



Itasca Economic Development Corporation September/October 2011 Newsletter

Key Performance Indicators

	YTD	2011 Annual Target
Total Clients Served at IEDC Facility	176	300
Business Recruitment Leads	14	25
Total Project Investment – Completed (> 10 MM)	--	\$75 M
Total Project Investment – Completed (< 10 MM)	\$4.9M	\$5 M
IEDC Assisted Project Investment – Completed (> 10 MM)	--	\$5 M
IEDC Assisted Project Investment – Completed (< 10 MM)	\$3.14 M	\$5 M
Total Project Investment – In Progress (> 10 MM)	\$915 M	--
Total Project Investment – In Progress (< 10 MM)	\$12.95 M	--
IEDC Assisted Project Investment – In Progress (> 10 MM)	\$40 M	--
IEDC Assisted Project Investment – In Progress (< 10 MM)	\$7.2 M	--
Actual or Projected New Jobs – Completed Projects	193	75
Actual or Projected New Jobs – Projects in Progress	694	100
Jobs Retained	164	25

Itasca Eco Industrial Park

IEDC took full advantage of the beautiful fall weather in September and October by hosting a series of tours at the Itasca Eco Industrial Park and other properties throughout Itasca County. The first of these tours took place during the week of September 12th, with a visit from a biomass gasification company currently headquartered on the east coast. Joe Broking, IEDC President & CEO, had the opportunity to visit the Company's demonstration plant in August and discussions continue to progress regarding the potential for a commercial-scale plant to be established in Itasca County. A non-binding letter of intent has been executed and Company leaders are seriously considering this region as they plan for future growth.

A second tour was held on September 23rd with a Minnesota company focused on producing an advanced wall system which promises to greatly enhance commercial, industrial and residential building designs. Using a proprietary combination of wood and other readily-available materials, the Company plans to grow its start-up operation in Itasca County with support from both IEDC and the UMD Natural Resources Research Institute. A non-binding memo of understanding was executed between the Company and IEDC, spelling out the terms that will structure this support over the next several years. This Company also toured the former Terex/ASV manufacturing plant in Cohasset and is actively considering this space as a viable option as well.

Other activities included a tour of the IEIP with Dr. Kathleen Annette (see below), the new President of the Blandin Foundation and a strong supporter of job creation in Itasca County. Jeff Borling also attended the 2011 Minnesota Biosciences Summit, hosted by the BioBusiness Alliance of Minnesota and LifeScience Alley on September 20th in Minneapolis, and he represented APEX and IEDC at Governor Dayton's Job Summit during the last week of October. Borling also worked with the APEX staff to submit a grant application on behalf of Duluth-based technology company focused on producing biobutanol and other value-added products from wood. If successful, there could be an opportunity to see this company grow into the Itasca Eco Industrial Park in coming years.

In addition to the activities above, work with our potential anchor tenant continues to progress with all parties targeting a date in early 2012 for formal agreements to be set in place for expansion at the IEIP. Pursuant to the due-diligence process, Company officials met with several local loggers and raw material suppliers in October to better assess the supply-chain capabilities of Minnesota's timber industry. Talks between the Company and the State of Minnesota also continue to progress, with IEDC's public sector partners showing strong support for the project overall. In 2012, IEDC and APEX will roll out a Phase II marketing strategy for the IEIP, targeting spin-off companies and other complimentary operations to occupy the remaining portions not used by the proposed anchor tenant.

In the meantime, the Itasca Eco Industrial Park continues to benefit local businesses and the surrounding community through the redevelopment phase, by providing a staging area for log storage and wood processing operations in support of local employers, and as a training site for local and county-level law enforcement and emergency response personnel. If you have any questions regarding the various activities taking place at the IEIP, please feel free to contact Jeff Borling at (218) 326-9411, ext. 23.

Mining-Related Activity

In September, IEDC worked with Magnetation to locate their new corporate headquarters in Itasca County and continue to provide specific project help when needed as Magnetation deploys its strategic expansion plans. As Magnetation and other mining companies grow, so do their key suppliers. Currently, IEDC is working with multiple key suppliers to ensure that they can meet the growth opportunity as the mining sector in Northern Minnesota expands.

IEDC continues to provide a full spectrum of support for the other large projects in Itasca County as well, including the Essar Steel plant in Nashwauk and the expansion of US Steel's mining operation in Keewatin. With regard to Keetac, Jeff Borling joined several regional stakeholders in St. Paul on October 25th to testify before the MPCA in support of the project and we are pleased to report that the necessary permits were issued to keep the project moving forward.

The day after the MPCA hearing, Borling visited Nashwauk to tour several vacant properties and to talk with City leaders about how they can best position their community to both support and benefit from the Keetac expansion and other major projects in the area. Efforts are already underway to get buildings like the former Rantala Trucking facility back into productive use, and Joe Broking and Jeff Borling will speak at the Nashwauk Chamber of Commerce meeting in December to further assist in preparing the community for success.

Similar activities are underway in Bovey, as the community works to develop strategies for re-use of existing assets, including the Connor-Jasper Middle School which could be vacant as early as next year. As the large projects gain momentum in Itasca County, available housing will become a major issue and there could be an opportunity to redevelop this well-maintained school building into residential units. This is just one option being explored in these early stages, but regardless of the specific course of action, IEDC continues to demonstrate a willingness to lend its support to creative strategies aimed at addressing Itasca County's workforce and housing needs in coming years.

In addition to the large projects currently underway, IEDC is also engaged with a new company leveraging a proprietary technology for the iron mining and steel production industries. The Company, which expects to start-up a

demonstration facility in Itasca County in 2012, has engaged IEDC and APEX to function as an extension of the project development team. As part of this work, Joe Broking and Jeff Borling, together with Rob West, President & CEO of APEX, joined a delegation of local stakeholders to visit the Company's pilot facility during the week of October 12th, in order to witness this revolutionary technology firsthand.

IEDC and APEX continue to explore this and many other opportunities aimed at further integrating the region's mining industry, with the ultimate goal of producing steel and finished goods in close proximity to the mine sites. The team spent a day in the Twin Ports in October, touring the region's leading foundries and other consumers of scrap metal and various minerals. These and other activities continue to build upon the knowledge base and resources that will be leveraged in pursuit of this strategy. If you have any questions about IEDC's mining industry-related activities, please contact Joe Broking at (218) 326-9411, ext. 21.

Itasca Area Business Roundtable

The "Business Roundtable" continued its strong re-emergence in September and October. A collaboration of entities, including the Grand Rapids Area Community Foundation, IEDC, GREDA, MDI and Rennix Properties joined together resulting in the new Itasca Area Business Roundtable which held its official kick off July 25th.

The speaker for September was Tony Sertich, Commissioner of the IRRRB. Commissioner Sertich discussed the changes at the state agency since his appointment and what direction he plans to take the agency in the future. The speaker for October was Noah Wilcox, CEO of the Grand Rapids State Bank. Mr. Wilcox discussed the current banking environment and how it has changed since the economic downturn.

The Itasca Area Business Roundtable meets the first and third Monday's every month, 8:00 a.m. at the Timberlake Lodge. Check out their Facebook page for more information by searching for the Itasca Area Business Roundtable.

Brokings Transport

Executives from Broking's Transport announced in October that they had completed the acquisition of Figgins Transport LTD, a leading competitor in the Grand Rapids area. Through this agreement, which was executed on October 31, 2011, Broking's will take title to the Figgins fleet of approximately 35 trucks, 85 trailers and the Figgins terminal, thereby expanding its capabilities in service to a wider array of customer needs. Approximately 15 owner/operators will be asked to join the Broking's Transport team as well.

"We are excited about this development and the impact it will have on our ability to deliver the most efficient, cost-competitive service possible for our customers nationwide," said President and CEO, Robert Broking. "We look forward to working with Figgins customers and welcoming former Figgins employees as the newest members of the Broking's Transport team. We will continue the proud tradition of Grand Rapids trucking for many years to come."

Figgins Transport, LTD has been in business in Grand Rapids for over 50 years, serving customers in the equipment, home building products, and paper/pulp industries.

Broking's Transport, Inc. is a national transportation company owned and operated by Robert J. Broking, President and CEO and John L. Broking, Vice President. The Company has been in business for over ten years and currently employs more than 35 people out of its headquarters in Grand Rapids. Its current transportation fleet consists of 30 trucks and 45 trailers, with a strong customer base in the beverage and paper/pulp industries.

Site Tours with Blandin Foundation CEO

Dr. Kathleen Annette, Blandin Foundation CEO, spent a day touring Itasca Area projects. The tour, hosted by IEDC, included the Itasca Eco Industrial Park, Magnetation and Essar Steel. Pictured below at the Essar Steel site are Dr. Kathleen Annette, Blandin Foundation; Joe Broking, IEDC; Kevin Kangas, Essar; Wade Fauth, Blandin Foundation. Not pictured is Jeff Borling, APEX.



Anderson Center

Joe Broking, President and CEO of IEDC attended the Governance Forum at Sugar Lake Lodge which is one of fifteen forums hosted by the Anderson Center. In the forums, skilled discussion leaders challenge experienced participants to teach and learn from each other through real-world case studies. The Governance Forum is designed for Directors, Trustees and Executives. The Forum uses a peer network, case studies, application exercises, and reference materials to enhance the effectiveness of individual Board Members and the value added by Advisory Boards and Boards of Directors as a whole. Mr. Broking commented, “The Governance Forum experience was a great learning opportunity. It was a pleasure to learn from other Directors about their Boards of Directors challenges and highlights. All business leaders should experience an Anderson Center Forum which will make them better leaders when they return to the company they represent.”

The Anderson Center provides engaging management and leadership development forums for executives across Greater Minnesota. In Center forums, experienced participants—including owners, directors, executives, managers, advisors and financiers—debate and apply the lessons of real-world case studies guided by highly-skilled Discussion Leaders to improve their organizations.

For more information on the Anderson Center and their Forum offerings, visit the website at www.acmbd.org.

Entrepreneur Fund

Greenstone Group has partnered with IEDC and other area organizations to bring the “Be Strategic: Grow Your Business” series to Grand Rapids. The series began on October 17 with 5 local businesses participating.

The “Be Strategic: Grow Your Business” series was developed for established, local entrepreneurs to grow sales and improve profitability over the course of eight evening sessions, held over a six month period. Participants will:

- Develop a strategic business plan
- Improve business skills critical for growth
- Build a network of like-minded entrepreneurs
- Adopt the “growth mindset” and overcome common barriers to growth

Each session provides hands-on learning, active engagement, and covers topics including a marketing audit, delegating, management, and a personalized business financial review. Participants are comprised of non-competing businesses and confidentiality is a requirement. “We’re helping main-street businesses develop growth-oriented strategies, which get them beyond the day-to-day tasks of running a company and allow them to focus their efforts on areas of growth,” said Shawn Wellnitz, Executive Director for Greenstone Group. “We give them the tools and support they need to grow sales and increase profitability.”

Participants typically see great results before the series ends, and Be Strategic has a proven track record of increasing sales and profitability for entrepreneurs in Ely, Hibbing, Duluth, and Grand Rapids. To learn more about the Be Strategic series, visit our website at www.greenstonegroup.org/be-strategic.

Industrial Space and Technology Space/Services Available

Seven thousand square feet of flexible use space is available in the IEDC industrial 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 including manufacturing and assembly. 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 available 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. You don’t need to be an ITE tenant to utilize Data Center services. 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>