



Annual Report

2007

EAU CLAIRE AREA ECONOMIC DEVELOPMENT CORPORATION

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President's Message

To our investors and community:

Thank you for taking the time to read our 2007 Annual Report. The past year has been very active for the Eau Claire Area Economic Development Corporation. We have been busy developing new products and services that will strengthen our ability to succeed at our mission. All of our activities support three primary categories: critical talent, area business development and business recruitment.



One of our activities this year was participation and leadership in a broad multi-county Technology Assessment. This study will allow us to strategically target specific business sectors based on our county's ability to meet the specific needs of a business sector and the national competition we face in attracting businesses from that sector.

We have also spent considerable time and expense to reshape our web site into a functional portal that describes our services to those seeking business information about the area. The web site also serves as the entry point for those who would like our assistance with starting a new business by following our Idea Pathway. In 2008 we will launch the SMARTT Network. This very innovative service will link individuals interested in relocating to the area with business clients who seek specific people with specific talents. The SMARTT Network will also function as a meeting place for those who have or are seeking technologies and those who seek to acquire existing businesses.

One of our best accomplishments this year did not involve technology at all, it involved people and collaboration. Over the years multiple groups have entered into the Economic Development arena, and each brought something different to the effort. This year the ECA-EDC, the City of Eau Claire, Eau Claire County and the Gateway Corporation signed a memorandum of understanding that clearly outlines how they will coordinate and align their services to maximize their impact and reduce the duplication of effort. This was not a quick or simple task; it took many hours and many meetings to accomplish. We offer our thanks to both the administrative and elected leadership of these organizations. Special thanks go to Mike Swenson and Xcel Energy for providing both the space and a facilitator for the process.

In closing I would like to thank the Board of Directors and all the committee members who put in so much time to make the ECA-EDC the successful organization it is. And finally, it goes without saying that we could not do this work without the generous support of our many investors; we are grateful for your trust.

-Dennis Pope, *President*, ECA-EDC

About the Corporation

Mission

The Mission of the Eau Claire Area Economic Development Corporation is to facilitate the growth of quality job opportunities in the Eau Claire area.

Lines of Business

- **Critical Talent**

Attracting, retaining, and developing talent that drives leading edge and early-stage companies.

- **Area Business Development**

Assist in the creation, enhancement and expansion of local businesses.

- **Business Recruitment**

Create well-developed, targeted marketing strategies to attract investment of new business and industry.



Corporate Measurements

Jobs

- Job creation projection over the next 3 years
- Assisted with a total of 13 projects

483 Jobs

Tax Base Creation & Leveraged Financing

\$ 5,490,000

Business Recruitment

- Leads
- In-market Meetings
- Site Visits

53

Area Business Development

- Idea Challenge applications
- Business Retention visits
- CYOB applications
- Idea Pathway videos watched

923

Critical Talent

- Talent that drives business models and early-stage technologies

Building our future generation of Top Talent

Key Accomplishments

Altoona Project

With the assistance of the ECA-EDC, the City of Altoona is working with a local company on their expansion which will create jobs and add approximately 30,000 sq.ft. of building space. The City of Altoona has received the Wisconsin Department of Commerce commitment of \$206,000 to extend sewer and water services to the company's facility. In addition to creating quality jobs, the project will also allow the City of Altoona the ability to extend sewer and water service to a new area of the community.

SitePro

In anticipation of growing the company's customer mix and client base on a national level, Sitepro purchased a 40,000+ sq. ft. facility in Eau Claire to accommodate their long-term facility requirements. The company will be applying for Commerce funding in 2008.

Pac Basic

This start-up company located in the Town of Washington is a provider of packaging design services while also meeting clients' low quantity packaging needs. The ECA-EDC loan committee approved a \$30,000 business loan through the Regional Business Fund to purchase equipment necessary to operate the business. The company anticipated employing three engineers within the next three years.

WRR

The ECA-EDC worked with WRR staff in monitoring the company's financial situation to ensure the company had adequate cash flow following the company's accident.

Maletto Packaging

Company will be upgrading their Eau Claire facility in 2008 rather than locating a portion of their operation in a facility near Milwaukee due to customer request.

Dunham Express

Assisted developer working with the company in locating a site within the county to construct a new facility to meet their logistical and space requirements.

Badger State

Provided information on sites in conjunction with Gateway Corporation staff. Badger State constructed a new 20,000+ sq. ft. building in the Gateway Northwest Park.

Business Retention & Expansion Program

Accelerate the Pace of Growth, the ECA-EDC Business Retention and Expansion Program, helps businesses maintain their momentum and, whenever possible, expand their operations. Volunteers from the Area Business Development committee, as well as ECA-EDC staff, contacted nearly 70 businesses during 2007 in an effort to assist companies with expansions and investment decisions that grow the local economy. The outreach in 2007 resulted in three new expansion projects that the ECA-EDC may not have been aware of otherwise.

Idea Challenge

The Idea Challenge launched in February in an effort to engage local residents in the process of idea development and innovation. The program's goal is to facilitate early-stage business development, eventually creating new products and companies in the Eau Claire area.



The review panel is currently working on action plans to assist local entrepreneurs with business plans, market research, production, facilities, and financing. The ECA-EDC has received over 20 Idea Challenge applications and inquiries this year.

Partnering agencies of the Idea Challenge include Western Dairyland, UW-Eau Claire Entrepreneurship Program, UW-Stout Technology Transfer Institute, Chippewa Valley Technical College, Wisconsin Entrepreneurs' Network, SCORE, and the UWEC Small Business Development Center.

Applied Technology Idea Challenge

The Eau Claire Area Economic Development Corporation partnered with Realityworks, Inc. in 2007 to launch an applied technology version of the Idea Challenge. Realityworks is seeking new product ideas that use their patented sensor technology and will award \$3,000 cash and R&D assistance to the individual with the best idea. An online video was created to describe the technology and its potential use in various industry sectors. The ECA-EDC will work with local companies and R&D organizations to identify new technologies that can be advanced by individuals or companies in our market. As new technologies are identified, additional marketing videos will be created to advance the potential utilization of each technology.

Creating Your Own Business Contest

The Creating Your Own Business Contest has encouraged entrepreneurship and propelled business growth in the Eau Claire area since the contest's inception in 1986. As a result, over 65 awards have been given to businesses which have gone on to create new jobs and advance Eau Claire's economy.

This year's winners were presented with awards at the Advancing Entrepreneurship Award Luncheon, held in conjunction with Downtown Eau Claire, Inc. Ray Hughes, Director of the UW-Eau Claire Entrepreneurship Program, emceed the event which included guest speaker Jason Voioovich of Ecra Creative Group (St. Paul, Minn.).



Emerging/Growth Category

The Emerging/Growth category is for small businesses that are still in the conceptual stage of business development or that have been in business for two years or less (unless patent pending technology). Companies in this category should serve the local market as well as markets beyond the Eau Claire area and should have potential for substantial employment growth.

ANS, Inc. (Automatic Notification System) is a high-tech company offering ESAN (Electronic Scan And Notify). ESAN electronically scans the inside of a storage



receptacle and notifies its customers of the presence or absence of items. ANS, Inc. plans to integrate the ESAN technology into a number of additional markets providing security and contents monitoring of many types of receptacles.

The ECA-EDC worked with Charter Bank and SBA to provide financing, with Gateway Corporation and Eau Claire County covering loan guarantee expenses for their product test locations.

Micro-Business Category

The Micro-Business category is for small businesses that are still in the conceptual stage of business development or that have been in business for two years or less (unless patent pending technology). Companies in this category should serve the local market as well as markets beyond the Eau Claire area. This category is for business models that are less likely to employ a large number of people.

Becki's Mediterranean Olive Salsa is a wholesale business manufacturing high quality gourmet salsas and condiments. The company has expanded its product line and is sold at the Eau Claire Farmer's Market, Just Local Food, and local grocery stores with expansion to the Minneapolis market currently underway.

Youth Category

The Creating Your Own Business Contest - Youth category enhances the culture of entrepreneurship in Eau Claire County's youth. The business concept paper criteria must describe the business idea and demonstrate a solid understanding of market characteristics, operations, business risks, and financials projections.



Stephen Poynter, an eighth grade home school student of Eau Claire, was the 2007 winner of the Creating Your Own Business Contest - Youth Award. Poynter won the \$1,000 award for his development of Gumballs Galore, a business concept that would sell a variety of candies through gumball-type vending machines. At age 13, Poynter is the youngest winner of the contest since its inception in 2004.

The EDC has received great support from area businesses through sponsorships or discounted/in-kind services. The 2007 CYOB sponsors include: Luther Midelfort - Mayo Health Systems, Xcel Energy, Charter Bank, Menards, RCU, US Bank, the City of Eau Claire, and Eau Claire County. 2007 Business Service Donors include: The Bottom Line, Eau Claire Area Chamber of Commerce, Leader-Telegram, NWMOC, WIPFLi, RuderWare, and Benedict's Refrigeration.

Medical Device Trade Show

Fourteen representatives from local businesses, higher educational institutions, and economic development agencies attended the Medical Design & Manufacturing Trade Show in Minneapolis in October to promote the Chippewa Valley and the resources that it provides to companies in the medical device industry.

At a booth sponsored by Momentum Chippewa Valley, an ECA-EDC representative met with numerous companies and individuals about potential new supply chain partners and customers, workforce training and availability, and access to specialized equipment and facilities. Our presence also helped us to make connections with other medical device companies who are already located in the Chippewa Valley.

3M and NanoRite Joint Marketing Campaigns

The ECA-EDC is working with CB Richard Ellis in marketing the vacant 3M building by developing a joint marketing campaign around the facility. The campaign consists of a direct mail piece to be sent out to target audiences in the first quarter of 2008, followed by personal phone calls and potential site visits by interested parties.

A similar campaign is also being conducted with the NanoRite facility at Chippewa Valley Technical College. The direct mail piece, also followed up by phone calls and in-market site visits, will be narrowly targeted to small- to medium-sized companies in the Los Angeles, Cal. area who are currently struggling with equipment and clean room accessibility, as well as high costs of equipment and energy.

Minneapolis Marketing Campaign

The ECA-EDC sent a direct mail piece to companies in the Minneapolis market focusing on the technical resources available in the Chippewa Valley, such as the Materials Science Center at the University of Wisconsin-Eau Claire, the NanoRite facility at Chippewa Valley Technical College, and the legislative efforts through the NanoSTEM initiative.

The Critical Talent committee was formed in 2007 to assist the communities and businesses of the Eau Claire area in attracting, retaining, and developing talent that drives leading edge and early-stage companies.

Many Eau Claire businesses, including manufacturing companies, are using leading edge technologies to remain competitive. It is imperative that the community is able to recruit and retain skilled talent in order for those businesses to grow in our area.



The committee was formed to develop a talent strategy that would address the following obstacles:

- 1) Permanent personnel recruitment difficulties by area businesses and educational institutions, as found in a 2006 focus group of area human resource managers (facilitated by Vice President of Organizational Development and Human Resources from Delta Dental of Wisconsin).
- 2) Need to increase the number of experienced early-stage management talent in the region in order to grow companies using Angel Investor funds, as identified by the Chippewa Valley Angels Investor Network.
- 3) During the Business Recruitment process, more and more business site location decisions are based on the availability of specific talent pools.

Strategy for Marketing and Recruiting Top Talent (SMARTT Network)

The Critical Talent committee, with representation from UWEC, GSI Commerce, Luther Midelfort, Job Service and the Office of Economic Advisors, developed the SMARTT Network strategy in an effort to address the obstacles stated above.

ECA-EDC staff is currently writing grants and is seeking private sector investors to underwrite the development costs and final design of the SMARTT Network.

Video Campaigns in Production

In anticipation of the launch of the SMARTT Network, the ECA-EDC is also producing several targeted Flash video campaigns. These video campaigns reconnect audiences with the area, explain the SMARTT Network and act as a vehicle to populate the network's database.

Paragon Economic Impact Award

2007 Recipient – Luther Midelfort - Mayo Health System

Luther Midelfort – Mayo Health System is a highly integrated, physician led, multi-specialty health care system that serves 123,000 patients at four hospitals, eleven clinics, and three long-term care facilities throughout seven counties. Over the past three years, Luther Midelfort has created 125 full-time and 55 part-time jobs, bringing their total Eau Claire full-time and part-time employment to 3,900. The organization has invested over \$22 million in construction and over \$35.5 million in capital equipment.

Luther Midelfort

Mayo Health System

In addition to expansion projects, Luther Midelfort – Mayo Health System has worked very hard at making sure that their employees have the best training and tools to perform their jobs. In 2006, Luther Midelfort trained 100% of their employees, investing over half a million dollars for training and continued education. They have invested in new equipment and procedures that utilize the most modern technologies available.

Furthermore, Luther Midelfort – Mayo Health System has strong commitments to the community, supporting programs like United Way, Junior Achievement, Special Olympics, and Big Brothers Big Sisters, and was named a recipient of the 2006 Governor’s Wisconsin Forward Award of Excellence, Wisconsin’s highest honor for organizational performance excellence.

Communications Plan

The ECA-EDC Corporate Communications Plan is designed to ensure that as we educate, inform, and promote events to the community and our investors, we do so in a consistent, concise, and positive manner. The Plan, which was restructured in 2007, describes the organization’s corporate communication environment, communication goals and strategies, target audiences and messages, communication action plans, and measurements.

Corporate Communications Goals 2007-2009

- Increase visibility of the ECA-EDC
- Clarify our mission to the community and our investors
- Reduce confusion by differentiating our organization in the marketplace

Board of Directors

Executive Committee

Dennis Pope, Luther Midelfort - Mayo Health System (President)
Mike Ehr, AT&T -Wisconsin (Vice-President)
Laura Talley, M&I Marshall & Ilsley Bank (Treasurer)
Brian Doudna, Eau Claire Area EDC (Secretary)
Rick Olson, KRM Information Services (Past President)
Mike Huggins, City of Eau Claire
Tom McCarty, Eau Claire County

Board Members

Dave Adler, City of Eau Claire
Joe Breid, Bush Brothers & Company
Rob Geske, Menard Inc.
Mike Golat, City of Altoona
Dan Hanson, Town of Pleasant Valley
Paula Kimbllin, Xcel Energy
Brian Levin-Stankevich, UW-Eau Claire
Jason Plante, Market & Johnson
William Ihlenfeldt, Chippewa Valley Technical College
Stuart Schaefer, Commonweal Development
Todd Breneman, Phillips Plastics Corp. Multi-Shot
Mike Swenson, Xcel Energy
Kay Vande Loo, Impact Advertising
Beth Wieler, GSI Commerce
Bruce Willett, Eau Claire County Board

Board Advisors

Mike Schatz, City of Eau Claire
Linda Adler, Chippewa Valley Convention & Visitors Bureau
Robert McCoy, Eau Claire Area Chamber of Commerce
Julie Bollinger, Western Dairyland/CAP
Linda Clark, Xcel Energy



2007 Board of Directors – Back Row L-R: Bill Ihlenfeldt, Stuart Schaefer, Dave Adler, Dan Hanson, Rob Geske, Jason Plante, Paula Kimbllin, Tom McCarty, Brian Levin-Stankevich. Front Row L-R: Rick Olson, Mike Ehr, Dennis Pope, Mike Huggins.

2007 ECA-EDC Staff

Current Staff

Brian Doudna, Executive Director
Erin Trowbridge, Marketing Director
Gwen Southard-Schuppel, Business Development Manager
Emily MacLachlan, Marketing Coordinator
Lacey Keil, Graphic Design Intern

Former Staff

Brian Hankes, Graphic Design Intern
Crystal Riley, Office Manager

Budget and Finance Report

All expenditures of the corporation are shown on the chart of accounts with certain designated funds reimbursing the ECA-EDC's operations for appropriate expenses. The 2007 budget continued to invest in technology that will allow the corporation to track and report on corporate measurements but also advance communication between community organizations that enhance services to our clients.

Revenue	2007 Actual	2008 Budget
City of Eau Claire	\$90,000	\$90,000
Eau Claire County	\$88,535	\$88,000
City of Altoona	\$2,500	\$5,000
City of Augusta	\$2,500	\$3,000
Town of Fairchild	\$100	\$100
Town of Washington	\$0	\$500
Village of Fall Creek	\$1,000	\$2,000
Village of Fairchild	\$100	\$250
Private Sector Funding	\$97,845	\$105,600
CYOB Funds	\$5,000	\$11,000
Interest	\$9,388	\$6,000
Vacant Building Fund	\$2,650	\$10,000
Sponsorships	\$9,485	\$12,000
Total Revenue	\$309,103	\$333,450

Expenses	2007 Actual	2008 Budget
Administrative	\$177,535	\$211,400
Operations	\$63,687	\$56,750
Programs	\$69,976	\$65,300
Capital Outlay	\$2,691	\$0
Total Expenses	\$313,889	\$333,450

Capital Equipment Loan Fund	County Revolving Loan Fund	Regional Business Fund
Existing Loans	Existing Loans	Existing Loans
No loans	Global Advantage KingBuilt.com, Inc.	PacBasic, LLC
Available Balance: \$123,008	Available Balance: \$134,989	

Diamond LEVEL



Platinum LEVEL



Luther Midelfort
Mayo Health System



Charter Bank

Gold LEVEL



Eau Claire Energy
Cooperative

Your Touchstone Energy® Partner



Manpower

SILVER LEVEL

American Alliance Bank
AT&T - Wisconsin
Ayres Associates
Banbury Place
City of Altoona
City of Augusta
Eau Claire Press Co.
Huebsch Services
Hutchinson Technology Inc.
Keystone Corporation
Market & Johnson
Marshfield Clinic
Nestle USA
Northwestern Bank
Peoples Bank of Wisconsin
S & C Bank
Village of Fall Creek
Wells Fargo Bank
WIPFLI

BRONZE LEVEL

A.C.I. Ltd. (Allied Blacktop Corp.)
Associated Bank
Bank Mutual
Bauman Construction
Bergman Companies, Inc.

Bush Brothers & Company
Eau Claire Area Chamber of Commerce
Erv Smith Services, Inc.
LarsonAllen
Markquart, Inc.
McDonough Manufacturing Co.
Nortrax Equipment Co.
Peters Real Estate & Development
Royal Construction, Inc.
Silicon Logic Engineering, Inc.
United Bank
University of Wisconsin - Eau Claire

COPPER LEVEL

Acquisition Realty & Development
AFT Real Estate, Inc.
All-Lift
Anderson-Moessner Appraisals LLC
B & B Electric
Bauer Built, Inc.
Bourgetlaw.com
Chippewa Valley Technical College
Clubs Choice Fundraising
Coldwell Banker Brenizer, Realtors
Details, Inc.
Documation, LLC
Duane Dingmann
Eau Claire Co-Op Oil Co.
Express Personnel Services
First Net Impressions, LLC
Five Star Plastics
Indianhead Foodservice
J. Theisen Realtors, Inc.
Johnson, Gunderson & Runkel, Inc.
KRM Information Services
L & M Mail Service Inc.
Lasker Jewelers
McCabe Construction, Inc.
Mega Foods/Marts/Fuels
Minnesota Wire & Cable Co.
Monarch Paving Co.
Parco Manufacturing, Inc.
Park Ridge Distributors, Inc.
Preferred Acceptance Company
Richie, Guettinger & Manydeeds, SC
RJF Agencies, Inc.
Ruder Ware, LLSC

SDS Architects
Senn Blacktop
Supreme Graphics Inc.
Telephone Specialists
W.A. Woehrmann, D.D.S., S.C.
White, Welter, Schilling, LLP
Wisconsin Business Development
Finance Corp.
WQOW TV-18

SUPPORTING LEVEL

Accu-Tech Plastics Inc.
Bauman Associates, Ltd.
Benedict Refrigeration Service, Inc.
Chippewa Valley Home Builders
Classics Furniture & Design Studio
Commonweal Development
County Materials Corp.
DBA CD Marketing
Dean & Associates
Donnellan Real Estate
E.O. Johnson Company
Enviro Tech Coating Systems, Inc.
Fabco, Inc.
Fleming, Andre & Associates
Haselwander Co.
Herrick & Hart, S.C.
Hovland's Inc.
Imagineering, LLC
J.C. Norby & Associates
Jay's Sign Service
Johnson Diversey, Inc.
Kurth Heating & Cooling
Menomonie Street Dental
Minton Financial Services, Inc.
Overhead Door Company of the
Chippewa Valley
PESI, LLC
Plaza Hotel & Suites
Roshell Electric
Silver Spring Gardens, Inc.
Sterling Water, Inc. dba Culligan
TEC Design Inc.
The Florian Gardens, Inc.
The Landmark Company
Town of Fairchild
TruBilt Auto Body, Inc.
Viking Electric Supply
Village of Fairchild
Vinopal Title & Abstract, LLC



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