



Itasca Economic Development Corporation
January/February 2010 Newsletter

Key Performance Indicators

	YTD	2010 Annual Target
Total Clients Served at IEDC Facility	75	200
Clients Served by IEDC/SBDC	41	75
Business Recruitment Leads	6	25
Capital Investment – Completed Projects	\$575,000	\$2M
Capital Investment – Projects in Progress	\$4,453,250	\$8M
Actual or Projected New Jobs – Completed Projects	5	15
Actual or Projected New Jobs – Projects in Process	6	20

Site Work Started at Itasca Eco Industrial Park

Environmental investigation work has begun at the Itasca Eco Industrial Park. Grants were received from the Minnesota Department of Employment and Economic Security and Iron Range Resources to do the Phase II work. Completion is expected by mid March.

An agreement with the Blandin Foundation for a program related investment in the Eco Park project was finalized in February. The Blandin Foundation has provided a \$600,000 loan with preferred terms through its Itasca Building Development Fund. Iron Range Resources committed \$500,000 in grant financing for the project at its February board meeting. \$250,000 will be used for environmental remediation/abatement, and \$250,000 for building demolition and renovation.

Joe Parkinen has joined the Eco Park project on a contract basis as Project & Property Manager. Joe brings a wealth of experience at this site through his prior position with Blandin Wood Products as Engineering Manager. Welcome Joe!

A potential anchor tenant, a wood pellet producer, has begun the environmental permitting process. IEDC is working with the company on potential plant layout designs. Lease terms are under negotiation. This company is projected to create 30 direct and 75 indirect jobs.

You may have read in the Duluth paper and heard on TV news reports about a foreign wind energy company who may potentially create hundreds of jobs producing wind blades “somewhere on the iron range”. After a national site search, the company has narrowed down their options to two states, Minnesota and another undisclosed state. We’re thrilled to report that one site proposed to this company is our Eco Park. We are expecting a visit from the company in the very near future.

There is Life Beyond the Eco Park

Although it seems the Itasca Eco Industrial Park has taken on a life of its own, there is plenty of work going on behind the scenes with existing area businesses or aspiring entrepreneurs. In January/February 75 clients came through our doors. 41 were assisted by either IEDC or SBDC consultants, and 34 were assisted by the Northeast Entrepreneur Fund. Our new one stop system assesses the best resource for serving the client's needs and channels them appropriately.

So what kind of assistance are we providing? Here are some examples. IEDC/SBDC is helping three well established Itasca area businesses develop a business case for expansion. Over 60 new jobs would be created if these three expansions materialized. We're working with a local manufacturing company on process improvement to meet customer demands, and helping another significant employer work through a debt restructuring, with a goal of retaining over 50 existing jobs.

Home Grown Energy - Minnesota Road Trip

At the request of Senator Amy Klobuchar's office, IEDC arranged for Senator Klobuchar to tour Lonza as part of the Senator's Minnesota Road Trip. The purpose was to discuss energy efficiency and home-grown energy. Senator Klobuchar met with Lonza company officials regarding their proposed biomass Combined Heat and Power plant and future plans. IEDC helped secure a grant for a study for Lonza, which concluded the potential for significant energy cost savings through utilization of the company's spent wood chips to produce heat.

IEDC Joins GROW MINNESOTA! Program

IEDC's has become a partner of the Minnesota Chamber of Commerce's Grow Minnesota! Program. Grow Minnesota! partners communicate regularly with local businesses and conduct regular retention activities. Company visits often reveal an opportunity to assist with business expansion, government regulations, or general operations. Grow Minnesota! representatives either provide that assistance directly or refer the company to the appropriate organization. Visits are also used as an opportunity to collect feedback on public policy issues which is used to shape the local and state chamber's public policy agendas. For several years IEDC has partnered with the Grand Rapids Area Chamber and key volunteers to annually visit Itasca County's largest employers. The Grow Minnesota! Program will be an expansion of that initiative.

As a result of IEDC's new, closer relationship with the Minnesota Chamber we have already received two leads that could result in bringing new jobs in the tech sector to our area.

Potential for a Foreign Trade Zone in Itasca County

IEDC was approached by the Duluth Port Authority regarding the opportunity for Itasca County to be included in an expansion of the Port Authority's foreign trade zone (FTZ). Advantages to businesses located in a FTZ include deferral or exclusion of duties on imported materials or equipment. The County Board has requested more information before making a decision. Any local business who believes a FTZ designation may benefit them is encouraged to contact IEDC.

New Faces at IEDC Offices

Our new THINK REGIONALLY, ACT LOCALLY business development model is being implemented with great success. IEDC joined forces with Area Partnership for Economic Expansion (APEX), UMD Center for Economic Development and its Small Business Development Center, and Northeast Entrepreneur Fund with the goal of driving higher impact results, eliminating redundancies, and lowering total cost of delivering business development services in Itasca County.

Jeff Borling of APEX has assumed a new role as APEX Director of Itasca Business Development. Borling will bring APEX knowledge, strategy, and contacts as he supports IEDC in the areas of business retention, expansion and recruitment. He will have a particular focus on securing new tenants for the Eco Park. Jeff holds an M.A. from the U of M, Duluth and has a strong background in marketing, research, and communication. We warmly welcome Jeff and his wife, Amanda, as they establish roots in our community.

Our new model also relies on having specific consulting expertise available. Along those lines we are developing a talented network of contracted consultants to work with our clients as needed. Joining us this year are Steve Arbour, former Norwest Bank NA President, Scott Huhtala, former UPM VP Information Technology, and Mike Andrews, former IEDC Business Developer. Welcome All!

Business Location Space Available

Seven thousand square feet of business location space is available in the IEDC Airport Road Building located on Airport Road in Grand Rapids. The space includes an office, lunch room, overhead truck access and a large open area that can be configured for a range of uses. IEDC has contracted with Rennix Corporation to manage the Airport Road Building and they can be reached at 326-3730.

Space is also available for business start-up or expansion at the Itasca Technology Exchange (ITE) located in Central Square Mall in downtown Grand Rapids. The 1,200 square feet can be made available in various configurations to suit. Data Center services with secure multiple collocation cabinets are available with redundant network connectivity and power supply. Please call Rennix Corporation at 326-3730 for more information.

IEDC has two great sources of information about doing business in Itasca County. Check these out. Better yet, send links to a business decision maker you know and encourage them to consider the Itasca area for their next venture!

www.itascadv.org

<http://www.youtube.com/watch?v=xjQsb1T6smc>