

In the Fall of 2009, a site selector and economic development consultant, John Rhodes, was hired to analyze and compare our community, lead the area through an analysis of our strengths, weaknesses, opportunities and threats (SWOT), and identify new economic development strategies. This session determined that the Brainerd Lakes Area is a prime location for companies in the professional services, manufacturing, and renewable energy industries.

The first sector under discussion is the professional services sector. An action plan around this high priority segment is being developed and will soon be implemented.



Manufacturing

Manufacturers looking to relocate or expand in the area can leverage the existing plastics, wood and metal fabrication companies currently in the area. These established companies, along with existing training programs at Central Lakes College, ensure that the local workforce can provide most of the skills a manufacturer needs.

“Our customers say our product quality is exceptionally high. We recognize that this comes down to the quality of our workforce and people who appreciate and value their jobs,” — Reggie Clow, Executive Vice President Clow Stamping Company (a metal stamping company in Merrifield)

Renewable Energy

Renewable energy is a growing industry and the Brainerd Lakes Area has many of the resources these endeavors will need. Rail access and availability of methane gas provide options for developing a renewable energy/fuel facility.



Professional Service/ Information Technology/Call Centers

The professional services industry includes companies who provide accounting, legal, or other knowledge-based services. Ascensus, one of the largest employers in the area. Ascensus’ Brainerd office provides record keeping services to companies in the retirement products industry. Other recent success stories include the MN Care Processing Center, True Protection Security, and Northern Tool + Equipment Company.

In addition to the financial reasons to locate a business to the Brainerd Lakes Area, it is the people in this area that make the difference. The culture is very service oriented as this region has a foundation in the tourism industry. This workforce pool is especially important to a back office environment in which customer service is essential to success.

Northern Tool + Equipment Company. is a multi-channel sales company providing tools and equipment to customers nationally and internationally since 1981. Their Lakes Area Contact Center, added in 1998 and relocated to Pequot Lakes in 2000, handles phone contact, e-mail communication, and live chat from its customers.

“A large part of the success our Lakes Area Contact Center has achieved is through the employees that walk through our doors each day,”

— Manager Brent Campbell, Northern Tool + Equipment Co. (speaking of the 70 people employed in the Contact Center during peak seasons)

“Our quality people have proven to positively impact our business and solidify the Contact Center’s role within the company.”

During 2009, BLADC assisted with:
• 19 projects and
• \$21 million in capital investment which will create
• 380 jobs.

Since 1988, BLADC has coordinated:
• 339 projects and facilitated more than
• \$279 million in capital investments which created
• Over 3,600 new jobs.

The Brainerd Lakes Area Development Corporation (BLADC) is a community-driven, non-profit organization designed to encourage economic growth and prosperity through the creation jobs, and to promote & facilitate community development.

BLADC strives to stimulate growth and private investment in the Brainerd Lakes Area by offering quality economic development services as follows:

- Implement Business Retention and Expansion Programs
• Promote and Market the Brainerd Lakes Area to Attract Business
• Coordinate and Manage Business Proposals and Inquiries
• Assist with Site Location Options
• Structure and Package Financial Programs
• Provide Technical and Business Planning Assistance
• Facilitate and Coordinate Government Resources and Processes
• Support Community Development Initiatives

Letter from the President

I am very optimistic about the future of the Brainerd Lakes Area.

We are blessed with many natural amenities. We have built a solid foundation including our municipal infrastructure systems, school and workforce initiatives, economic development programs, and many more. We are fortunate to have BLADC, an effective and long-standing area wide economic development organization, who is committed in their efforts to create jobs and pursue business development opportunities. Although we are in the midst of difficult economic times, our community is positioned to benefit as business and industry redefine their future and pursue new opportunities. As John Rhodes, a national Economic Development and Site Selector Consultant, stated “The Brainerd Lakes Area best days are yet to come.”

I look forward to working on behalf of our community and each of you to positively impact our area. Thank you for your support.

— Tom Anderson, BLADC President

The BLADC Board of Directors is comprised of business and community leaders that volunteer their time and expertise to improve the economic conditions of the Brainerd Lakes Area and create jobs for area residents. Their collective experiences and knowledge guide BLADC. Please feel free to visit with them and share your ideas to enhance local economic development efforts.

BLADC Board of Directors

- President Tom Anderson, Minnesota Thermal Science
Vice President Bruce Buxton, Widseth Smith Nolting
Secretary/Treasurer Angella Roby, Mille Lacs Band of Ojibwe
Directors: Kevin Larson, Consolidated Telecommunications Company; Terry McCollough, Brainerd Dispatch; Chuck Albrecht, Mid-Minnesota Federal Credit Union; Tom Prusak, Brainerd Lakes Health; Kevin Close, Close-Converse Properties; Paul Means, Riverwood Bank

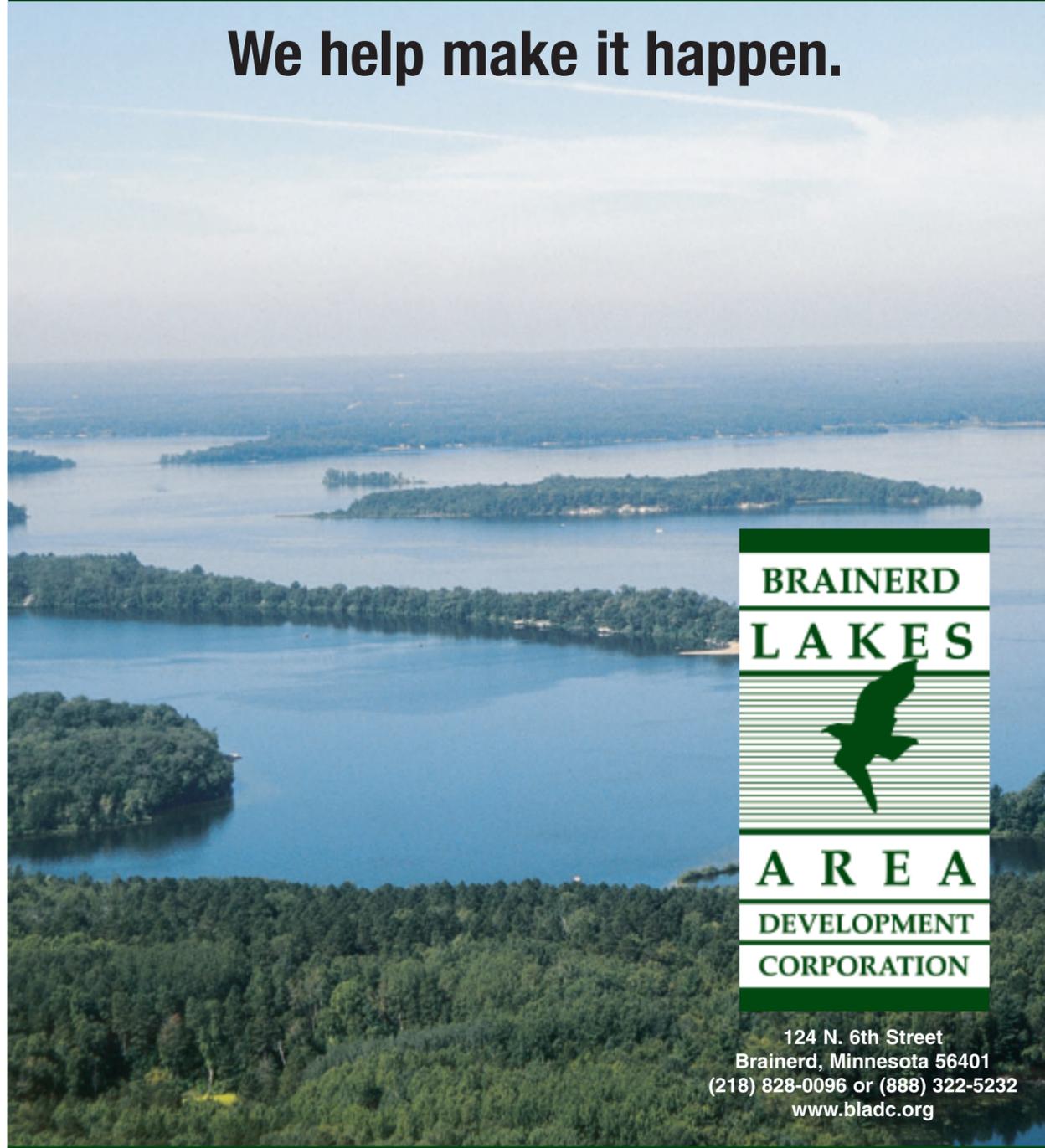
Emeritus BLADC Board Members

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Ray Burnett, Retired
Tom Green, Retired
Conrad Bye, Communications Investments, Inc.
Timothy Bergin, Larson Allen
Paul Lindbloom, Retired
Clint Nelson, Positive Realty
Jim Kraft, Frandsen Bank & Trust
Reggie Clow, Clow Stamping Company
John Newhouse, Lakeland Mold Company
Terry Skone, Retired

BLADC Staff

- Sheila Haverkamp, Executive Director, sheila@bladc.org
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We help make it happen.



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# BLADC HELPS FIND THE RESOURCES NEEDED TO SUCCEED.

## BUSINESS RETENTION AND EXPANSION



To strengthen and grow the Brainerd Lakes Area economy, BLADC has been actively leading a Business Retention and Expansion (BRE) Program since 1985.

BLADC has expanded its Business Retention and Expansion Program by partnering with the Minnesota Chamber of Commerce and the Brainerd Lakes Chamber through their *Grow Minnesota* program.

During the 2008 – 2009 BRE Program, BLADC visited **40 companies** in Crow Wing County. Interesting facts include:

- **75% have headquarters located in Crow Wing Cty**
- **13% are family owned**
- **23% have locations outside of the Brainerd Lakes Area**
- **8% have more than 50 employees**
- **13% plan to expand within the next two years and 100% of these businesses plan to expand in Crow Wing County**

### Crosslake Sales, Inc.

*City of Crosslake*

**Crosslake Sales Inc** and **Outdoors Insights Inc** are both owned by Bennett Gibbs and Thomas Maschhoff. Currently, Crosslake Sales purchases large quantities of closeout outdoor recreation products and sells them on various internet outlets. Recently, the company purchased a portion

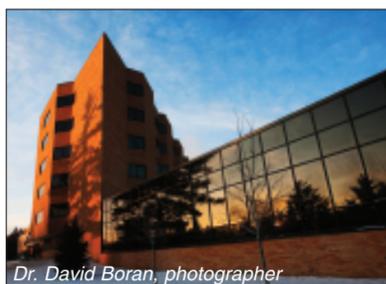


of the Nature Vision product lines and is expanding to include customer service call lines, research and development, and more sales outlets. To make this expansion project financially feasible, BLADC assisted the company in requesting a revolving loan from the City of Crosslake.

With the approval of the City loan Mr. Gibbs and Mr. Maschhoff were able to purchase the former TrueValu hardware store in Crosslake on CR 3 to expand their operations. At this time Crosslake Sales employs 12. Due to the expansion project the company expects to add at least 3 new jobs within the next 12 months.

### Brainerd Lakes Health Heart & Vascular Center

*City of Brainerd*



*Dr. David Boran, photographer*

Thomas Prusak, President of **Brainerd Lakes Health**, said, "We worked closely with BLADC during the planning for the **Brainerd Lakes Heart & Vascular Center**

at **St. Joseph's Medical Center**. They were extremely supportive of our project, both to help facilitate funding and to encourage municipal support. Thanks to BLADC's expertise and work, we obtained a \$750,000 interest-free loan from the USDA through **CTC**. The BLADC Board of Directors has publicly supported all of our initiatives to develop new healthcare services and facilities for our patients in the Brainerd Lakes Area. We have found BLADC to be a dedicated, expert resource and an effective partner."

The new facility and equipment will provide full service cardiac non-invasive imaging diagnostics, invasive and interventional cardiology and vascular services, including emergency intervention, enhanced inpatient services, and specialized longitudinal care programming including prevention, heart failure management, and pacemaker clinics. This expansion project will create 26 new healthcare positions for the area.



*courtesy of the Brainerd Dispatch*

## COMMUNITY REDEVELOPMENT

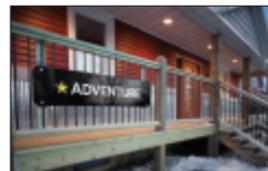
Redevelopment projects in the City of Brainerd and throughout Crow Wing County continue to be a catalyst spurring economic development. They eliminate blighted vacant buildings, create jobs, and increase the tax base for the entire Brainerd Lakes Area.

### Adventure

*City of Brainerd*

**Adventure** was established in April of 2005, with Scott Mitchell and John Linn as equal owners. The company is a high-end advertising, design, and photography provider. With BLADC's assistance, **Adventure** was able to utilize the City of Brainerd's Revolving Loan Fund and purchase the former **PORT Group Home** property along the Mississippi River.

They renovated the historic structure into a unique office setting allowing their company to continue to grow. **Adventure** is headquartered in Brainerd and will have 25 employees at this location within the next 3 – 5 years.



*courtesy of the Brainerd Dispatch*

### Oppidan Grocery Development

*City of Pequot Lakes*

**Oppidan**, a development company from the Minneapolis/St. Paul area, was trying to determine the appropriate site to build a grocery development for a local operator. During their search, they contacted BLADC to help in locating a site and financing programs that could aid in the redevelopment of a site.

### Jimmy John's

*City of Brainerd*

Troy Hocum and Darby Sheets, owners of **Jimmy John's Gourmet Sandwiches/Grinder Development LLC**, were searching for an appropriate site in the Brainerd Lakes Area for over three years. They determined an East Brainerd redevelopment project site could be a great fit and contacted BLADC. The site was the former Casey's Gas Station at 201 Washington Street NE.

The project included the acquisition and demolition of the buildings and environmental cleanup. The site was redeveloped into a new **Jimmy John's Gourmet Sandwich restaurant** and drive-thru employing approximately 20 lakes area residents. To make this redevelopment project possible, BLADC assisted the company in requesting Tax Increment Financing from the City of Brainerd.



*courtesy of the Brainerd Dispatch*



## LOCATION, LOCATION, LOCATION

In a global market the physical location of your business has become secondary to connectivity, cost, and the ability to be agile.

BLADC assists businesses in finding the right location to start or expand by highlighting what the Brainerd Lakes Area has to offer; which is a business's ability to:

- connect with a Telecommunications Broadband Fiber optic network in Brainerd, Baxter, and Nisswa that operates at a capacity of 10 gigabits per second
- control operational costs with commercial back-office lease rates average \$8-12 per square foot per year, on average up to 20% below Twin Cities metro, according to local commercial real estate agents; property tax, insurance, and common area maintenance operative costs on average are \$5 per square foot per year; and taxes and utilities are typically far below metro area costs
- tap into labor force availability with prevailing wages that average less than 36% less than the core four-county metro area
- move your product and people with transportation access via railroad, air with a local airport with direct connect flights to MSP International Airport, and four-lane highway connections to Interstate 94 and
- enjoy life with a Cost of Living Index at 89 vs. 102 in Minneapolis-St. Paul based on Sperling's Best Practices

### Johnson Properties, City of Baxter



*A prime location currently available is the Johnson Properties in the City of Baxter. This site has also been an impetus for BLADC's 2020 Professional Service/IT/Call Centers initiative.*

## How We Make It Happen

The Brainerd Lakes Area Development Corporation (BLADC) is at the hub of a collaborative effort between government, business, education, and banking leaders to attract, retain and grow companies in Crow Wing County.

There are many tools BLADC staff utilize to develop successful outcomes for area businesses. Here is a snapshot of three important tools.

### Shovel Ready Site Certification

Brainerd is one of only three communities in Minnesota to be awarded Shovel Ready Certification. With this certification, site selectors can be assured that Brainerd is ready with sites pre-graded and "pad ready" including completed electric, water, gas, and fiber-optic utilities. Also of value to site selectors: the City of Brainerd is able to process a sale and the accompanying permitting request within 3-4 weeks.



### Industrial Parks

Industrial park areas in Crow Wing County include:

- 5 publicly owned industrial parks
- 4 privately owned industrial parks
- 7 proposed industrial park areas
- Scattered industrial zoned sites

### Revolving Loan Funds

Community Revolving Loan Funds (RLF) provide a source of financing for local businesses. Often, RLF loans are used to fill a "financing gap" in business development projects.