

# 2009 Annual Report

Eau Claire Area  
Economic Development Corporation



*Cash.  
Talent.  
Innovation.  
Unique  
Resources.*

# President's Message

## To Our Investors, Businesses, and Community -

2009 will be remembered for being one of the deepest recessions that our country has ever experienced. Many businesses were impacted as well as our entire financial system. While Eau Claire County had some layoffs, our companies for the most part were able to weather the storm.

The EDC entered the year with the focus on firms that required the unique assets found in our local and regional communities. Through a joint decision by Eau Claire County, City of Eau Claire, Gateway Corporation and the EDC Board of Directors, the recruitment efforts incorporated early stage innovation based companies. It was also deemed a priority to locate corporate headquarters in the county. After multiple site visits by several firms, the EDC was able to announce one company location with several more still working through their location and financing processes.

Due in part to this recruitment philosophy and the national recession, it became apparent that the traditional financial programs operated by the EDC needed to be modified to support both existing business growth and early stage innovation based companies. The process commenced in May of 2009 and will continue well into 2010.

The year also marked the first year of operations for the SMARTT Network. The talent management tool provides a regional relationship to talent that seeks a connection and is looking for opportunities in the West Central region of Wisconsin. As this tool matures, it will become a vital part of the talent recruitment process for existing employers, while also providing a useful tool in documenting available talent during the business recruitment process.

I appreciate the support of our investors because you truly understand that the EDC is vital to creating future businesses and helping existing firms grow, which ultimately drives economic growth across the county and region.

The following pages highlight the activities of the corporation in the past year.

Sincerely,

*Stuart Schaefer*  
EDC Board Chair



*Thank you to our  
Annual Report sponsor:*



# About the Corporation



## Our Vision

To be a premier center for regional economic development leadership.

## Our Philosophy

Unique assets are the foundation of our economy.

Our focus is to continue to create and market our unique resources so that our area doesn't compete on commodities such as land and basic infrastructure.

## Committee Structure

### • 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.

### • Funding & Investor Relations

Manage investor relationships, while identifying new investors and funding streams.

**Unique Resources** → **Talent** → **Innovation** → **Cash** = **Economic Growth**

## Corporate Measurements

- 73 jobs created (3 year projection)
- \$3.1 million investment leveraged with federal, state, and local government funding
- 46 face-to-face business retention visits
- 64 Idea Challenge submissions
  - 19 Idea Presentations
  - 14 Action Plans
- 45 business recruitment in-market meetings, site visits, and leads
- SMARTT Network Participation
  - 2,000+ talent
  - 17 subscribers
  - 6 Memorandums of Understanding

## EDC Services

- Targeted business recruitment
- Early-stage business development
- Business retention and expansion assistance
- Financial packaging and loans
- Business loan/grant application services
- Community and statistical profiles
- Economic development marketing materials
- Business site selection facilitation
- Talent management
- Provide quarterly newsletters

# Volunteer Leadership

## 2009 Board of Directors

Front Row (L-R): Janice Lemminger, Joe Breid, Gregg Moore, Paula Kimbllin, Dennis Pope, Kay Vande Loo, Larry Accola.  
Middle Row (L-R): Bruce Barker, Timm Boettcher, Jason Plante, Del Thorson, Mike Huggins, Joe Mirr, Laura Talley.  
Back Row (L-R): Mike Her, Stuart Schaefer.  
Not pictured: Tom McCarty, Brian Levin-Stankevich, Kerry Kincaid, Dan Hanson.



**“Individual commitments to a group effort - that is what makes a team work, a company work, a society work, a civilization work.”**

**-Vince Lombardi**

## Executive Committee

**Stuart Schaefer**, Commonweal Development (President)  
**Timm Boettcher**, Realityworks, Inc. (Vice-President)  
**Laura Talley**, M&I Bank (Treasurer)  
**Brian Doudna**, Eau Claire Area EDC (Secretary)  
**Mike Ehr**, AT&T-Wisconsin (Past President)

## Board Members

**Kerry Kincaid**, Eau Claire City Council President  
**Joe Breid**, Bush Brothers & Company  
**Del Thorson**, City of Augusta Mayor  
**Larry Accola**, RCU  
**Jason Plante**, Market & Johnson  
**Gregg Moore**, Eau Claire County Board Chairperson  
**Dan Hanson**, Town of Pleasant Valley  
**Mike Huggins**, City of Eau Claire  
**Bruce Barker**, Chippewa Valley Technical College  
**Paula Kimbllin**, Xcel Energy  
**Brian Levin-Stankevich**, University of Wisconsin-Eau Claire  
**Tom McCarty**, Eau Claire County  
**Joe Mirr**, RuderWare Law Firm  
**Kay Vande Loo**, Impact Advertising  
**Dennis Pope**, Luther Midelfort - Mayo Health System  
**Janice Lemminger**, Manpower

## Board Advisors

**Mike Schatz**, City of Eau Claire  
**Linda John**, Chippewa Valley Convention & Visitors Bureau  
**Robert McCoy**, Eau Claire Area Chamber of Commerce  
**Renee Walz**, Western Dairyland/CAP  
**Linda Clark**, Xcel Energy  
**Jeff Halloin**, Gateway Corporation

## 2009 EDC Staff

**Brian Doudna**, Executive Director  
**Erin Trowbridge**, Marketing Director  
**Gwen Southard-Schuppel**, Business Development Director  
**Emily Rogstad**, Graphic Design Intern  
**Kalyn Hanrath**, SMARTT Network Intern - Talent  
**Patrick Lemieux**, SMARTT Network Intern - Subscriber  
**Jessica Huebner**, Graphic Design Intern  
**Joy Hannemann**, Marketing/Public Relations Intern  
**Alyssa McMahon**, Marketing/Public Relations Intern

# Featured Activities

## City of Eau Claire Businesses Eligible for Regional Business Fund

In May 2009, the Eau Claire Area EDC Board of Directors recommended to Eau Claire County that \$150,000 should be reallocated from the County Revolving Loan Fund (RLF) toward the City of Eau Claire's participation in the Regional Business Fund, allowing businesses within the City's borders to access \$1,000,000 in loans.

The Regional Business Fund programs help individuals and businesses seeking start-up, research and development, or downtown building renovation capital. All businesses in Eau Claire County are now eligible for these programs.

## County Revolving Loan Fund Ends

The Eau Claire County Revolving Loan Fund was created in 2002 through funds committed by the Eau Claire County Industrial Development Agency (IDA) and the Wisconsin Department of Commerce. It has been administered by the Eau Claire Area EDC since its creation and was used in making six loans with 33 jobs being tied directly to financing provided through the RLF. The Revolving Loan Fund discontinued making loans from the fund in August of 2009 due to committing funds toward the Regional Business Fund.

## Regional Business Fund Status

All town and municipal governments in Eau Claire County are eligible for programs through the Regional Business Fund upon passing a participation resolution. Two of these programs, the Facade Loan Program and the Micro Loan Program, allow local communities to review loans for eligible projects. The Eau Claire Area EDC worked with the Village of Fairchild in the development and implementation of design guidelines and a downtown district to make their businesses eligible for the Facade Loan Program. To date, the following communities are eligible to apply for these unique financing programs through the Regional Business Fund:

- Altoona – Micro Loan Program
- Augusta - Micro Loan & Downtown Facade Loan
- Eau Claire - Micro Loan & Downtown Facade Loan
- Fairchild - Micro Loan & Downtown Facade Loan
- Fall Creek – Micro Loan & Downtown Facade Loan
- Town of Clear Creek – Micro Loan
- Town of Otter Creek – Micro Loan
- Town of Ludington – Micro Loan
- Town of Seymour – Micro Loan

## 2009 Projects

		<b>Jobs Created (3 yr projection)</b>	<b>Investment</b>
<i>Silvermine Stone Company</i>	<i>Company started through the Idea Challenge; went on to win the Creating Your Own Business Contest; has since expanded operations, received equity investment, and created more jobs in 2009.</i>	<i>30 new jobs (15 jobs in 2008)</i>	<i>Commercial loan of \$245,000 and EDC RLF loan of \$50,000</i>
<i>Pizza Ranch</i>	<i>Company purchased land in the Gateway West Industrial area. Rezoning and purchase were completed in 2008. Construction of the building began in 2009.</i>	<i>N/A (jobs counted in 2008 report)</i>	<i>New building constructed in 2009</i>
<i>RAI Stone Group</i>	<i>Financial services firm expanding their operations from Twin Cities; used SMARTT Network to validate talent pool for short-term and long-term hiring needs; EDC currently working with local and regional financing programs and the State Angel Investor Network to secure additional funding for company.</i>	<i>50 jobs</i>	<i>Company will be investing over \$750,000 in equipment, relocation, and product development</i>
<i>Lebakkens, LLC</i>	<i>Company is adding additional inventory and product lines to their existing operation.</i>	<i>2 new jobs</i>	<i>\$25,000 loan through the RBF Micro Loan Program</i>
<i>Karen Hurd</i>	<i>Company is opening an office and renovating a downtown building in the Village of Fall Creek. Financing for the project in 2008 included a facade loan of \$20,000</i>	<i>6 new jobs</i>	<i>\$25,000 loan through the RBF Micro Loan Program</i>

# Financing & Business Recruitment

## Access to Capital for Early-Stage Businesses

The EDC researched several financing options to address the financing needs of early-stage businesses.

- Researched financial programs operating in Wisconsin, Iowa, Kansas, Pennsylvania, and Oklahoma.
- Exploring the creation of a Venture Debt financing program modeled after a successful program in Madison, Wisconsin.

## County Becomes Eligible For Recovery Zone Facility Bonds

At the EDC's recommendation, Eau Claire County passed a resolution in October to designate all of Eau Claire County as a recovery zone to be eligible for bonds offered through the American Recovery and Reinvestment Act (federal stimulus package). The amount available for private sector projects in Eau Claire County is \$5,879,000 in bonds.

In order to access the recovery zone dollars, the area has to demonstrate certain levels of poverty, general distress, unemployment, and mass layoffs. While Eau Claire County has seen less impact than other parts of the country, the distress information was enough to demonstrate need to implement the program.

## 2009 & 2010 Target Industries

- Early-stage businesses and technologies
- Computer/electronics/sensors
- Medical device

## Target Industry - Campaigns & Events

- Partnered with Community Venture Network to gain access to greater number of early-stage businesses with innovative technologies. RAI Stone, which located in Eau Claire, was a client that was identified through this business recruitment investment.
- Participated in annual site selector luncheon to enhance active relationships with six site selectors in the Minneapolis market.
- Participated in medical device tradeshow in Minneapolis market to build awareness of regional technical and industrial resources that can support the growing industry sector

## Relationship Management

Relationships with the broker community in specific regions and with select private sector management staff is an important connection to understand current and future opportunities:

- Eau Claire brand building visits at Minneapolis-based broker offices; will share market statistics, unique vacant building opportunities and operating cost comparisons.



## Testimonial - RAI STONE GROUP

“Eau Claire has an entrepreneurial spirit, a lot of support for early-stage businesses, and really understands our needs,” says Sam Zordich, CEO of RAI Stone Group. “We need to grow our workforce of advanced degrees people, so the proximity to the University in Eau Claire also played a role in our location.”

# Advancing Innovation and Entrepreneurship

## Idea Pathway - [www.eauclaire-wi.com](http://www.eauclaire-wi.com)

The Idea Pathway is a resource center on the EDC website providing videos, links, and templates to help entrepreneurs bring a new product or business concept to market. Whether an entrepreneur is in the development stage, or finalizing their business plan, the Idea Pathway can help move their idea forward. Resource topics include idea development, business plan templates, financing, and permits.

## Idea Challenge

The EDC continues to develop the Idea Challenge, engaging innovators and entrepreneurs in the business and product development process.

- Coordinate service providers in our area to ensure that the client receives direction from concept to commercialization.
- Since its 2007 inception, over 150 product submissions received; includes UW-EC students utilizing the Blugold Fund.
- New business developed through Idea Challenge.

## Idea Challenge Partners



## Off the Shelf



An exclusive event dedicated to innovators and entrepreneurs, Off the Shelf continued in 2009, centered around:

- Networking
- Development of strategic partnerships
- Promoting local businesses/products
- Advancing technologies

The partnership with CATI brings over 160 technologies to the market for local businesses and innovators to utilize.

## Creating Your Own Business Contest

In 2009, the EDC decided to re-package the 23rd Annual Creating Your Own Business Contest to enhance program outcomes. The modifications were focused on the EDC helping to fund action plans based on what activities were needed to advance the business applicant. The cash award was reduced to \$2,500 as part of the program redesign. The contest had 13 applicants. After a review, it was decided not to provide a cash award to any applicant in 2009. However, the EDC is working with several of the applicants to advance their business models.

## Charitable Foundation to be Formed

After reviewing the options for nearly a year, the EDC Board has agreed that the formation of a new charitable foundation focused on innovation is in the best interest of our area and the region.

The foundation, which will serve western Wisconsin, will address the region's financial and business model gaps, maximizing access to technical solutions in the region and growing our innovation-based economy. The foundation's objectives are to:

- Support innovators who have personal connections to western Wisconsin
- Facilitate the use of regional innovation-based programs and services
- Address service gaps within existing innovation-based programs
- Provide financial support to innovation-based companies and innovators
- Accept grants and financial support to advance regional innovation solutions

# Leadership in Economic Development

## Regional Level

- Regional Business Fund (RBF) - The EDC appointed Ray Hughes to serve as its appointment to the Regional Business Fund Board of Directors.
- The County Loan Committee administered by the Eau Claire Area EDC has added a representative from the City of Eau Claire. This position was added when the City of Eau Claire became eligible for the RBF.
- The EDC continues to support the Manufacturing Works committee in their efforts to advance manufacturing related degrees to area youth.
- Serves as an advisor to the MOMENTUM WEST Board of Directors and on various project based committees.

## Local Level

- EDC assist rural communities with their economic and community development efforts.
- Created task force to research and recommend a financial program to address the financing gaps or early-stage innovation based companies.
- The EDC is developing programs to address gaps found in the commercialization process. These efforts will not duplicate services currently being provided by other entities in the area.

## Paragon Economic Impact Award

### 2009 Recipient – Menard, Inc.

Through times of economic change, Menard, Inc. has continued to grow and create job opportunities in the Eau Claire area. Menards has two retail stores and ten manufacturing facilities in Eau Claire that use the latest in robotics to make products that will be sold in their stores. Menards has plans of opening 13 new stores in 2009, bringing the total to 253 stores in 12 states. Menards employs over 3,000 employees in the Eau Claire Area.

In 2008, Menards stores and facilities provided \$2,479,633 in personal property, real estate, sales and use tax revenues for Eau Claire County. Menards utilizes alternative energy sources and incorporates recycling in its Eau Claire facilities. They generate hot water heat in two wood-fired boilers that burn scrap wood and pallets in order to heat the majority of their large buildings while reducing the need to dispose of this waste material in a landfill. In addition, Menards produces heat by using corn from neighboring farms to heat kilns to cure concrete blocks and recycling by burning used engine oil in specialized furnaces to heat buildings.

## State Level

The EDC Executive Director serves on the Wisconsin Economic Development Association (WEDA) Board of Directors. In this role, the EDC has direct input into legislative topics that change state wide economic development policies/programs.

2009 Legislative Leadership:

- Tax Credit Consolidation legislation – passed in 2009
- Distressed Tax Incremental Districts Bill – passed Assembly - pending in Senate
- CORE Jobs Bill testimony – passed Senate – pending in Assembly

Wisconsin Competitiveness and Innovation Study that is being implemented by WEDA, Wisconsin Counties Association, Competitive Wisconsin and the Wisconsin Economic Development Institute.

Statewide Economic Development Conference held in Eau Claire – In October of 2009, the WEDA held the Fall Conference with the focus of redevelopment and innovation. The Eau Claire conference was the largest Fall Conference in the history of WEDA. Local case studies were used to showcase the economic development efforts of the area.

The Executive Director of the EDC serves on the Forward Wisconsin Board of Directors.



Menard, Inc. receiving their award at the 2009 Annual Luncheon.

# Connect to Opportunities in Western Wisconsin

## The SMARTT Network

### 2009 Subscribers



- The SMARTT Network start-up costs were supported in part by a grant from the Wisconsin Department of Commerce, Eau Claire Area EDC and the SMARTT Network Founding Partners.
- Monthly newsletters go out to talent seeking to keep informed on regional activities and learn about SMARTT Network subscriber job opportunities.
- The EDC used the SMARTT Network to contact potential Executive Level Talent to advance the commercialization process of an early stage business considering an Eau Claire location.

## Marketing Efforts

- 55,000 alumni were reached through email and mail campaigns through UW-Eau Claire and UW-Stout
- SMARTT Network videos were produced for the email campaigns and are broadcasted through YouTube
- Marketing campaigns were implemented using social media and traditional media outlets.
- Inquiries on the available technologies have been received from as far away as Florida.
- Talent seeking to relocate back to the area has contacted our subscribers about opportunities within their companies.

## SMARTT Network Partners

The SMARTT Network has signed Memorandum of Understandings with the following groups to advance the SMARTT Network:

- UW-Eau Claire
- UW-Stout
- Chippewa Valley Technical College
- Wisconsin Indianhead Technical College
- WEAU TV-13 News
- Center for Advanced Technology and Innovation (CATI)

Please visit  
[www.smarttnetwork.com](http://www.smarttnetwork.com)  
for more information!

# Budget & Finance Report

Revenue	2009 Actual	2010 Projection
City of Eau Claire	\$90,000	\$90,000
Eau Claire County	\$88,000	\$88,000
City of Altoona	\$5,000	\$5,000
City of Augusta	\$3,500	\$3,500
Town of Fairchild	\$100	\$100
Village of Fall Creek	\$3,500	\$5,000
Village of Fairchild	\$100	\$100
Private Sector Investment	\$83,368	\$89,000
CYOB Funds	\$9,625	\$5,000
Interest	\$3,863	\$4,500
Vacant Building Fund/Grants	\$11,358	\$8,000
SMARTT Network	\$14,535	\$13,000
Sponsorships	\$8,000	\$10,000
<b>Total Revenue</b>	<b>\$320,949</b>	<b>\$323,585</b>

Expenses	2009 Actual	2010 Budget
Administrative	\$209,100	\$203,700
Operations	\$54,012	\$54,005
Programs	\$58,114	\$65,880
<b>Total Expenses</b>	<b>\$321,226</b>	<b>\$323,585</b>

The 2009 general operations produced a loss of (\$277). The organization developed new policies to reduce travel related expenses while reducing the overall operational budget by \$9,635. In its first year of full operation, the SMARTT Network started to produce new revenues for the corporation and was break even by year end.

#### Capital Equipment Loan:

Account Balance	\$76,428
RAI Stone	\$50,000

#### County Revolving Loan Fund:

Account Balance	\$51,667
Silvermine Stone	\$50,000
KingBuilt	\$35,600

The Loan Programs operated by the EDC are being modified. The EDC made a cash payment of \$50,000 to the Regional Business Fund in December of 2009. This payment was made in order to make City of Eau Claire businesses eligible for the Regional Business Fund. The remaining \$100,000 commitment is likely to include the assignment of the KingBuilt and Silvermine Stone loans and a cash payment for the remaining balance. The Loan Fund's remaining \$37,000 will be used to implement a new financial program.

# Thank You to Our 2009 Investors

## Diamond



## Platinum

Luther Midelfort  
Mayo Health System



Charter Bank

## Gold

Eau Claire Energy  
Cooperative

Your Touchstone Energy® Partner



Manpower



Village of Fall Creek

### SILVER

Alliance Bank  
Anchor Bank  
AT&T - Wisconsin  
Ayres Associates  
Banbury Place  
Eau Claire Press Co.  
Keystone Corporation  
Market & Johnson  
Marshfield Clinic  
M&I Bank  
Nestle USA  
Northwestern Bank  
Peoples Bank of Wisconsin  
US Bank  
Wells Fargo Bank  
WIPFLi

### BRONZE

A.C.I. Ltd. (Allied Blacktop Corp.)  
Applied Data Consultants  
Associated Bank  
Bank Mutual  
Bauman Construction  
Bush Brothers & Company  
CURT Manufacturing  
Durand Builders  
Erv Smith Services, Inc.  
Impact Advertising  
JB Systems  
McDonough Manufacturing Co.  
Nortrax, LLC  
Peters Real Estate & Development  
Realtyworks, Inc.  
Royal Construction, Inc.  
United Bank  
University of Wisconsin - Eau Claire

### COPPER

AFT Real Estate, Inc.  
All-Lift  
Anderson-Moessner Appraisals LLC  
B & B Electric  
Bauer Built, Inc.  
Bourgetlaw.com  
Chippewa Valley Technical College  
Choice Products USA, LLC  
Coldwell Banker Brenizer, Realtors  
Commonweal Development  
Details, Inc.  
Documation, LLC  
Eau Claire Area Chamber of Commerce  
Eau Claire Co-Op Oil Co.  
Express Personnel Services  
Five Star Plastics  
Indianhead Foodservice  
J. Theisen Realtors, Inc.  
Johnson, Gunderson & Runkel, Inc.  
KRM Information Services  
L & M Mail Service Inc.  
LarsonAllen  
Lasker Jewelers

McCabe Construction, Inc.  
Mega Foods/Marts/Fuels  
Minnesota Wire  
Monarch Paving Co.  
Parco Manufacturing, Inc.  
Park Ridge Distributors, Inc.  
Preferred Acceptance Company  
RBC Wealth Management  
Richie, Guettinger & Manydeeds, SC  
RJF Agencies, Inc.  
Ruder Ware, LLSC  
SDS Architects  
Security Financial Bank  
Senn Blacktop  
Supreme Graphics Inc.  
Telephone Specialists  
W.A. Woehrmann, D.D.S., S.C.  
Weld, Riley, Prens, & Ricci, S.C.  
White & Schilling, LLP  
Wisconsin Business Development  
Finance Corporation

### SUPPORTING

Accu-Tech Plastics Inc.  
Automation Displays  
Bauman Associates, Ltd.  
Benedict Refrigeration Service, Inc.  
Cedar Corporation  
Chippewa Valley Home Builders  
Classics Furniture & Design Studio  
E.O. Johnson Company  
Enviro Tech Coating Systems, Inc.  
Fabco, Inc.  
Florian Gardens, Inc.  
Gator Garb, Inc.  
Haselwander Co.  
Herrick & Hart, S.C.  
Hovland's Inc.  
Huebsch Services  
Imagineering, LLC  
J.C. Norby & Associates  
Jay's Sign Service  
Johnson Diversey, Inc.  
Kurth Heating & Cooling  
Landmark Company  
Menomonie Street Dental  
Minton Financial Services, Inc.  
Overhead Door Company of the  
Chippewa Valley  
PESI, LLC  
Phillips & Donnellan, Inc.  
Plaza Hotel & Suites  
Roshell Electric  
Silver Spring Gardens, Inc.  
Sterling Water, Inc. dba Culligan  
Town of Fairchild  
UW-Stout STTI-NWMOC  
Viking Electric Supply  
Village of Fairchild  
Vinopal Title & Abstract, LLC



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