



Annual Report

Economic Development Corporation of Manitowoc County

2009



Economic Development Corporation
OF MANITOWOC COUNTY

Growing Businesses. Creating Jobs.

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Milling Flour on the 2009 Economic Grindstone

In this annual report, we have calculated the substantial economic impact of EDCMC activity—new payroll and jobs, new businesses, new capital investment, and more. EDCMC leaders, colleagues and staff have kept our noses to the grindstone.

Grindstone is a good metaphor for the economy of 2009. Though local economic output is beginning to pick up as we enter the New Year, 2009 has been a financial grind for nearly everyone. Business and personal budgets have been tight, and too many of our neighbors and friends do not have work at all.

At the EDCMC it has been no surprise to us that investment commitments from local business leaders have been harder to come by. Fortunately, we are a frugal group and have planned well. We substantially cut expenses over a year ago, and have adopted an even tighter budget for 2010.

The EDCMC updated its strategic plan at the start of 2009. The goals and the plan are aggressive and the EDCMC has implemented several new working committees to assist in obtaining those goals -- Business Retention, Attraction and Expansion and Entrepreneurial Development. A snapshot of the committees' work to date and their focus for 2010 has been included in this report.

The benchmarks and metrics indicate both how we are doing and how we want to affect the local economy. Below are additional priorities for the EDCMC and our municipal and business leader colleagues:

- Quantification of local industrial and professional sectors with growth potential
- Continued focus on maintaining our highly skilled local workforce



*Kenneth L. Stubbe, CECD, EDFP
Executive Director*

- Maintaining our new business assistance programs
- Continued improvement of local development financing tools
- Ongoing search for financing to build a more extensive new business development and attraction program.

A little over five years ago local business and municipal leaders formed the Economic Development Corporation of Manitowoc County. It opened its doors for business in September 2004.

Since then we have helped numerous existing local businesses identify potential expansion financing and present their project directly to the decision makers. We have also led numerous entrepreneurs through the process of creating business plans for their new services or products. Twenty-one businesses have started or have added value to their existing operations. There's much more.

Enjoy the EDCMC 2009 Annual Report.

Kenneth L. Stubbe

*Kenneth L. Stubbe, CECD, EDFP
Executive Director*

Annual Report
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EDCMC Mission

To lead diversified economic and community development efforts in order to improve the long-term prosperity of the business community and residents.

EDCMC Vision

To lead the delivery of economic development services in Manitowoc County in collaboration with the public and private sectors to facilitate the creation of quality jobs, diversify the local economy and improve the overall quality of life.

EDCMC Lines of Business

- Existing Business Development
- Entrepreneurial Assistance
- Business Attraction
- Community Initiatives

EDCMC Estimated Economic Impact

Estimated 2009 economic impact is as follows:

- 224 new jobs created
- 215 existing jobs retained
- \$6.9 million in new payroll
- \$3.3 million in existing payroll maintained
- \$9 million in capital investments
- \$225,000 in new property tax revenues
- \$1.8 million in financial incentives obtained

EDCMC Strategic Goals

- Goal 1: Maintain the status of the EDCMC as a leading force for economic development.
- Goal 2: Increase public awareness of the EDCMC and its role.
- Goal 3: Strengthen the EDCMC influence and organizational infrastructure.
- Goal 4: Solidify the EDCMC's long-term financial stability.

EDCMC Client and Project Counts

	2005	2006	2007	2008	2009	Totals
Existing Business Clients	36	53	80	43	54	266
Entrepreneurial Clients	15	48	53	132	120	368
Business Attraction Prospects	18	29	43	30	16	136
Community Initiatives	8	7	6	8	6	35
Total Clients	77	137	182	213	196	805

Featured Development:

Dermatology Associates of Wisconsin Expanding Corporate Headquarters

The City of Manitowoc and the EDCMC have assisted Dermatology Associates of Wisconsin, a leading provider of medical, surgical and cosmetic dermatological services to expand its headquarters and to retain 51 jobs and create 124 new jobs at its corporate headquarters over the next three years.

Working with Dermatology Associates, the City of Manitowoc and EDCMC garnered up to \$568,000 in tax credits and \$750,000 in TIF financing for public infrastructure for the expansion.

"Getting the financial incentives from the City of Manitowoc and State of Wisconsin was very much appreciated and instrumental in gaining approval from the project investors for the expansion to occur, allowing our headquarters to remain in Manitowoc," said Tricia Wagner, vice president of finance and business development for Dermatology Associates.

Construction will begin on the 5-story 50,000 square-foot addition in the first quarter of 2010 and will cost \$7.5 million to construct. The facility will house its central services staff including clerical, human resources, information technology, accounts receivable, accounting, marketing, lab technicians and more.

With high demand for dermatology services throughout northeast Wisconsin, Dermatology Associates will be adding primary clinic locations, satellite clinics and physicians, which will retain 104 jobs and create 217 new clinical, nursing and clerical jobs over the next three years.

(c)2009 Robert Ulrich



54 Businesses Helped

Offering free or low-cost services to businesses within Manitowoc County, the EDCMC assists businesses with a range of individualized and customized expert consultative support.

The EDCMC assisted Manitowoc County companies in 2009 with projects such as developing financial packages for businesses, giving targeted advice and providing market research to make companies more competitive.

In 2009, the EDCMC assisted 54 existing Manitowoc County businesses.

A sampling of the assistance offered to Manitowoc County businesses are shown in highlights on this page.

Business Retention, Expansion and Attraction Committee

Recognizing that 80% of a community's economic growth comes from the existing local business base and only 20% comes from new firms, the EDCMC established a Business Retention, Expansion and Attraction Committee.

Part of this committee's task is work with existing business to help them thrive and grow, uncovering opportunities for local investment and expansion and to gather local economic and business data.

This 20 person committee with representatives from public and private agencies established a goal of 12 visits for 2009 and 30 visits for 2010. In 2009, 13 visits were completed.

Lakeshore International Networking and Knowledge Exchange

The LINKe group is newly a formed education and networking group for importers and exporters in Manitowoc, Sheboygan and Calumet counties that held 2 seminars in 2009.

The EDCMC partners with Lakeshore Technical College, Lakeland College, and the Sheboygan County Chamber.

Workplace Advancement Training Grants

Lakeshore Technical College and the EDCMC helped DeepFlex receive a \$13,900 WAT grant and TowerTech receive a \$34,000 WAT grant. The grants are for workforce training.

Featured Existing Business Developments:

Formrite Companies

During a slow economy, businesses sometimes need a fresh look at their financial structure and targeted advice.

The EDCMC pulled together a small team including staff from the City of Two Rivers and members from the EDCMC Private Investment Committee to analyze and offer advice on Formrite's financial structure.

New equity and consolidated ownership are the result. Also, utilizing the City of Two Rivers Revolving Loan Fund, Formrite was loaned \$250,000 to assist in their operations and retained 60 existing jobs.

Orion Energy Systems

When legislation was drafted that would allow solar light pipe technology to be available for a renewable energy tax credit, the EDCMC helped garner support for Senate Bill 273.

The support included issuing a letter of support, encouraging other local leaders to issue letters of support and testifying before the Wisconsin State Senate.

The legislation was passed into law allowing Orion Energy Systems to create approximately 50 jobs in solar light pipe manufacturing and create approximately 50 jobs for electricians, roofers, and carpenters installing the solar light pipes.

Economic Development Administration Grants

Through a continuation of a 2007 EDA grant obtained by Wisconsin Manufacturers Extension Partnership and administered by the EDCMC, nearly \$74,000 was granted for process improvement and workforce skills training to five City of Manitowoc manufacturers.

Companies that received the grant in 2009 are:

- Extrutech Plastics
- GKN Sinter Metals
- Manitowoc Grey Iron Foundry
- Manitowoc Tool & Machine
- Northern Labs

120 Entrepreneurs Assisted

The Economic Development Corporation of Manitowoc County offers services to entrepreneurs during every phase of the business life cycle - starting, sustaining, expanding, and/or exiting.

Working with our partners SCORE -- Counselors to Americas' Small Business and Lakeshore Technical College Center for Entrepreneurship, the EDCMC offers services in conjunction with or complimentary to our partners.

The EDCMC and its partners offer entrepreneurs small business counseling, seminars, training and resources to succeed in their ventures.

In 2009, 120 entrepreneurs were served through the programs featured in the following highlights.

Entrepreneurial Development Committee

The EDCMC Entrepreneurial Development Committee was formed to promote and develop entrepreneurial resources.

In 2009, the committee reviewed the EDCMC entrepreneurial services and developed a marketing strategy that will be unveiled in 2010.

SCORE - Counselors to Americas' Small Business

Throughout the year, SCORE met with 43 entrepreneurs in 104 counseling sessions.

In May, SCORE held a "How to Start a Business in a Challenging Economy" seminar that 26 entrepreneurs attended.

E-Seed Entrepreneurs' Course

E-Seed Entrepreneurs' Course, a 10-week course for aspiring entrepreneurs that need the skills to determine the feasibility of their business concept, was started in 2006. Since then, 43 business concepts have been vetted. In 2009, eight business concepts were vetted.

Businesses that have started or added value to their existing operations:

- A Green Woodworker
- Automatic Labeling Systems
- Christianson Liquid Waste
- Coach Horse Counseling and Learning Center
- Compositec Inc.
- Great Lakes Relaxation Center
- Highlife Charters
- Interior Impressions
- Meyer Bros. Old Fashioned Mix
- Lake Orchard Farm Bed and Breakfast
- Lakeshore Scrapbooking
- Optic Media
- PDJ Cutting and Fabricating
- P&H Enterprises
- Ron-Cor Hearing Aids
- Senior Service Coordinators
- Smarmy Pants & HeyYoYo
- Two Buds Floral and Gift Gallery
- Wrap It Up Manitowoc
- What Would Mary Wear
- What a Relief LLC

Business to start in 2010: Heavy Pedal Bicycles, Marylee Stitching, Plays with Wool Designs, Strawberry's Pet Treats and Victoria's Inspirations.

Featured Entrepreneurial Assistance:

PDJ Cutting and Fabricating Providing Custom Solutions from 1 to 1000

Over a year ago, Patrick and Deanne Weier were considering starting a business. Upon a referral from a friend, they decided to contact the EDCMC. The EDCMC and SCORE met with the Weiers to refine their business concept and recommended the E-Seed Entrepreneurs' Course.



"We are firm believers in the E-Seed Entrepreneurs' Course," said Deanne Weier, co-owner of PDJ Cutting and Fabricating. "This extremely valuable course was essential for preparing us to start our business. It provided us with excellent knowledge in many areas and most of all establishing a business plan. We now have a clearer vision and plan for our business."

PDJ Cutting and Fabrication identified a niche for small run metal cutting business and offers custom metal cutting and fabricating using a CNC drive plasma cutter and CAD services to prototype designs.

Lakeshore Entrepreneurs and Inventors' Network

LE&IN had over 40 attendees during the Global Entrepreneurship Week presentation, "How to Make Social Networking Work for Small Companies and One Person Operations."

Nine seminars were held with 43 Manitowoc County entrepreneurs.

16 Site Selector Requests Answered

Working to promote Manitowoc County as a place to do business, the Economic Development Corporation of Manitowoc County provides services to the site selection community.

The EDCMC provides site and facility information, thorough Manitowoc County economic and demographic profiles, financial incentive program packaging, permitting assistance, public relations coordination and additional services as necessary.

In 2009, the EDCMC responded to 16 requests for site information from site selectors. The requests came from the following types of clients: manufacturing, advanced agriculture, office, retail, senior housing and wind energy.

Business Retention, Expansion and Attraction Committee

The EDCMC Business Retention, Expansion and Attraction Committee will identify and target viable Manitowoc County industry clusters in 2010.

Businesses within the identified industry clusters will be visited.

From these visits information will be gathered on what suppliers and customers might benefit from being located in Manitowoc County. These leads will be pursued by the EDCMC staff.

Industry clusters will be identified through already completed research in municipal comprehensive plans, economic opportunity studies, regional manufacturing studies and other sources.

Private Investment Committee

The EDCMC Private Investment Committee is comprised of experienced local investors with connections to equity and angel investment groups from around the Midwest.

Members review opportunities requiring substantial equity investments, local investment connections and targeted advice.

Projects reviewed for 2009 include:

- A cross-lake transportation project
- Two separate wind energy projects
- New or additional ownership for a local retail chain
- A downtown redevelopment project
- A local manufacturer

Featured Business Attraction Project:

Father Ed Development Building Multi-Tenant Senior Housing in Downtown Kiel

The former Stoelting Inc. site at 714 Paine Street in downtown Kiel will soon be home to a \$1.5 million multi-tenant senior housing development by Father Ed Development, owned by Mike Check, also of Mike Check Builders Inc.

During its comprehensive planning process, the City of Kiel identified the site in the heart of their downtown as ideal for a senior housing development. The City of Kiel approached the EDCMC to help.

The EDCMC worked with the City of Kiel on marketing the property to various senior housing developers and one of those developers was Mike Check. To make the project happen, the EDCMC has assisted with property assembly and financial structuring.

Using a tool called the Environmental Tax Increment Finance District, the City of Kiel will pay \$50,000 to acquire the property and up to \$180,000 to remediate the environmental issues on the property. These costs would be paid back to the City of Kiel generated by the tax increment from the multi-tenant senior housing development.



Programs Benefit the Local Economy

Creating and collaborating on Manitowoc County projects that improve the local economy and benefit the business community is what drives the EDCMC to bring to the community programs.

The EDCMC serves or belongs to many organizations including NEWREP, New North, Two Rivers Business Association, Mainly Manitowoc, Manitowoc City Center Association, Service League, The Chamber, Junior Achievement, Lakeshore Area Human Resources Association and Bay Area Workforce Development Board.

Business Summit: Streamline for Success

The EDCMC and The Chamber of Manitowoc County co-sponsored and staffed the 4th annual Manitowoc County Business Summit entitled, "Streamline for Success" on October 21, 2009 at the Fox Hills Resort.

The 140 participants had the opportunity to attend: "Strategic Planning and Lean Thinking," "Lean Communication: Stop the Re-Talk and the Wrong Talk," "Making Sense of Social Media" and "Lean/Six Sigma Applied." The keynote was R.J. Pirlot on "Surviving and Thriving on the Brink of Healthcare Reform."



Featured Community Initiative:

High School Manufacturing Project: Project Mini-Chopper

In fall 2008, four teams of high school students began a journey in building a mini-chopper as part of a Manitowoc County wide effort to promote careers in manufacturing. Their journey came to an end on April 24th, 2009 when the teams unveiled their creation at the Ant Hill Mob Bike Show.

In fall 2009, five new teams and 43 students have taken on the challenge of designing and building a mini-chopper.

The project gives high school students real life experiences as they build the mini-chopper as part of their academic curriculum throughout the school year. Participating students learn hands-on design, project planning, engineering, fabrication and manufacturing skills.

The project mission is to improve the image of manufacturing and help students, parents, educators and the communities understand that manufacturing provides excellent career opportunities, which will help create a skilled and professional workforce to meet local manufacturing and economic needs today and in the future.

In spring 2009, the EDCMC applied for and received a \$30,000 grant from the West Foundation.

The High School Manufacturing Project is a collaborative effort of the EDCMC and The Chamber of Manitowoc County with supporting sponsorship by area businesses, manufacturers, local high schools and Lakeshore Technical College.



2009 EDCMC and EDCMC Foundation Investors

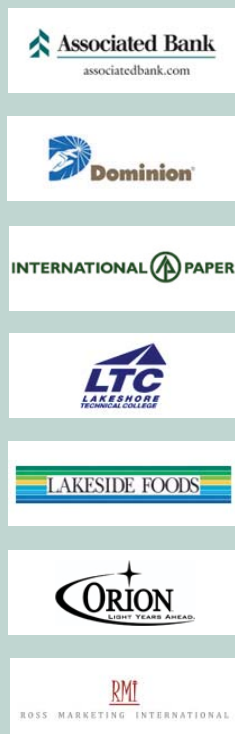
The EDCMC would like to thank its 75 plus investors that contribute to our efforts.

Our business and community leaders help develop local economic development strategy, volunteer on EDCMC committees and help serve EDCMC clients. They are integral to the successful public/private collaboration that has been created.

Diamond \$10,000+



Platinum \$5,000-\$9,999



Gold \$3,000-\$4,999

Baleigh Industrial
Heavy Metal Fabricators
Manitowoc Ice
Manitowoc Tool and Machining
M&I Bank
Schenck SC

Silver \$1,000-\$2,999

ACE Building Service
Access Investment Advisors
Cleveland State Bank
Festival Foods
Foster Needle
Great Lakes Staffing, Inc.
Hamann Construction
Hawkins, Ash, Baptie & Co. LLP
Heiden, Inc.
Holy Family Memorial
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Northern Labs
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US Bank
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Bronze \$100-\$999

Americollect
Americinn
Andrew and Suzanne Steimle
Architectural Forest Products
Bartow Builders
Bayland Buildings, Inc.
BC Signs/Amy's Apparel
Burger Boat Company
Courthouse Pub
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Crafts, Inc.
Culvers
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Doneff Companies
DOWCO
Family Dental Center, S.C.
HUI
GT Machine, LLC
James Vopat
Jim Reif Builders Inc.
Kaeden Services
Keller
Leede Research Group
Manitowoc Disposal and Recycling
Maritime Insurance Group
Manitowoc Marina
Meadow Brook Dairy Farms, LLC
R&J Fricke, Inc.
Riverside Foods
Riverwood-Maritime Credit Union
Smile Clinic
Shooter Malones
Steimle Birschbach LLC
The Chamber of Manitowoc County
Vinton Construction
Wisconsin Maritime Museum

Municipal Partners

City of Manitowoc
City of Two Rivers
City of Kiel

Pledged amounts as of December 31st, 2009.