

## BLAEDC Marketing

BLAEDC continues to refine its overall marketing efforts to best position the region for economic vitality and growth. The backbone of the marketing efforts is the new web site — [growbrainerdlakes.org](http://growbrainerdlakes.org). The site is constantly being updated with statistics, useful links and new pages.

An exciting new feature in the NEWS chapter of the web site is the *Salute to Business and Area Executives*. This special section offers in-depth articles of local business leaders and their dynamic industries. These stories are electronically distributed to members and key stakeholders, as well as shared with the media for new, interesting local business stories.

## Special Projects

In 2011, BLAEDC initiated two new strategic economic development efforts for industry-specific growth in manufacturing and information technology. Both of these sectors were identified as potential growth areas from the 2020 plan.

**Manufacturing** — A special event brought together manufacturers, city staff and elected officials to explore the growth potential of manufacturing, as well as highlight some of the region's key manufacturing employers.

The event featured speaker Mark Phillips, the Department of Employment and Economic Development Commissioner.

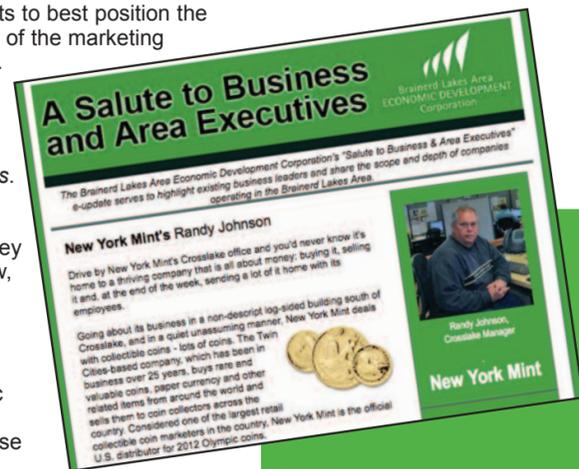


**Technology Initiatives** — A special program is exploring the technology services industry, including understanding its infrastructure and workforce needs and attracting a Data Center to the Brainerd Lakes Area's technology hub.

BLAEDC's newest program, the **Executive Initiative**, strives to better utilize the knowledge and expertise of business leaders now located in the Brainerd Lakes Area by fostering connections with the common goal of expanding business, building community and growing jobs in Crow Wing County. Volunteers are matched in one of two committees: *Mentoring & Counseling*, or *Economic & Community Development*.

In conjunction with SCORE (Service Corps of Retired Executives now known as "Counselors to America's Small Business"), mentor/counseling participants will build relationships with local business owners and entrepreneurs at gatherings, serve on an advisory board for an expanding company, or provide business counseling within an industry of expertise.

Volunteers in the economic and community development committee will support BLAEDC's brand and marketing message by promoting economic development locally. Then, these participants will assist in targeting specific markets, such as individuals with an affinity to the our area, specific industries, or influential professionals.



The Brainerd Lakes Area is blessed with many **positive attributes that foster economic growth:**

- a progressive community college
- a career awareness initiative for high school students
- great telecommunications capabilities
- a new generation of places to shop and enjoy a meal
- miles of trails and other recreational assets
- an abundance of water
- banks that will still do business with you
- a unique quality of life, and
- a general feeling of wanting to work together

— John Rhodes, Senior Principal  
Moran, Stahl & Boyer  
(National Site Selection Consultant)



[www.growbrainerdlakes.org](http://www.growbrainerdlakes.org)



## Board of Directors

BLAEDC President  
**Bruce Buxton**  
*Wideth Smith Nolting*

Vice President  
**Paul Means**  
*Riverwood Bank*

Secretary/Treasurer  
**Angella Roby**  
*Oakridge Homes of Brainerd*

**Tom Anderson**  
*Minnesota Thermal Science*

**Chuck Albrecht**  
*Mid-Minnesota Federal Credit Union*

**Kevin Close**  
*Close-Converse Properties*

**Kevin Larson**  
*Consolidated Telecommunications Co.*

**Tom Prusak**  
*Essentia Health Central Region*

**Karlo Goerges**  
*Pequot Tool & Manufacturing*

## Emeritus Board Members

**Terry McCollough**  
*Former Publisher Brainerd Dispatch*

**Arnie Johnson**  
*Johnson Enterprises LLC*

**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**

## BLAEDC Board Liaisons/ Gov't Representatives

**Rosemary Franzen and Tim Houle**  
*Crow Wing County*

**Bob Olson and Dan Vogt**  
*City of Brainerd*

**Gordon Heitke**  
*City of Baxter*

**Lisa Paxton**  
*Brainerd Lakes Chamber*

## Note from the President

During our formative years, our parents tell us to work hard to achieve success, be it in business, sports, or life in general. For the next nine months, political rhetoric will fill the air waves, everyone promising to make our lives better. In the end, though we will elect a president and congress to help, it will remain our job to improve our own lives through hard work. In the Brainerd Lakes Area, the local governments have banded together with a shared vision – the benefits from jobs created in the area spread to all entities. They work closely with, and help fund the efforts of, BLAEDC in pursuit of that vision. BLAEDC is proud to assist local government agencies and business leaders to grow existing businesses, attract quality businesses, and to assist in startups as a part of that vision.



— Bruce Buxton, BLAEDC President

## BLAEDC's Economic Development Strategy

*Promoting, Marketing and Assisting...*

- Entrepreneurial and Start-Up Companies
- Retention and Expansion of Existing Companies
- Attraction of New Businesses
- Community Projects

## 2011 Accomplishments

8 Projects  
\$7.5 Million Dollars in Capital Investments  
89 Jobs (*projected to be created*), with 219 jobs retained

## 2011 Inquiries, Contacts and Activities

- Entrepreneurial/Start-Up: 43
- Business Retention & Expansion: 79
- Attraction Opportunities: 18
- Other Community and Economic Development Initiatives: 84

## Accomplishments to Date

358 Projects  
\$309 Million Dollars in Capital Investments  
3,953 Jobs

These efforts have provided Crow Wing County communities with an estimated:  
\$125 million/yr in wages  
More than \$3.5 million/yr local property taxes  
Nearly \$7.5 million in grant funds

BLAEDC is a private non-profit 501c3 organization with a mission to **expand business, build community and grow jobs** and is funded by local units of government, businesses, community leaders, and individuals who believe that together we create our own destiny and make a difference in our community.

## BLAEDC Staff

**Sheila Haverkamp**, Executive Director  
**John Gunstad**, Economic Development Specialist  
**Erika O'Brien**, Administrative and Marketing Coordinator



2011  
ANNUAL  
REPORT

## Economic Development

### Magnum Machining

City of Deerwood

Magnum Machining, a Computer Numeric Controlled (CNC) manufacturer in Deerwood, sought the support of BLAEDC with a proposed expansion. In August of 2011, Magnum Machining completed phase I of their expansion project by purchasing a 29,000 sq. ft. facility in the adjoining township of Irondale. All shipping/receiving, parts washing, and inventory will be moved into the new facility, allowing 15,000 sq. ft. of space in their Deerwood location to be reallocated for heavy manufacturing. Thanks to this expansion project, Magnum will invest more than \$3 million in new equipment and create at least 30 jobs within the City of Deerwood.



BLAEDC assisted in developing a special gap financing funding package for Magnum Machining that involved partnering the City of Deerwood and the State of Minnesota.

### BTD Wood Powder Coating

City of Brainerd

Located in Phase II of the Brainerd Industrial Park, BTD Wood Powder Coating manufacturers a specialized powder coating finish that allows for a durable covering, in a variety of colors and textures, over parts that are used in the production of furniture, store fixtures and manufacturing equipment. The use of wood powder coating is also an environmentally friendly finish. BLAEDC and the City of Brainerd are assisting BTD in accessing Minnesota Investment Fund dollars as part of the financing package for a new wood powder coating booth.



### Cross-Tech Manufacturing

City of Crosslake

Known for their Brush Wolf hydraulic rotary brush cutters, Cross-Tech Manufacturing is the largest manufacturer in the U.S. of hydraulic cutters. In addition to attachments for the skidloader market, Cross-Tech offers design and engineering services, along with sandblasting and powder coating from their Crosslake facility. Cross-Tech is utilizing the expertise of BLAEDC to secure financing and navigate the planning and zoning process in an effort to expand their building and nearly double their manufacturing space. This expansion is planned to create many new jobs to the company's existing workforce of 17.

### Lift Tech Marine

City of Brainerd

As a manufacturer of motors for boat lifts, the Brainerd Lakes Area is a natural setting for Lift Tech Marine and Minnesota Boat Lift Vinyl. They started with only two employees and have experienced continual growth since 2008. BLAEDC supported their efforts to more than double their manufacturing space in Brainerd's Industrial Park.



### Sazama Family Chiropractic and Wellness

City of Baxter

Danielle and Seth Sazama, both doctors of chiropractic, launched their business, Sazama Family Chiropractic and Wellness, in Baxter after extensive market research and support from BLAEDC and other local organizations and business representatives. The Sazama's received financing for their clinic, which includes a rehabilitation room, as well as specialized equipment such as vertical tables and a flexion-distraction table, to suit the needs of their youngest individuals all the way to geriatric patients. The office is a cutting-edge, nearly a paperless office, thanks to the flexibility and efficiency of the iPad.

*"The Brainerd Lakes Area community is an ideal location to start a business. BLAEDC helped us find the resources and financing we needed to make our dream a reality."*

— Seth Sazama,  
Sazama Family Chiropractic and Wellness



photo courtesy of the Brainerd Dispatch



### Deerwood Technologies

City of Deerwood

Thanks to a variety of financing options coordinated by BLAEDC, Deerwood Technologies, an information technology support for businesses, purchased and is renovating the former "Deerwood Supermarket" to support their rapid growth. Construction and infrastructure upgrades will improve the quality and efficiency of the building's heating, cooling and electrical infrastructure, as well as provide additional office space. Deerwood Technologies' goal is to more than triple their staff size by 2015 with high-paying, professional jobs.

The financing package for Deerwood Technologies included using the Deerwood Revolving Loan Fund, a seller contract-for-deed, and owner equity.

### WW Thompson Concrete

City of Brainerd

A fourth-generation concrete block manufacturer based in Brainerd for more than 102 years, WW Thompson utilized BLAEDC's expertise to explore the best type of financing option for a new equipment purchase. The new equipment allows the company to diversify their manufacturing, helping them to expand their market potential beyond construction and into the landscaping industry.

## Community Development & Redevelopment Initiatives

BLAEDC continues to support community and redevelopment projects throughout Crow Wing County that are important to the general health and long term well-being of the community, and positively impact our area's economic development efforts.

### Heartland Kitchen and Café

The Heartland Kitchen and Café in Crosby underwent a face lift in 2011. Owners Jim & Maureen Christopher wanted to upgrade both the aesthetic look of their building, as well as incorporate items into the project to assist with energy efficiency. BLAEDC helped administrator DEED's Small Cities Development Program financing, with additional support from the Central Minnesota Housing Partnership.



### Governor's Economic Development Summit

BLAEDC supported Gov. Mark Dayton in hosting a Regional Economic Development Summit in Brainerd in September. The summit worked to gather the best ideas on job creation and to highlight business climate and economic development opportunities.



### Brainerd Lakes Regional Airport

A \$7.4 million dollar terminal renovation at the Brainerd Lakes Area Regional Airport, as well as transition to a new air carrier, mean changes for the region. BLAEDC worked in partnership with the Airport Commission to develop a video communications effort at the terminal in an effort to use the high visibility and traffic of the airport to expand and attract new prospects for the area.

### Community Development Project: Jack Pine Center

Downtown Pequot Lakes has seen the re-development of the Jack Pine Center, thanks to the inspiration and leadership of Cathy Malecha, the center's building manager. A few years ago, the building stood like the shell of a shopping mall, but now offers a variety of retail shops and a restaurant. Building owner Dale Lindquist support's Cathy's ideas to evolve the building. BLAEDC assisted in exploring financing for improvements. Malecha, the former Pequot Lakes Mayor and current city councilwoman,

took the lead to find prospective tenants and help negotiate leases for the businesses.

*"Renting space means more than putting up a 'for lease' sign. It takes looking at what the community needs and then going out and knocking on doors and working with businesses to help them be successful."*

— Cathy Malecha,  
Pequot Lakes Community Supporter

We're ready. Let's grow!

## Healthcare Impacts Business Community

A recent report on the economic impact of healthcare in Crow Wing County revealed:

- Total employment impact of 7,064 jobs, or 21.2% of the county's total employment.
- \$334.8 million in total income impact, or 3.3% of the county's total economic output.
- Ten new jobs in healthcare lead to the creation of 4 non-healthcare jobs
- \$100 of income earned in the health care sector leads to another \$30 earned in other industries.
- One dollar spent on health care leads to another \$.50 spent in other industries.

A strong health care sector promotes job growth within other industries and attracts young families.



Essentia Health's 44,000 sq. ft. Baxter Clinic will offer expanded medical services for the region and employ more than 100 residents.

We're ready. Let's grow!

## Business Retention and Expansion Visits

BLAEDC's number one priority is the growth and expansion of our existing businesses. A significant component of our work plan is meeting with companies located and operating in the area. This initiative is completed in conjunction with the Brainerd Lakes Chamber and the Minnesota Chamber's *Grow Minnesota* Program.

During 2011, 41 BRE visits were conducted in person.

A new program, *Salute to Business and Area Executives*, has also grown from these business visits. Feature stories are being recorded with several BRE contacts for use in promoting the positive economic stories of our region.

### Fast Fact

#### Unemployment Rates

Unemployment rate figures from Crow Wing County, Region 5, Minnesota and the USA

	Nov '11	Annual
Crow Wing	7.2%	8.9%
Region 5	7.1%	10.4%
Minnesota	5.2%	8.0%
USA	8.2%	9.3%

Source: Minnesota Department of Employment and Economic Development