



2019  
**ANNUAL**  
REPORT



LET'S ACHIEVE MORE TOGETHER.

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“I DWELL IN POSSIBILITY.”

- Emily Dickinson

# LETTER FROM THE PRESIDENT



**R**electing on 2019, the words from Emily Dickinson's quote infused themselves into every facet of our year. We took them on as a challenge, something to strive for and as a value, something to embrace as we endeavored to make a difference every day through our work. Communication and outreach became our greatest priority as we sought to build strong relationships throughout our area.

Strategic Planning kicked off in early 2019 with visioning sessions held throughout the county. The sessions were designed to gain insight and knowledge from our partners, funders and community members. The IEDC Board gathered the information and developed a Strategic Plan focusing on 4 Pillars of Action which are highlighted in this report on page 8.

We also created a new website, selected a marketing firm, completed a marketing plan, and began updating our marketing collateral. We added four new Board members, and created a plan to address board development. While we worked ardently on these internal projects, we were also highly engaged in our community and actively pursuing leads. Another exciting accomplishment of 2019 was the \$190,000, 2-year Federal EDA Grant which IEDC was awarded to help diversify and increase economic development through intense research, outreach and planning.

2019 provided us with a vision for the future. It is clear that outreach and communication are critically important to all of our various partners, as well as a heavy emphasis on business attraction and expansion. We must balance the needs of our existing businesses with a robust effort in business recruitment.

In all of these efforts, we would fall short if not for the support of you: our funders, our partners, and our community. Thank you for ensuring that we are able to continue providing resources to our area businesses and for your commitment to economic development in Itasca County.

*Tamara Lowney*  
Tamara Lowney, President & CEO

Our IEDC Team, driven to lead Itasca County in economic development, works together to overcome challenges and take on new opportunities.



**Rob Sjostrand**  
Business Consultant

**Kayla Swanson**  
Marketing Specialist

**Teri Heikkila**  
Office Administrator

**Tamara Lowney**  
President & CEO

**2020 IEDC BOARD MEMBERS**

**Chairman**

**Vice Chairman**

**Treasurer**



**Frank Frederickson**  
MN Power



**Max Peters**  
City of Cohasset



**Gary Oja**  
Retired



**Mike Auger**  
Leech Lake Band of Ojibwe



**Wade Fauth**  
Blandin Foundation



**Burl Ives**  
Itasca County Commissioner

“NONE OF US ARE AS  
SMART AS ALL OF US.”

- Ken Blanchard

### Thank you to our Board Members

IEDC Board Members bring a wealth of knowledge and experience to our table. They work diligently to understand the opportunities and issues of Itasca County. We are grateful for their dedication to diversifying economic development in our area as well as challenging our team to represent the mission and vision of IEDC. In 2019, we said good-bye to long time directors Bud Stone and Wayne Bruns and welcomed new directors Mike Auger, Megan Kellin, Katie Glorvigen Tierney and Karine Woodman.



IEDC Chairman Frank Frederickson with outgoing Board members Wayne Bruns and Bud Stone. Thank you for your commitment and service to IEDC.



**Bart Johnson**  
Itasca Community College



**Megan Kellin**  
be.Media House



**Diane Larson**  
Itasca County HRA



**Rob Mattei**  
City of Grand Rapids



**Katie Glorvigen  
Tierney**  
Glorvigen, Tierney, Lind & Co



**Karine Woodman**  
24hr Bookkeeper, Inc



IEDC's Small Business Development Center (SBDC) is a core component of the work we do in Itasca County. An average of 150 clients annually come through our doors to meet with one of our SBDC consultants. Many are interested in starting a new business and have no idea where to start. Others come in with a business plan in hand and need help finding capital. Some are existing businesses who want to expand, and in some cases, existing businesses who need help with their current financial issues. Whatever the case, the consultants at IEDC have a network of resources available to them and diligently work to assist each individual client.



In 2019, IEDC consultant Shannon Benolken took a position with a local bank, leaving a huge hole in our hearts and office. Shannon's laughter and sense of humor will be missed! Her six years at IEDC were very productive, with a total of 416 individual clients.



We are very excited to introduce Rob Sjostrand, IEDC's new Business Consultant. Rob is a native of Grand Rapids and very involved in the community. He comes to us with an in-depth accounting and industrial background. Welcome Rob!



Tony Ward has been an invaluable asset during the transition, and we would like to thank him for all he has done for the SBDC clients. You are much appreciated Tony!

**If you have thought about owning your own business, or if you are a business owner and need assistance with your current business, please contact us. WE'D LOVE TO ASSIST YOU.**

## 2019 SBDC NATIONAL STATISTICS

### SALES

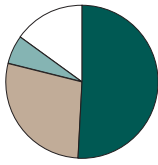
**\$7 billion**  
in new sales

**\$100,000**  
in new sales  
every 8 minutes

### SALES GROWTH

**5.6%**  
national average  
annual sales growth

**18%**  
average SBDC client  
annual sales growth



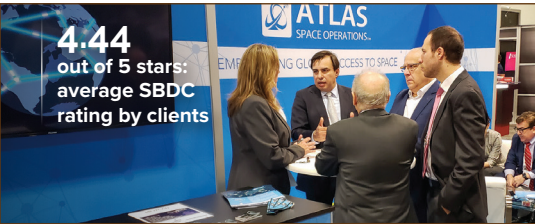
### WOMEN, MINORITIES, VETERANS

**51%**  
women

**28%**  
minorities

**6%**  
veterans

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



**4.44**  
out of 5 stars:  
average SBDC  
rating by clients



**93%**  
of SBDC clients  
recommend  
SBDC services

## 2019 SBDC REGIONAL VS. IEDC FIGURES



	New Businesses	Capital Raised	Clients Assisted	Consulting Hours	Jobs Created/Maintained
<b>NE REGION</b>	39	\$15,155,216	912	7,676	868
<b>IEDC</b>	7	\$4,935,583	147	865	107
<b>%IEDC/REGION</b>	18%	33%	16%	11%	12%



### **Rick Beckrich, Owner of NOS Automation, LLC**

In 2018, when preparing to launch NOS Automation LLC, I was advised to reach out to Shannon Benolken over at the IEDC office in Grand Rapids. Over the next couple of months, Shannon and I met several times to review my business model, and to formulate a plan in order to get the company up and running quickly. Once the business was established, Shannon offered her professional guidance and expertise in many areas in which I was less familiar; which could have been pitfalls to a newly-formed company. This excellent business service has provided me with insights, reference materials, training, and contacts, all of which have assisted me greatly in making my startup successful. Even after one year of being in business, Shannon and the IEDC team continue to provide their resources and support to help ensure my company stays on track and in business. I can say as a new business owner that having a service like the IEDC and Shannon Benolken in the community has been invaluable.



### **Terrene Development, LLC**

In the fall of 2018, we began thinking about starting our own business, Terrene Development, LLC, a commercial construction company with experience in foundations, slabs on grade, and sidewalks. Early on, it was recommended that we reach out to Shannon Benolken at the IEDC office in Grand Rapids. We met with her often and spoke with her over the phone regularly for the next six months. Without Shannon's knowledge and assertiveness, we would have had many struggles and hit many more obstacles. It wasn't easy, however with her help, it definitely worked out the way we intended. In the summer of 2019, we were up and running very successfully! It was our privilege doing business with Shannon, and it will be our pleasure to continue working with her. Thank you IEDC and Shannon Benolken for helping build our business and community!





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## Zakobe LLC

Zakobe LLC began working with IEDC in 2004. Mike Andrews, IEDC's SBDC consultant at the time, guided us through the process of starting our metal stamping business. We really didn't know where to begin and they made the process easy for us to get started. Over the years, we continued to work with IEDC through numerous problems and ventures. The consultants have always been very helpful and if they didn't have an immediate answer they knew who to talk to in order to get one for us.

In 2016 they helped us find a larger manufacturing facility and ultimately purchase a 6,500 sq. ft. building in Bovey. Also around the same time we purchased our second company, Cast & Color, and they helped us through the purchase and relocation process of getting it located in Bovey.

"As they say in business, if you don't personally know the answer find someone who does. IEDC and the SBDC have been our first stop for answers on all our business consulting. Through the many years they have provided us with the support we needed to be successful and for our businesses to flourish. I would highly recommend everyone work with IEDC from start up to continuing small business growth. All the consultants we have worked with through the years have been top notch and I would trust them completely."

- Wade Karnes, Owner, Zakobe LLC

## DRIVING HEALTHY ECONOMIC GROWTH IN ITASCA COUNTY

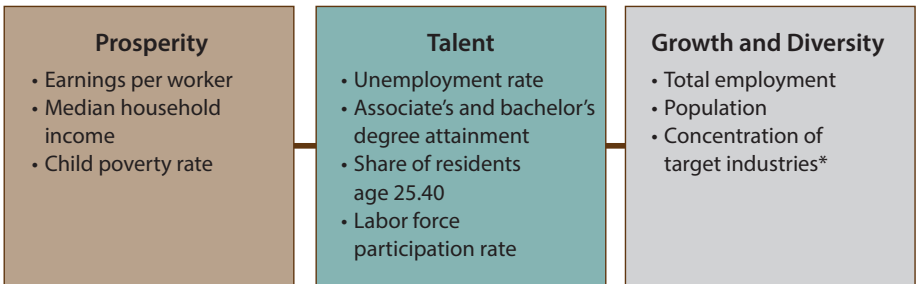
In early 2019, Itasca Economic Development Corporation (IEDC) worked with Praxis Strategy Group to outline a strategic plan that garnered input from more than 50 stakeholders and partners throughout Itasca County. The county is ripe for economic development vision and leadership, and residents are hungry for work on implementation and tangible results.

The following key focus areas emerged during the strategic planning process:

**Economic Prosperity • Workforce Development • Business Growth**

## MEASURING OUR PROGRESS

IEDC’s work aims to influence long-term. We will measure the change and relative status of prosperity, talent, growth and diversity over a 10-year time window for Itasca County.

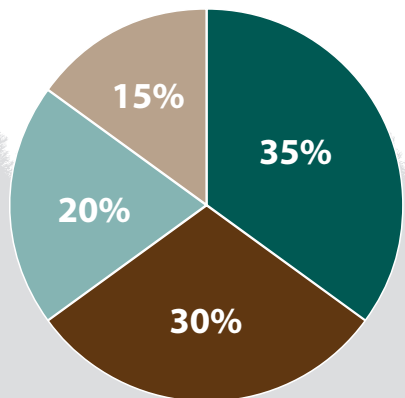


\*Target Industries include: forest products, mining, manufacturing, professional, tourism, and technical services

## FROM IDEAS TO ACTION

Our work comprises four pillars of action (including their resource levels):

<p><b>Small Business Assistance</b></p>	<p><b>Strong Networks</b></p>
<p><b>Business Attraction &amp; Development</b></p>	<p><b>Management &amp; Membership</b></p>



## **SMALL BUSINESS AND ENTREPRENEURSHIP**

IEDC will apply its Small Business Development Center (SBDC) expertise to assist small businesses start and expand and support the entrepreneurial ecosystem in Itasca County. These small companies are often most critical for economic development in the smaller communities in Itasca County.

**Priority 1:** Deliver assistance and technical consulting to small businesses through SBDC services

**Priority 2:** Deliver training workshops in partnership with regional SBDC network professionals

**Priority 3:** Support the development of a stronger entrepreneurial ecosystem in Itasca County

## **SUPPORT STRONG NETWORKS**

All of our work is enabled by robust communication and strong relationships among partners across the county. We will foster community development issues as a connector and facilitator on topics that impact employers and workforce. IEDC will serve as a broker of information and connector of resources by connecting the private sector to business and education.

**Priority 1:** Promote a strong network of regional partners

**Priority 2:** Support workforce development

**Priority 3:** Support community development efforts for issues impacting workforce and employers

## **BUSINESS ATTRACTION AND DEVELOPMENT**

Helping drive local business growth is the most viable path towards a strong economic future. We must leverage our region's assets and capabilities to attract new firms and investment to the region. We will continue to support our anchor sectors of timber and taconite while searching for new innovations, technologies and services in additional target sectors.

**Priority 1:** Expand business retention and expansion program

**Priority 2:** Partner with APEX to recruit new business activity to Itasca County

**Priority 3:** Develop robust information about development sites in the county

**Priority 4:** Support existing anchor industries

**Priority 5:** Leverage our amenities and quality of life for business development and talent attraction

## **MANAGEMENT AND MEMBERSHIP**

In order to carry out our work, we must execute and maintain the sustainability of the organization. We are focused on the growth and development of our board and our team. It is through their strong leadership that we will meet and exceed the targets we have set.

**Priority 1:** Engage and develop IEDC investors

**Priority 2:** Governance and Board Member Engagement

**Priority 3:** Operations



## 2019 ANNUAL MEETING

The IEDC Annual Meeting was held on September 19, 2019 at the Timberlake Lodge. Over 60 partners, clients and staff were in attendance for an energizing presentation on entrepreneurial innovation given by David Ollila, 100K Ideas (a Flint Michigan company).

IEDC President, Tamara Lowney highlighted the many accomplishments that have taken place within the organization in 2019. Recognition was given to three Small Business Development Center clients for their 2019 accomplishments: Rapids Brewing, Northland Portables, and Care Cab North.



Above: Attendees of the 2019 IEDC Annual Meeting

Right: David Ollila, 100K Ideas, gave the keynote address at IEDC's Annual Meeting.



## Social Media Summit for Business

The 4th Annual Social Media Summit for Business provided unique insights into marketing, professional writing and social media outreach for the 45 attendees.

IEDC extends thanks and gratitude to the following presenters/organizations:

- Pinnacle Marketing Group: Caralee Nowack and Nick Henning
- Giant Voices: Sally Carlson
- PixelLINK: Phil Seibel
- Herald Review: Andy Nintzel
- be.media house: Megan Kellin, Kelly Kabotoff, Adessa Cournoyer, Emily Bujold

Top Right: Lunch and Learn Presenters: Stephen Peterson, Entrepreneur Fund; Alex Bastian, Northland Foundation; Jeff Borling, Great River Energy; Bob Palmquist, Northspan; Arlette Abrahamson, MN PTAC; Shannon Benolken, IEDC

## 2019 Lender's Luncheon

Partnering with area lenders to assist local businesses with their financial needs is one facet of the work done at IEDC through the Small Business Development Center. However, so often a new or existing business lacks the equity necessary for a loan. That's where gap lenders come in. Each year, Shannon hosts a luncheon for local lenders and brings in a team of "gap lenders" to provide information on their programs and how they can assist with loan packaging for the lender's clients.

***The 2019 Lender's Lunch and Learn was attended by 16 area lenders from 6 financial institutions.***

**IEDC AWARDED \$190,000  
FEDERAL ECONOMIC  
DEVELOPMENT GRANT**

Thanks to the hard work and collaboration of area partners, IEDC was awarded a 2-year federal grant to help address declining jobs and economic diversity.

**It focused on four key areas:**



**Economic Development  
Project Coordinator  
(EDPC)**



**Preferred Place  
to do Business**



**Accelerated Business  
Retention & Expansion  
Program**



**Industry  
Cluster Analysis**



**Kirstie McPherson**

Kirstie McPherson, Behavior Economist, Community Builder, and Economic Development Professional was hired as our EDC, and will lead the execution of the grant.

She will hit the ground running in early 2020 and start to put plans into action. Look forward to hearing more from her as the project gains momentum.

Special thanks to the Rapid Response Team, and especially Josh Bergstrand from Arrowhead Regional Development Commission, for their work on the grant application.

**Rapid Response Team members include:**





All good things must come to an end and, for Itasca Technology Exchange (ITE), that end came in 2019. Beginning in 1999, ITE was formed to provide start-up companies with the things they needed most: capital, space, bandwidth and business services. A group of forward-thinking leaders, led by IEDC’s President, Sandy Layman, developed a strategy for the new company that included flexibility in leasing arrangement and shared facilities amenities, along with support from IEDC’s expert consulting services.

Several successful companies, including AmCom and WindLogics, were long-lasting tenants at ITE as their corporate headquarters allowed employees to work remotely from the Grand Rapids location. However, changing times and technology, along with retiring employees, helped spur the decision to close ITE.

One of the key services provided by ITE was the availability of high-speed Internet at a time when most businesses were still on dial up. IEDC is proud to have been on the forefront of making broadband available to local businesses – and we are proud to continue supporting both area businesses and Internet Providers in the expansion of high-speed internet in rural Itasca County. Although the Itasca Technology Exchange has run its course, IEDC remains committed to assisting local businesses with all their business needs.





**The APEX team**

Looking back at a growth-focused 2019, APEX is proud of the accomplishments achieved in partnership with IEDC. APEX and IEDC remain closely aligned on many strategic goals and work collaboratively on many initiatives to strengthen economic development in and around Itasca County.

This year, APEX completed 5 Request for Information (RFI) submissions on behalf of Itasca properties and conducted 11 Business Retention & Expansion (BR&E) visits with growing companies around the county. Additionally, APEX's work generated 15 new business attraction leads within Itasca County and the team attended 14 tradeshow and conferences, bringing back valuable insight to promote economic development within Itasca County.

Developing a comprehensive workforce strategy is a key to success in Itasca County and throughout the region. The Talent Forecast project team presented study results and a carefully designed action plan for strengthening the regional workforce in 2019.

In the year to come, the Talent Forecast project team will continue to work with region-wide partners – several within Itasca County – to address workforce shortage challenges, engage employers, and create opportunities for employee education and training throughout the region.

APEX is committed to identifying high-value opportunities for growth in the APEX region. The APEX team is currently exploring additional Pathfinder Research projects that will uncover insights into strengthening the entire region.

In support of IEDC's Key Performance Indicators to produce qualified growth opportunities and prospects for Itasca County, APEX's work in recruitment, site selection, business retention, and lead generation translate to additional RFIs, site visits, and development deals for Itasca County. Working together to develop talent, create and retain jobs, and attract new businesses invites more investment in Itasca County.





# Entrepreneur Fund



**Mike Korte**

The Entrepreneur Fund continues to grow and expand in providing loan and advisory services to our customers in 17 counties in MN and NW Wisconsin. 2019 was a record year in not only the number of loans we provided to entrepreneurs but also the monetary value. In 2018 The Entrepreneur Fund provided 210 loans with a value of \$12.6 million dollars. In 2019, those numbers grew to 263 loans processed for an increase of 25% or 1 additional loan per week, and a monetary value of \$13.7 million dollars, an 8.7% increase.

Itasca County continues to be one of the Entrepreneur Fund's largest growth counties for loan capital provided to entrepreneurs. The breakdown from 2016-19 follows:

Year	County	Dollars	Year over Year Increase
2016	Itasca	\$650,000	
2017	Itasca	\$767,000	18%
2018	Itasca	\$1,453,000	89.4%
2019	Itasca	\$1,619,450	11.4%

The growth success of the loan portfolio can be directly attributed to the partnership between IEDC and the Entrepreneur Fund. More important than the monetary value of the loans is the economic impact that it is having in Itasca County to create jobs.

2019 also marked 30 years of operations for The Entrepreneur Fund. To celebrate, we hosted four regional events with our clients and partners. One of these events took place in Grand Rapids. The year was capped off by The Entrepreneur Fund being awarded the Rural Lender of the Year from the Small Business Administration. This was a great honor for our organization as we continually strive to help entrepreneurs' dreams become a reality. We look forward to continued success in 2020 working with partners and clients to make an impact in all the communities we serve.

Early in 2019, Itasca County and IEDC contracted with Community Economic Development Associates (CEDA) to provide additional community development assistance to Itasca County. Sarah Carling, CEDA, is housed at IEDC and serves all of Itasca County.



**Sarah Carling**

### **Asset Mapping and Inventory**

- Identified 87 commercial lots/buildings available in the county
- Establishing relationships with local realtors to keep the inventory updated
- Provide information to IEDC and Northland Connection for their website databases

### **First Impression Reports**

- Seven First Impression Reports were completed and presented to Deer River, Bigfork, Nashwauk, Keewatin, Coleraine, Bovey and Harris Township

### **Community Project Identification**

- Facilitated meetings prioritizing their project list and developing a plan to set into action

### **Comprehensive Commercial Rent Study**

- 739 surveys sent to owners of commercial property in Itasca County
- 196 survey responses (return rate of 26.5%)
- Outcomes show competitive price per square foot compared to neighboring counties

### **Communications**

- 5+ businesses per week, provided information on the SBDC and IEDC's community initiatives and training
- Attended city council meetings on a rotation schedule

*As the first full year contract in Itasca County ends, it is exciting to look back and reflect on all the positive outcomes that came out of a very busy year. Looking ahead, we expect 2020 to be a productive year thanks to the engagement and support from the communities, partners, and small business owners!*

## *Thank You!*

As Itasca Economic Development Corporation reflects on a successful and exciting 2019, we would like to extend a special thank you to our funding partners. The support of our partners enables IEDC to provide education, research and outreach that creates business opportunities in Itasca County. We are grateful for the support of the Blandin Foundation, Itasca County and to our many public and private partners listed below.

### 2019 Funding Partners:

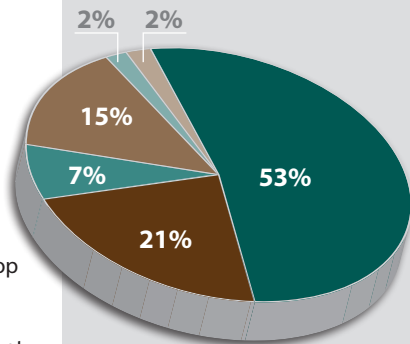
- Blandin Foundation
- Itasca County
- American Bank
- APEX
- Bigfork Valley Hospital
- Blandin Paper Company
- Boldt
- Cohasset EDA
- DW Jones
- Enbridge
- First National Bank of Coleraine
- First State Bank of Bigfork
- Grand Itasca Clinic & Hospital
- Grand Rapids EDA
- Grand Rapids State Bank
- Hawkinson Construction
- Itasca Community College
- Jerry Miner Realty
- Lake Country Power
- Mediacom
- Minnesota Business Finance Corp.
- Minnesota Diversified Industries
- Minnesota Power
- Nelson Wood Shims
- North Itasca Electric Coop
- Paul Bunyan Communications
- Prairie Lakes Management
- Super 8 Motel / Timberlake Lodge
- US Bank
- Verta Corporation
- Wells Fargo Bank
- Woodland Bank

### In-kind Contributions from:

- Herald Review
- KOZY/KMFY Radio



### 2019 Funding Sources



- Blandin Foundation
- Itasca County
- Grants/Contracts
- Businesses & Individuals
- City of Grand Rapids
- City of Cohasset



## IEDC MISSION

To grow the Itasca County economy through education, research and outreach that creates business opportunities.



## IEDC VISION

A diverse and growing economy that supports a high quality of life for all of Itasca County.



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