizations in Watertown (2024 and 2025) and WDGC’s previous project experience and research into organizational hierarchies
- Significant cross-industry overlap with industry segments already present and dominant in Watertown (highlighted by green ‘checks’ below)
- And other cross-industry business functions not currently present, can also be considered, some within the target sectors we have identified
- A few highlights:
 - Medical payments
 - Engineering / design services
 - Inside sales
- Watertown benefits with several HQs presence (with related functions) in key industries

OCC Code	Occupational Titles
11-3012	Administrative Services Managers
15-1231	Computer Network Support Specialists
15-1232	Computer User Support Specialists
15-1241	Computer Network Architects
15-1242	Database Administrators
15-1243	Database Architects
15-1244	Network and Computer Systems Administrators
15-1299	Computer Occupations, All Other
29-2072	Medical Records Specialists
29-9021	Health Information Technologists and Medical Registrars
41-9041	Telemarketers
43-1011	First-Line Supervisors of Office & Admin Support Workers
43-3011	Bill and Account Collectors
43-3021	Billing and Posting Clerks
43-3031	Bookkeeping, Accounting, and Auditing Clerks
43-3051	Payroll and Timekeeping Clerks
43-3061	Procurement Clerks
43-3071	Tellers
43-3099	Financial Clerks, All Other
43-4051	Customer Service Representatives
43-4131	Loan Interviewers and Clerks
43-4141	New Accounts Clerks
43-4151	Order Clerks
43-4161	HR Assistants, Except Payroll and Timekeeping
43-4171	Receptionists and Information Clerks
43-4181	Reservation & Transportation Ticket Agents, Travel Clerks
43-9041	Insurance Claims and Policy Processing Clerks

	Vehicle Body / Trailer Mfg	Agr., Construction, Mining Machinery	Electronic Components Mfg	Machinery-Equipment-Supplies Wholesalers	Commercial Equip Wholesalers	Agriculture/ Seed Testing	Medical Device & Technology	Finance, Insurance, Real Estate	Health Care	Fulfillment	Valves and Pipe Fittings
HQ and Knowledge Centers	✓	✓	✓								
Middle Office											
Engineering / Design	✓	✓	✓								✓
Shared Services											
Customer Servicing and Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Inside Sales	✓	✓	✓								✓
Back Office	✓	✓	✓	✓	✓	✓		✓	✓		✓
IT/ Software Devp.											
Help Desk											
Regional Offices											
MakerSpace						✓					

- **Workforce availability, particularly for customer service jobs, the underemployed pool of workers and recent 2-year graduates comprise the most important location factors for developing the office sector in Watertown. Office space is important as well, though aligned to scheduling in-office vs. remote work. Specific industry experience is a plus.**

- These are general factors and categories – more nuanced considerations applicable to each sector would be considered in an actual location selection study, with factors weighted accordingly
- Highlighted are typical siting considerations for which comparable macro-level data is readily available and measurable
- Watertown’s strengths per each of these factors can be applied to competitive marketing messages

Key Siting Factors	Considerations
Labor	<ul style="list-style-type: none"> • Customer service and support workforce scale • Underemployed workforce • Ancillary experience in the specific industry • Engineering and technical talent • Training / development resources (2 and 4-year college resources) • Talent attraction to the area (housing / QOL)
Costs	<ul style="list-style-type: none"> • Moderate to lower labor costs • Typically, 70-90% of office function operating cost • Office lease rate
Site and Facility Factors	<ul style="list-style-type: none"> • Office space availability locally • Fiber-optic / telecommunications • Configuration / layout / efficiency of space • Consideration of in office / work-at-home ratio
Other	<ul style="list-style-type: none"> • Connectivity with local industry / supporting functions • Air service (dependent on nature of interaction with corporate offices / customers / others)

OCCUPATIONAL SCALE & CONCENTRATION: Customer Support Functions

- WDGC prefers occupational location quotients (LQs) within 0.9-1.5, indicating sufficient, but not overly competitive labor resources in the applicable job families
- A strong presence of general support functions, though typical for a market Watertown's size: 1,607 employed in a 30-minute commute (**LQ=1.01**)

Occupation	SOC	Watertown, SD μSA			30-minute Commute Shed		
					Watertown SD		
					Calvin Trade Ctr.		
		Employment	LQ	Median Wage	Employment	LQ	Median Wage
Watertown Customer Support Operations		1,294	1.07	\$44,500	1,607	1.01	\$44,600
Administrative Services Managers	11-3012	15	0.58	\$95,000	18	0.56	\$94,500
Computer Network Support Specialists	15-1231	11	0.71	\$58,900	16	0.75	\$58,500
Computer User Support Specialists	15-1232	37	0.51	\$51,700	48	0.49	\$51,400
Computer Network Architects	15-1241	11	0.63	\$165,800	16	0.67	\$164,700
Database Administrators	15-1242	2	0.52	\$86,200	4	0.50	\$85,800
Database Architects	15-1243	1	0.31	\$117,900	1	0.30	\$117,400
Network and Computer Systems Administrators	15-1244	35	1.09	\$70,700	48	1.07	\$70,400
Computer Occupations, All Other	15-1299	5	0.14	\$110,800	8	0.14	\$110,200
Medical Records Specialists	29-2072	27	1.24	\$48,300	32	1.14	\$48,100
Health Information Technologists and Medical Registrars	29-9021	5	1.30	\$49,700	6	1.20	\$49,600
Telemarketers	41-9041	5	0.49	\$32,800	8	0.44	\$32,700
Supervisors of Office and Administrative Support Workers	43-1011	70	0.41	\$56,600	83	0.39	\$56,300
Bill and Account Collectors	43-3011	39	1.94	\$42,100	45	1.75	\$41,900
Billing and Posting Clerks	43-3021	38	0.73	\$43,400	45	0.68	\$43,200
Bookkeeping, Accounting, and Auditing Clerks	43-3031	349	2.01	\$43,100	446	1.99	\$42,900
Payroll and Timekeeping Clerks	43-3051	13	0.82	\$48,500	17	0.81	\$48,200
Procurement Clerks	43-3061	0	1.12	\$40,800	2	1.06	\$40,600
Tellers	43-3071	60	1.57	\$37,900	79	1.46	\$37,800
Financial Clerks, All Other	43-3099	0	1.12	\$46,300	1	1.03	\$46,100
Customer Service Representatives	43-4051	262	0.85	\$40,400	320	0.79	\$40,300
Loan Interviewers and Clerks	43-4131	54	2.70	\$43,600	60	2.37	\$43,500
New Accounts Clerks	43-4141	7	1.60	\$40,900	11	1.49	\$40,700
Order Clerks	43-4151	5	1.12	\$44,000	9	1.09	\$43,700
Human Resources Assistants, Except Payroll and Timekeeping	43-4161	0	0.67	\$45,000	2	0.65	\$44,800
Receptionists and Information Clerks	43-4171	218	1.93	\$34,200	255	1.72	\$34,100
Reservation & Ticket Agents and Travel Clerks	43-4181	0	0.43	\$34,900	2	0.36	\$34,900
Insurance Claims and Policy Processing Clerks	43-9041	23	0.96	\$35,900	28	0.85	\$35,800

OFFICE FUNCTIONS: Watertown's Competitive Position

Key Siting Factors	Considerations
Labor	<ul style="list-style-type: none"> Customer service and support workforce scale Underemployed workforce Ancillary experience in the specific industry Engineering and technical talent Training / development resources (2 and 4-year college resources) Talent attraction to the area (housing / QOL)
Costs	<ul style="list-style-type: none"> Moderate to lower labor costs Typically, 70-90% of office function operating cost Office lease rate
Site and Facility Factors	<ul style="list-style-type: none"> Office space availability locally Fiber-optic / telecommunications Configuration / layout / efficiency of space Consideration of in office / work-at-home ratio
Other	<ul style="list-style-type: none"> Connectivity with local industry / supporting functions Air service (dependent on nature of interaction with corporate offices / customers / others)

Considerations for Watertown

- Sizable employment skills base and concentration
- HQ and related functions presence via existing industry
- Need to be niche focused and related to existing or target industries, or cost advantageous regionally (e.g., compared with Twin Cities)
- Available office product
- Downside: degree of remote work in the specific niche, which could dilute the advantages of a fixed location

Industry Opportunities:
Attractive

Location Factor Competitiveness:
Competitive

Siting Opportunities:
Somewhat Competitive

Watertown's Competitive Position

Site Selection Priority Factors

	High	Medium	Low
High	<ul style="list-style-type: none"> Skills concentration Scalable to up to 150 headcount (3 yrs) Existing higher office functions and experience 2-year college resources 	<ul style="list-style-type: none"> Moderately competitive labor costs Office space availability (1 year out) Fiber optic network 	Office space availability now Entrepreneurial space
Medium		<ul style="list-style-type: none"> Office space cost Tax advantages 	Air service for higher level functions Talent attraction
Low		<ul style="list-style-type: none"> Incentives 	

Key Selling Point

Other Important Advantage

Yellow Flag Concern

Likely not a Swing Factor

Profile

- **Definition:** Cross-industry functions housed in an office environment
- **Scale:** Niche to small scale employment (ramp-up to 150 over 3 years)
- **Activities suited for Watertown:** Engineering / design centers, inside sales, customer servicing and support across existing and target industries; medical payments processing another potential target
- **Companies based in the Midwest:** Numerous targeting potential sourced in higher cost markets such as Minneapolis and Chicago / potentially Denver too given direct air connection

Selective office functions aligned to the current industry base or where Watertown offers geographic cost advantage

Healthcare / Medical Payments Servicing	
Concept	<ul style="list-style-type: none"> Concierge and customer support services navigating the complexity of the patient-provider-insurer experience
Market Potential	<ul style="list-style-type: none"> Consumer costs are growing, but adoption of digital and self-service payments remain slow in healthcare Current providers are constrained by labor shortages and escalating labor costs Major disconnect with consumers (poor customer service) leading to new customer servicing solutions (concierge services) Updating billing systems and expanding digital and self-service payment options as key priorities
Constraints	<ul style="list-style-type: none"> Impact of AI Disruptive industry players – Retail, IT, Private Equity entering the healthcare payment markets sets forth uncertainty as well as opportunity Slow adoption of change within the healthcare industry No local track record in Watertown
Opportunity	<ul style="list-style-type: none"> Proximity to the major insurance providers based in Minneapolis including Aetna and UHC Relatively low operating costs and a service-oriented workforce
Engineering / Design Services	
Concept	<ul style="list-style-type: none"> Drafting and design for industrial products, building off of existing Watertown industry clusters
Market Potential	<ul style="list-style-type: none"> Construction demand is increasing across many industrial segments Aligns with potential growth of the valves and pipefittings industry Demand is rising for digital skills such as data and analytics, cloud computing, and software development, alongside soft skills like people, business, and supplier management
Constraints	<ul style="list-style-type: none"> Impact of AI on CAD Talent shortages and new agile business models (technical, digital, and managerial skills)
Opportunity	<ul style="list-style-type: none"> Vertical and horizontal integration within the engineering-construction industry – change leads to opportunity
Inside Sales	
Concept	<ul style="list-style-type: none"> Business to Business inside (non-field) sales model for industries / companies based in Watertown or within the Valve-Fittings target. Knowledge of the product segment can be trained for inside sales associates with good customer facing skills
Market Potential	<ul style="list-style-type: none"> Inside sales has grown exponentially since 2020. According to SalesLoft, the market has advanced 300% faster than traditional sales — a trend that shows no sign of slowing down AI expected to improve interactions between customers and inside sales teams
Constraints	<ul style="list-style-type: none"> Targets would be smaller to mid-size companies with relatively low hiring requirements – need to be aware of economies of scale (larger operations may be more efficient)
Opportunity	<ul style="list-style-type: none"> Continued shift from field sales to inside sales with migration from a remote to hybrid model Relatively high concentration of retail-hospitality-service industry employees in Watertown can provide a trainable workforce pool Typical recruiting model seeks 2- and 4-year general graduates then trained on the specifics of the product

- Rationale for inclusion as a target industry:
 - Location requirements: moderate to lower labor and occupancy costs than the larger cities some corporations are based in
 - Local presence of HQ functions with the experience and skills already providing or potentially providing a core talent pool for multiple office functions
 - Sizable hospitality industry base with transferable customer-facing skills
 - Multiple opportunities to attract office functions from several industry segments including others already present in Watertown or in other target segments WDGC has profiled
 - Provides an alternative career track beyond manufacturing in Watertown to help retain younger residents
 - Three growing functions are highlighted below:

Office Segment	Location Need	Watertown Capacity / Highlighted Opportunity
Healthcare / Medical Payments <i>(promising)</i>	<ul style="list-style-type: none"> • Customer-centric workforce • Healthcare-Insurance industry experience desirable but not critical • Moderate to lower labor and occupancy costs 	<ul style="list-style-type: none"> • ~1,600 employees within the customer service job family reside within 30-minutes (+) • Concentration of customer facing jobs from the hospitality sector, a possible feeder pool • Available office building (+) in 2027 • Labor costs (+) relative to Twin Cities • Healthcare industry among largest local segments although concentration no more than national avg
Engineering / Design Services <i>(promising)</i>	<ul style="list-style-type: none"> • Scale and concentration of engineering and drafting-design talent • Distinctive advantages in labor availability and costs relative to larger metro areas 	<ul style="list-style-type: none"> • Likely presence of design talent at local companies plus technical training resources at Lake Area Tech
Inside Sales <i>(promising)</i>	<ul style="list-style-type: none"> • Customer-centric workforce • Entry level 2-year and 4-year grads 	<ul style="list-style-type: none"> • ~1,600 employees within the customer service job family reside within 30-minutes (+) • Concentration of customer facing jobs from the hospitality sector, a possible feeder pool

- In addition to WDGC insight and proprietary data sources, the following sources provided information on segment trends, opportunities and concerns:
 - www.hartehanks.com/blog/the-future-of-inside-sales-managing-the-ever-changing-sales-landscape
 - <https://www.deloitte.com/us/en/insights/industry/engineering-and-construction/engineering-and-construction-industry-outlook.html>
 - Health Care Industry Trends – E&Y
 - 2024 Trends in Health Care Payments Annual Report – JP Morgan