

DIAMOND LEVEL



PLATINUM LEVEL



A N N U A L
2011
R E P O R T



WE GRATEFULLY ACKNOWLEDGE
OUR INVESTORS



The Longest Serving Development Organization in the Region.

The original purpose of the Development Association, as stated in its articles of incorporation filed by Toby Marcovich and John Chisholm on December 20, 1960, was:

Exclusively for the civic betterment and development of the City of Superior and Douglas County; for the development of natural resources within the County; the fostering and expansion of existing industries and commercial enterprises; and in cooperation with state and federal agencies, the continuing expansion of resort and recreational possibilities of the County; the establishment of a civic and economic climate that will encourage and attract new industries; and to do all things necessary to participate actively and aggressively in all matters pertaining to the social, economic and industrial welfare of the City of Superior and Douglas County.

The initial board of directors of the Association consisted of: George Jarvis, John Lynch, Lawrence Hagen, Lawrence Sinclair, Howard Underhill, Richard Nelson, Thomas Moran, L.A. Nichols, Paul Akers, Holger Modeen, James Susens and Frank Christopherson, Jr.

With the support of the City of Superior, Douglas County and its approximately 150 private sector members, the Development Association has become one of the most respected economic development organizations in the region and the longest serving economic development organization in the Northland and the state of Wisconsin.



MISSION STATEMENT

**To Retain, Expand and Create
New Business and Industry
in Superior and Douglas County, Wisconsin**

STAFF

Jim Caesar, *Interim Executive Director*
caesarj@developmentassociation.com

Michelle McKercher, *Assistant Director*
mckercherm@developmentassociation.com

Kim Bleskan, *Executive Secretary*
bleskank@developmentassociation.com

BOARD OF DIRECTORS

William Stack, *President*
Mike Murray, *Past-President*
Meg Thoreson, *President-Elect*
Alan Jaques, *Secretary*
William Fennessey, *Treasurer*

Chris Trapp
Blair Mahan
Mike McCoshen
Douglas Finn
Mayor David Ross
Tom Bridge

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William Stack

The times “they are a changin’”. We find ourselves in a very challenging time, the economic and business development aspect of our community are more crucial and dynamic now than any time in the past.

Businesses and individuals alike are experiencing difficult times with trying to create more jobs. Government entities are being faced with budget cuts and expected shortfalls in tax base and population. Census numbers are showing that the tax base is being shared by fewer and fewer businesses and individuals.

Business development, job growth and tax base expansion are reasons why the Development Association plays such a valuable part in the economic vitality of our region. The Development Association continues to place a high priority on pursuing new and exciting opportunities for our region.

Some of the projects that the Development Association has been actively pursuing is the Parkland Development and Industrial Park and the Douglas County Fairgrounds parking lot.

Along with the Douglas County Revolving Loan Fund, we help new businesses startup and existing businesses prosper with financial assistance as well as individual mentoring and support.

This aggressive development strategy and long range planning is the product of our motivated staff along with support from the private and public sectors. Specifically, newly elected Mayor Bruce Hagen and Douglas County Board Chairman Doug Finn, who continue to support the Development Association’s direction and ambitions, are critical for the region’s economic development and growth.

With the leadership of a vibrant Board, Director Jim Caesar and office staff of Michelle and Kim, the Development Association is poised to promote the skilled labor pool, the educational facilities and the

cooperation of the public and private sector. We will continue to recruit new members, businesses and entrepreneurs that are eager for the challenge of fulfilling their dream of business ownership and providing good paying jobs to their employees. These businesses will serve as a benchmark for the business community to establish a model in which we flourish. We should engage the future, embrace the past and realize that we live in a challenging time that will require cooperation,

resourcefulness and dedication to our people, friends of our community and our environment that make this area a truly great place to live.

Thanks for all of your cooperation and support and we look forward to the new term with Meg Thoreson as your new Board President.

The Development Association continues to place a high priority on pursuing new and exciting opportunities for our region.



**SUPERIOR
business awards**

A recognition of local business achievement.

The Development Association is a co-sponsor of the annual Superior Business Awards.

Jim Caesar

This past year has been another interesting one for business and economic development. I believe it can be summed up in a word - transition. Transition is all around us at the National, State, Regional and local level.

The national economy is transitioning from a recovery phase to an expansion phase. Economic growth in the United States has continued to improve. Business confidence measures have moved to multi-year highs, sales levels are rising, profits are improving.

We've seen the transition of state government as the new legislature and governor work to solve the budget shortfall, and waiting to see what the impact will be on business and economic development. Further transition in state government is happening as part of Governor Walker's initiative "Wisconsin Open for Business." We will see the Department of Commerce transition to the Wisconsin Economic Development Corporation. This change will create a new public/private economic development partnership. Wisconsin Department of Commerce Secretary, Paul Jadin will bring us up to date on these changes during our annual luncheon.

Regionally there continues to be a transition from "Us" to "We" as collaboration continues to develop, evolve and strengthen. The Development Association is partnered with nine Northwestern Wisconsin and seven

Northeastern Minnesota counties. Within the partnerships new economic development tools, specifically "Northland Connection" and "Locate in Wisconsin" have come on line to promote and market our competitive advantages: strategic location, multi-modal transportation network, accessible infrastructure, exceptional educational and industry resources, and quality of life.

Business confidence measures have moved to multi-year highs, sales levels are rising, profits are improving.

Locally we are seeing transition in government with new Mayor Bruce Hagen, as with the national economy, business in Superior and Douglas County is improving. We continue to see growth in our job market, although not at pre-recession levels the unemployment rate is trending in the right direction.

This has also been a year of transition for the Development Association. We said goodbye to long time Executive Director Andy Lisak. Andy's performance and influence can be seen throughout Superior and Douglas County. Andy, as Douglas County Administrator, continues to be a valuable resource to the Development Association.

During the past few months, I have had the opportunity to meet with the majority of our business members. It has been a privilege and education being able to see the demands that business owner's face and their adaptability to challenging times. There are great success stories happening out there. As Bill Stack stated in his President's message "the times they are a changin" and our members are taking on those changes and succeeding.

Along with the Development Team of Mayor Bruce Hagen, County Board Chair Doug Finn, Andy Lisak, Jason Serck, Kaye Tenerelli, and Dave Minor, the Development Association's Staff and Board of Directors stands ready to work with all our partners to retain, expand, and create new business and industry in Superior and Douglas County.

Unemployment Rate unadjusted		
	Feb-11	Feb-10
US	9.2	9.7
WI	8.5	10.3
Douglas County	7.8	9.4
Duluth-Superior MSA*	8.2	9.2

* Duluth-Superior Metropolitan Statistical Area includes St. Louis, Carlton, Douglas Counties

FROM THE ASSISTANT DIRECTOR

Michelle McKercher

Déjà vu. Twenty five years ago when I started working with the Development Association Bruce Hagen was Superior's Mayor and one of the driving forces in economic development for the area.

Now we've come full circle and for me it's a welcome opportunity to be working with Bruce once again. One of the Mayor's goals back then, as it also appears to be now, is retaining the businesses who have already chosen Superior as their home. The Development Association shares that ideal and we've worked very hard over the past year to meet the needs of our members and the rest of Douglas County's business community.

We've worked closely with local businesses to resolve any issues they may have and to help them access resources which are available to them at the local, state and federal level. Since my first day here this agency has striven to make sure that everyone who has a business or dreams of starting one has the tools to increase their likelihood for success and long term growth.

The Development Association has worked with a number of individuals to start and/or expand their business. Each and every individual that we work with has a different and unique need. It ranges from finding working capital, to finding available buildings (every shape and size), to assistance with marketing their product or service.

Through these business ventures, we have also enlisted the assistance of our partners in economic development. Those partners include the City of Superior, Douglas County, Superior Business Improvement District, The Chamber, UW-Superior, Northland Foundation, Northwest Regional Planning Commission, the Northeast Entrepreneur Fund and the Superior Business Center.

Managing the Superior Business Center has been a rewarding and challenging experience from which I have learned a great deal. We currently have thirteen businesses

who employ approximately thirty individuals in the SBC. The companies range from manufacturing, to service, to commercial kitchen tenants. Each and every business provides a unique employment opportunity and help to further diversify our area's economy.

To be successful in economic development you need the support of your local business community. Without that support we would not exist. Those businesses interested in the betterment of our community are listed in this annual report. They are our Members!

Often times we (as individuals) overlook our local businesses for products and services. The Development Association supports working with our existing membership, and whenever possible, we purchase goods and services from our members. Whether it is buying office supplies and equipment, building products or hiring of a professional engineer or architect we encourage networking within our members.

Many of you know that I'm a Vikings fan and as much as it pains me I have to congratulate the Green Bay Packers for their Super Bowl victory. What does the Super Bowl have to do with economic development? Simple, the Packers were a much better team than the Vikings this year. And that's what it takes to fully realize growth and diversification in our region's economy – teamwork! I strongly believe that we have an excellent team in this area and if we continue to work together and keep the lines of communication open we are going to keep making progress towards a stronger, wider economic base here in Superior and Douglas County.

Thank you once again to all the Board Members who serve without pay or much recognition but who are absolutely vital to the success of this organization. I would also like to thank my colleagues here at the Development Association. Jim and Kim do make coming to work enjoyable.



185Chocolat

ARAMARK Uniform Services

Arlene Coco Buscombe

DSC Communications

Environmental Consulting & Testing

Great Lakes Office Solutions

IHS Door Company

Northland Estate Planning

North Point Realty

Patrick Plys

Share

Terry's Confections

Wallace Barry

Waltco, Inc.

www.superiorbusinesscenter.com

SECRETARY'S REPORT

Alan Jaques

On Friday, April 30, 2010, the 50th Annual Meeting of the Development Association was held at Barker's Island Inn. The meeting was called to order at 11:45 a.m. by President Stack.

The members who served on the Board of Directors during the previous year were introduced, along with the guest speaker, Superior native, Bill McCoshen managing partner of Capitol Consultants and executive director of Competitive Wisconsin.

Mr. McCoshen discussed "Weathering the Economic Storm" and what he believes are the three simple formulas for economic development to be job creation, a strong public-private partnership and there had to be a plan. He also discussed growing up in Superior.

The 2009 Annual Meeting minutes, treasurer's and secretary's reports were reviewed by the membership, and approved.

Richard Nystrom, President of the Douglas County Revolving Loan Fund, presented plaques to the past year loan recipients.

Executive Director, Andrew Lisak, spoke about the past year's events, challenges and successes of the Development Association and economic development. Staff were recognized.

William Stack thanked the guests for attending. A motion was made and seconded to adjourn the meeting at 1:00 p.m.

TREASURER'S REPORT

William Fennessey

The Development Association reports that for the year 2010, the Association's revenues exceeded expenditures by \$56,095. The funds were added to our year-end cash balance that totals \$278,365 as of December 31, 2010. A copy of the year end financial report is included on the right.

The revenues, which for the most part come from the City of Superior, Douglas County and business community members, are greatly appreciated. These revenues help ensure that the Association's goal of improving the area in which we live and work is realized.

YEAR-END FINANCIAL REPORT December 31, 2010

Actual cash balance 01/01/10	\$222,269
REVENUES:	
Douglas County	\$60,000
City of Superior	79,843*
Membership Contributions	64,950
DCRLF Administrative Fee	10,000
SBC Management Fee	43,333
Grants/Other	6,500
Interest Income	2,286
Total 2010 Revenue	\$266,912
Total 2010 Expenditures	210,816
YEAR END CASH BALANCE	\$278,365

*City Contributions are a total of one-percent (1%) of hotel/motel tax receipts. The City of Superior contributions are not received in the same calendar year as the Development Association. Fourth quarter hotel/motel tax payments are received in the first quarter of the following year.

DOUGLAS COUNTY REVOLVING LOAN FUND

Since 1986, the Douglas County Revolving Loan Fund has loaned or granted over \$4 million to over 60 businesses and/or organizations. The loan fund is designed to provide gap financing, incentive financing and equity enhancement for industrial projects. Repayments and interest earned has allowed the total \$1.5 million investment to revolve over two times.

The Development Association manages the fund for Douglas County. Responsibilities include ensuring that loan portfolio customers are current on loan payments, providing technical and financing assistance to new applicants, keeping loan and meeting records, developing loan contracts, collateral security filings and other pertinent information pertaining to the loan fund.

Businesses/organizations that have received financing through the Douglas County Revolving Loan Fund since its creation include:

Genesis Equipment & Manuf.	Crane Song	Emprove
Challenge Center (Bay Produce)	Solon Springs Development Comm.	I Therapies
S&S Enterprises	Superior Business Center	WI Rural Enterprise Fund
Duluth Camera Exchange	Northwest Beverage	DeMar Auto Body
Anderson Fuel & Lubricants	CB Mobile Truck Wash	J. R. Jensen Holdings LLC
Jim's Welding	Starkka's Shamrock Frozen Pizza	LeBistro
Lake Superior Laundry	Village of Solon Springs	Missinne Nursery*
Dan's Feed Bin	Village of Lake Nebagamon	IHS Door Company (2 loans)
Superior Wood Systems	UW-Superior Health Lab Study	J-N-J Catering
Bridgeport Industries	River House Restaurant	Clearly Superior
Joanna Foods	RACS	Sportsman's Marketing
Veteran's Clinic	Fish Farming Study	Old Town Woodworks
Garon Knitting Mills	Udeen Trucking (2 loans)	Portable Bore Repair & Jim's Welding
Fentech, Inc.	The Development Assn. (for SBC start-up)	New Horizon's Children's Corner*
Quality Welding	Husky Rustic Siding	University Children's Center
Spectus Systems Midwest	The Development Association	Thirsty Pagan
Lakehead Blacktop & Material	(fire emergency fund)	Exodus Machines
Superior Area Hockey Assn.	Field Logic, Inc.	Mobile Image
Bear Paw Products	Superior Douglas County Chamber of	Portable Bore Repair*
Volz Trucking	Commerce	WorldWide Machining & Welding
Superior Solid Surfaces	Harmony K.C. LLC (2 loans)	Belknap Plumbing & Heating
Aquila, Inc.	Stardusk House	
Tri-County Corridor Recreational Trail	Metalrecovery	*Business Plan Competition

An overview of the loan fund since 1986 is listed below.

These amounts include loans and grants to the above businesses/organizations.

1987	\$770,000	1993	\$92,000	1999	\$64,000	2006	\$100,000
1988	\$65,000	1994	\$100,000	2000	\$75,000	2007	\$226,200
1989	\$444,000	1995	\$175,000	2002	\$107,000	2008	\$160,000
1990	\$10,000	1996	\$186,625	2003	\$200,000	2009	\$102,802
1991	\$100,000	1997	\$336,000	2004	\$115,337	2010	\$237,500
1992	\$324,000	1998	\$350,000	2005	\$55,000	Total \$ 4,395,464	

DOUGLAS COUNTY REVOLVING LOAN FUND BOARD OF DIRECTORS

Dick Nystrom, <i>President</i>	Alan Jaques, <i>Vice President</i>	Linda Helenius, <i>Treasurer</i>	Susan Sandvick, <i>Secretary</i>
James Kehoe	Bill Stack	Nick Baker	Dan Corbin
Douglas Finn	Kay Johnson	Tom Stewart	Rick Felker

DOUGLAS COUNTY REVOLVING LOAN FUND ADVISORY COMMITTEE

Dick Nystrom	James Zastrow	Bill Stack	Rick Thoreson
Gary Elliott	Bruce Thompson	Douglas Finn	Jan Dalbec

DIAMOND:

AMSOIL, Inc.
City of Superior
Douglas County
Enbridge

Essentia Health
Graymont (WI) Inc.
Jeff Foster Trucking
M & I Bank

Midwest Energy Resources
Murphy Oil USA, Inc.
National Bank of Commerce
Superior Water, Light & Power Co.

PLATINUM:

BNSF Railway
Canadian National Railway

Financial Recovery Services
Hallett Dock Company

Lakehead Constructors, Inc.

GOLD:

Catholic Charities Bureau
Genesis Attachments, LLC
Halvor Lines

Reuben Johnson & Son
and Affiliated Companies
Superior Bank

Superior Choice Credit Union
Superior Savings Bank
Superior Telegram

SILVER:

Anderson Lubricants
Barker's Island Inn
Bridgeview Motor Inn
Charter Films
Citizens Bank

East Central Energy
Exodus Machines
Fraser Shipyards
J.R. Jensen Construction Co.
Metro Credit Union

Stack Brothers, Inc.
Superior Glass
Superior-Lidgerwood-Mundy
Upper Lakes Foods, Inc.

BRONZE:

A-I Movers, Inc.
Always Available Roll-Off Service, Inc.
APEX
Aramark Uniform Services
ARCO Coffee
Arrowhead Printing
Ayles Associates
B2B CFO
Belknap Electric
Belknap Liquor
Belknap Plaza
Belknap Plumbing & Heating
Benson Electric
Bergstrom Electric
Campbell Lumber & Supply Co.
Carlson Floor Center
Cenex Harvest States
Central Sheet Metal Works
Chamber of Commerce
Clearly Superior
Con Agra
Conkright Dental LLCi
Cragin Machine Shop Inc.
CW Technology Group
D & N Development
Dahlberg Light & Power Co.
Dan's Feed Bin
DeVinck Pontiac-Cadillac Inc.
Douglas County Abstract
DSC Communications
Duluth Seaway Port Authority
Eikill & Schilling
Eisenmann & Associates
Fen-Tech
Field & Connolly Insurance

Fryberger, Buchanan, Smith &
Frederick
H & L Industries
Hagen-Anchor Lighting
Hammond Liquors
Hannula & Halom
Harmony KC, LLC
Holden Insurance
Housing Development Corp.
IHS Development LLC
J & R Sign Company
Jimmy John's
Kari Toyota-Jeep
Keyport Liquor & Lounge
Knutson, Torvinen, Jones & Kirk s.c.
Lafarge Corporation
Lagae Cosgrove Contractors
Lakehead Painting
Larson Chevrolet-Oldsmobile
LHB Inc.
LeBistro
Maki, Ledin, Bick & Olson
Marcovich, Cochrane, Milliken,
Swanson & Kropid
Mertz-Rookey Ins. Agency
Metro Sales
Mobile Image
North Bay Trading Company
Northeast Entrepreneur Fund
Northern Business Products
Northern WI Building Trades
Council
Northland Foods
Northwest Beverage Inc.
Northwest Outlet
Northwest Manufacturing Outreach
Center

Norwood Golf Course
Oliver Companies
P. S. Advertising & Marketing
RSM McGladrey, Inc.
Sailboats, Inc.
Saratoga Liquor Co.
Sauter Insurance Services
School District of Superior
Solon Springs Mercantile
Superior Business Improvement
District
Superior Chrysler Center
Superior Computer Products
Superior Housing Authority
Superior Inn
Superior Steel
Superior Vocations Center
Telephone Associates
The Raffetto Group, LLC
Thirsty Pagan
Till, Salzer & Blank, Ltd.
Town of Solon Springs
Tri-State Business Systems
Twin Ports Testing, Inc.
Udeen Trucking
University Children s Center
University of Wisconsin
Superior
Village of Solon Springs
westmorelandflint
Wisconsin Job Service
Wisconsin Woodchuck
WITC
Wolff s Flower Shop
WorldWide Machining & Welding