

# 2010 ANNUAL REPORT



Alexandria Area  
Economic Development  
Commission

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DRIVING THE  
ECONOMIC WEALTH  
& STABILITY OF  
OUR COMMUNITIES

Celebrating 20 Years of Excellence  
1990 - 2010

# LETTER FROM THE DIRECTOR

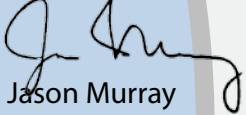
It is with great pride that I present to you the Annual Report for the Alexandria Area Economic Development Commission. Inside this report, we provide you a glimpse of the investments and successes in 2010.

We are extremely proud of our accomplishments over the past year, and we look forward to continuing our work; partnering with businesses throughout the region in creating and retaining jobs and investments in our communities in 2011. Our success represents the work of many people throughout our area. The interest, participation and support from our business leaders and elected officials were essential to the success of this organization. I also want to thank the Commission's Board of Directors that volunteer to serve this fine organization. While much of their work does not get the recognition they deserve, they continue to play a critical role in supporting and encouraging our aspirations. Through this support, I am very proud of the organization's work to promote and strengthen our community in many facets.

As we enter 2011, we must continue our efforts to entice and encourage investment in our community by our manufacturers and support industries. We can achieve this through the use of our economic development tools, marketing this vibrant region by spotlighting the recreation, medical, and transportation opportunities, and constant attention to strengthening our workforce by supporting the work of the Alexandria Technical and Community College. We will also continue to encourage entrepreneurship through our business planning resources in collaboration with all the resources that exist throughout the region.

On behalf of the Commission, I would like to express our heartfelt appreciation to all the companies and individuals that make our work at the Commission meaningful. We wish you all a prosperous and successful 2011.

Warm Regards,



Jason Murray  
Executive Director

## AAEDC BOARD OF DIRECTORS & STAFF



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### EX-OFFICIO MEMBERS/LIAISONS/INVITED GUESTS:

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# MISSION STATEMENT & AREAS OF SERVICE

Our Vision: We envision a future for the Alexandria Area and Douglas County as the most vibrant regional center in the upper Midwest.

Our Mission: The mission of the Alexandria Area Economic Development Commission is to drive the economic wealth and stability of our communities.

Our Core Values:

Stewards - Build a strong coalition for action to support economic and community growth for our area.

Trust - Earning and sustaining the trust of our businesses, communities and elected leaders we serve.

Inclusiveness - Work to promote the prosperity of the region.

Nurturing - Empower and educate our communities and our leaders.

Respect - Admiration for our natural resources and embracing the opportunities they provide.

The mission of the Lakes Area Economic Development Authority is to support the mission of the Economic Development Commission by providing fair and equitable resources. The Authority, fully implemented in 2004, was established to formalize the funding for economic development and to bring the political subdivisions together for a unified economic development effort.

In 2010, the AAEDC focused on the following key areas of service:

**Commercial Tax Incentives**

The AAEDC works with new and existing businesses on startup and growth projects, some of which can be supported through incentive programs.

**Demographics Information**

The AAEDC strives to be a demographics, statistics, and information clearing house for our area and produces multiple publications each year focusing on the growth and changes of our communities and all of Douglas County.

**Community Stewardship**

The AAEDC is continuously working to be a convener of communication on the future of our communities and region.

**Revolving Loan Funds**

In addition to commercial tax incentives, the AAEDC has a pair of Revolving Loan Funds at its disposal to assist area businesses with growth and expansion projects. Funds are specifically used in coordination with primary financing through a financial institution and cannot be used as the primary means of project funding.

**Business Planning & Assistance**

The AAEDC works with a large variety of businesses and individuals in the business planning process. Business planning assistance is tailored specifically to the individual's or business's needs.

**Site Selection Assistance**

In a continuously growing effort to assist area realtors and property owners in marketing commercial properties throughout the area, the state, and the nation, the AAEDC maintains two supplemental property listing databases of "for-sale" and "for-lease" properties located throughout Douglas County.

**Financial Packaging**

As a part of the business planning process, the AAEDC can help individuals and businesses to create and analyze financial projections to identify needs of the business. Within the financial packaging and planning process, the AAEDC does not recommend any specific commercial lending institution(s) to clients.

Funding provided by the Lakes Area Economic Development Authority (LAEDA) whose membership is comprised of the City of Alexandria, City of Garfield, Alexandria Township, and LaGrand Township; with supporting annual appropriations from the Townships of Brandon, Carlos, Hudson, Lake Mary, and Douglas County.

# JOBZ MINNESOTA LOCAL IMPACTS



At the close of FY 2003, Governor Pawlenty unveiled the Job Opportunity Building Zones (JOBZ) program as a new rural Minnesota economic development plan. The goal of JOBZ is to stimulate economic development in rural Minnesota by providing local and state tax exemptions to offer assistance to value-added manufacturing and industrial, or high wage service-type businesses. Retail and housing projects are not eligible to receive JOBZ benefits.

Local entities participating in the JOBZ program include the Cities of Alexandria, Brandon, Garfield, and Osakis; and the Townships of Carlos and LaGrand. Designated industrial sites in these areas offer growing and expanding businesses the opportunity to substantially benefit from tax exemptions through December 31, 2015. Tax exemptions apply only to qualified businesses. Businesses will become qualified for JOBZ through the execution of a Business Subsidy Agreement (BSA). On an annual basis the company must report to the MN Department of Employment & Economic Development and local units of government their progress in creating jobs and wages.

Throughout the life of the JOBZ program, the Alexandria/Douglas County region has benefitted from a significant number of businesses starting up and growing within the area in connection with receiving these benefits. Businesses utilizing JOBZ benefits locally have included:

## 2004

Quick Attach Attachments (New Construction)  
 TWF Industries (Expansion)  
 SunOpta Aseptic (Expansion)  
 GCI, Inc. (Expansion)  
 Pan O'Gold Baking Company (Relocation)

## 2005

The Aagard Group, LLC (Expansion)  
 Donnelly Custom Manufacturing Company  
 (Expansion)

## 2006

Apol's Harley Davidson (New Construction)  
 Quick Attach Attachments (Expansion)

## 2007

Heritage Transport, Inc (Relocation)  
 The Aagard Group, LLC (Expansion)

## 2008

Quick Attach Attachments (Expansion)

## 2009

3M – Abrasive Systems Division (Expansion)

## TOTAL LOCAL JOBZ ECONOMIC IMPACT

TOTAL ESTIMATED PROJECT COSTS:	\$65,780,000
TOTAL CONSTRUCTION SQUARE FEET:	350,400 sq. ft.
<sup>1</sup> TOTAL JOBS RETAINED:	780
<sup>2</sup> TOTAL JOBS CREATED:	164

<sup>1</sup>Jobs retained figure totals full-time and full-time equivalent positions.

<sup>2</sup>Jobs created figure totals full-time and full-time equivalent projections within 1-5 year.

Total Local JOBZ Economic Impact figures for projects from 2004 to 2010.

# 2010 PROJECT HIGHLIGHTS

COMPANY: GRAND ARBOR BY KNUTE NELSON

Knute Nelson, a non-profit organization based in Alexandria, is in the process of constructing Grand Arbor, a new senior living facility. The organization received assistance from the AAEDC in applying for and securing Industrial Development Bonds through the City of Alexandria to finance a portion of this project, which has an estimated construction cost of nearly \$27 million and will result in the construction of 137 senior living units and the creation of 30 new FTE and 35 new PTE positions. This facility is located on Pioneer Road in Alexandria and has an anticipated completion timeline of fall 2011.

The Industrial Development Bond program is a financing program for commercial, industrial, recreational, and healthcare projects and does not create any additional burden on the City's taxpayers.

\*Artistic rendering provided by Pope Architects



COMPANY: LEGACY OF ALEXANDRIA

Owners of the Legacy of Alexandria multi-family apartment complex have completed the second and final phase of this facility's construction, resulting in an additional 54 multi-family housing units being available in the Alexandria marketplace. (The first phase of this project was completed in 2009 and included 59 housing units). The entire project had an estimated cost of \$11 million and resulted in 165,845 sq. ft. of new construction. The AAEDC assisted the developer (INH Property Management) with applying for and securing Housing Tax Increment Financing (TIF) from the City of Alexandria to assist with offsetting the costs of infrastructure for this project. In return for this assistance, the developer has committed 20% of the units to individuals and/or families whose income is 50% or less than the area's median gross income.



COMPANY: LAKEWOOD TERRACE, LLC

Lakewood Terrace, LLC has nearly completed construction on two multi-family housing facilities on South Broadway in Alexandria. This project has an estimated cost of \$5.2 million and has resulted in the construction of approximately 50,000 sq. ft. of housing space. Each facility contains 18 housing units ranging from 1 to 3 bedrooms in size. This project resulted in the creation of 2 new FTE and 4 new PTE positions.

The AAEDC assisted Lakewood Terrace, LLC with applying for Housing Tax Increment Financing (TIF) benefits from the City of Alexandria to assist with the costs of infrastructure for this project. In return for the benefits, the developer has committed 20% of the units to individuals/families whose income is at 50% or less than the area's median gross income. This property has the option for the construction of an additional 18 unit multi-family living facility along with a commercial facility.

\*Artistic rendering provided by Innovative Builders



# 2010 PROJECT HIGHLIGHTS

## COMPANY: TRAILS HOUSING PROJECT EXPANSION



The AAEDC has assisted the Alexandria Housing & Redevelopment Authority (HRA) in securing financing for infrastructure improvements and extensions to the final 20 parcels of The Trails housing development located adjacent to County Road 22 NW, on Abbygail Dr. in Alexandria. Homes constructed on these parcels will be for low and moderate-income buyers who are eligible for participation in the Community Housing Assistance Program (CHAP). Funds for this project are being taken from annually collected administrative fees on active Tax Increment Financing (TIF) projects in the City of Alexandria and from remaining balances for decertified TIF districts. A total of \$350,00 will be directed to this project, with payments being made over the coming 12 years. The financing of this project is a collaborative effort of the City of Alexandria, Alexandria HRA, and Alexandria Economic Development Board.

## COMPANY: PFENINGER WAREHOUSE, LLC



Pfeninger Warehouse, LLC has initiated a 50,000 sq. ft. facility expansion to their Hudson Township facility just south of Alexandria on MN State Highway 29. This additional space is being constructed to meet the increasing demand for product handling and distribution/warehouse space in the community. This expansion project is taking place within an existing Economic Development Tax Increment Financing (TIF) district that was established in 2008. The AAEDC assisted with the creation of this TIF District.

## COMPANY: SOLAR SKIES MFG, LLC



Solar Skies Mfg recently relocated their solar panel manufacturing facility to the former Juno building in Alexandria, located on Donovan Dr just off of MN State Highway 27 East. Solar Skies is a world class manufacturer of solar thermal collectors and mounting hardware and sells its products throughout the United States and Canada. Products manufactured in Alexandria have both commercial and residential applications and are customizable to customer needs. The AAEDC assisted Solar Skies Mfg with site selection assistance and information during their facility search. The company's new Alexandria location will allow for future growth and expansion of the company and its product lines.

# ALEX AREA STEWARDS INITIATIVE

The Alex Area Stewards initiative has completed its third year of "Working to Unite Our Region for a Vibrant Future." The Stewards continue to join with organizations from throughout the Alexandria Regional Community to share information, insights, and resources to strengthen our entire regional community.

## SPECIFIC EFFORTS IN 2010 HAVE INCLUDED:

Form a regional collaborative to create a culture of cooperation and communication.

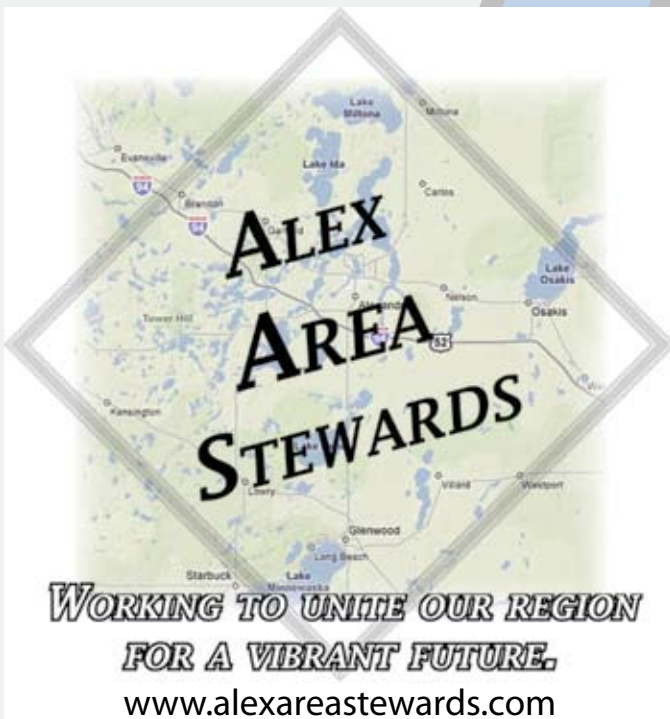
- Meetings with community and business leaders were held in Brandon, Glenwood, and Osakis.

Enhance our existing Central Lakes Trail trail heads, in collaboration with key stakeholders, to better integrate the system as a feature of each of the connected communities.

- Partnerships between the Douglas County Trails Assn., Active Living Committee, and others are being developed to improve the integration/utilization of the trail system.

Douglas County Fairgrounds Task Force

- A small group of Stewards has begun working with the Douglas County Ag Association on the future location plans for the Douglas County Fair as the property lease with the City of Alexandria sunsets in 2035.



Information on the progress and activities of these and other initiatives can be accessed online at [www.alexareastewards.com](http://www.alexareastewards.com).

## OUR SHARED DESTINY:

Through collective action, the Alexandria region will be a progressive regional community, growing in prosperity while remaining true to our community values;

- An innovative community, known for its leading-edge businesses, education, and governance;
- The leading regional center in the upper Midwest for world-class, global manufacturing, especially in the areas of automation and machine control;
- A magnet for talent of all ages;
- A respected leader in the management of our natural resources;
- A welcoming community, embracing diversity of age, race, gender, creed, and economic status; and
- A UNITED regional community, committed to working together toward our common destiny.

## Alex Area Stewards Program Sponsors:

Otto Bremer Foundation, West Central Initiative, Bremer Bank, Alexandria HRA, Alexandria Light & Power, Glenwood State Bank, Mid-Minnesota Federal Credit Union, First State Bank of Alexandria, Alexandria Technical & Community College, State Bank & Trust, Runestone Electric Association, West Central Sanitation, and the AAEDC.

# SPECIAL EVENTS & ACTIVITIES

## Spring Business Breakfast

The AAEDC and Alexandria Technical & Community College Customized Training Center worked together to produce the first annual Spring Business Breakfast which took place on Wednesday, March 17th at Alexandria Technical & Community College. The event was created to act as a connection point between both organizations and the businesses and communities of the region and featured a keynote presentation by MN State Economist Tom Stinson and MN State Demographer Tom Gillaspy, who spoke on the future of business in Minnesota.



Tom Gillaspy  
State Demographer



Tom Stinson  
State Economist

## Gubernatorial Candidates Forum

In a directed effort to provide access to the candidates of the 2010 Minnesota Governor's race for the Alexandria Regional Community, the AAEDC spearheaded the organization of a Gubernatorial Candidates Forum which took place on Monday, October 4th. The event was hosted by the Alexandria Technical & Community College and featured candidates Tom Horner and Senator Mark Dayton.

Approximately 200 individuals from throughout the region attended the event and learned more about the candidates. Topics included each candidate's plans for Minnesota's economy, educational system, community and economic development support efforts, health care, and other areas of interest.



Senator Mark Dayton & Tom Horner

## 2010 Business & Industrial Appreciation Day

The 2010 Business & Industrial Appreciation Day (BIAD) award recipient was Gardonville Cooperative Telephone Association of Brandon and Alexandria. This year's BIAD Award Luncheon took place on Friday, October 15th at the Arrowwood Resort & Conference Center and was organized by the AAEDC and Alexandria Lakes Area Chamber of Commerce. Approximately 230 individuals attended this year's BIAD event to celebrate the growth and accomplishments of Gardonville. Gardonville Cooperative Telephone Association was formed in 1943 by a group of local leaders in western Douglas County who were convinced of the importance that telecommunications technology would have on the future growth of our region. Gardonville currently employs 29 individuals at its Brandon and Alexandria locations.



Julie Critz (Chamber President),  
Dave Wolf (Gardonville GM/CEO),  
Dr. Kevin Kopischke (AAEDC President)

# SPECIAL EVENTS & ACTIVITIES

## 2010 Manufacturers & Support Industries Breakfast



The 2010 Manufacturers & Support Industries Breakfast took place on Tuesday, October 26th at the Alexandria Technical & Community College. 90 business and community leaders attended this year's event designed to recognize the contributions of manufacturing businesses to our regional and state-wide economies. Dr. Chris Kuehl of Armada Corporate Intelligence provided the event's keynote presentation entitled: "Stimulus vs. Austerity: The Closest Thing to A Knife Fight in Economic Forecasting." The 2010 Manufacturers & Support Industries Breakfast was organized in coordination with the Alexandria WorkForce Center/DEED.

Dr. Chris Kuehl  
Armada Corporate  
Intelligence

Sponsors of this event were:  
Alexandria Technical & Community College, Alexandria Light & Power, Bremer Bank, First State Bank of Alexandria, Glenwood State Bank, Innovative Companies, Runestone Electric Association, State Bank & Trust, Tri-State Manufacturers Association, and Viking Savings Bank.

## Tour of Manufacturing

On October 30th, eight manufacturing companies in Douglas and Pope Counties opened their doors to the public in the region's first Tour of Manufacturing event. Participating businesses included: Aagard Group, Alexandria Extrusion Company, Donnelly Custom Manufacturing Company, Douglas Machine, Douglas Scientific, ITW Heartland, Massman Automation Design, and WASP Inc. Tours ran from 10am to 2pm and over 2,200 tours were provided to people from throughout the region participating to learn more about the operations and specialties of these companies.

Businesses & organizations involved in organizing this event and offsetting its costs included: AAEDC, Alexandria Lakes Area Chamber of Commerce, Alexandria Technical & Community College, Tri-State Manufacturers Association, West Central Initiative, and the participating manufacturers.



Tour of Massman Automation  
Designs of Villard

## Packaging Machine Manufacturers Consortium (PMMC)



The AAEDC has entered into its second year of membership in the Packaging Machine and Manufacturers' Consortium (PMMC). The PMMC is a group of local companies who share a common interest in developing strategies in the areas of recruiting, hiring, and retention of employees that will improve and increase the industry performance and strengthening manufacturing in the Alexandria region, specifically in the areas of automation, packaging, and robotics. The vision

of PMMC is: "The Alexandria area will be known throughout the automated packaging machinery industry as the hub for automation technology and as a community where talented individuals build successful careers with growing companies that are committed to best-in-class performance."

PMMC members include Douglas Machine, ITW Heartland, Massman Automation and Designs, Aagard Group, Alexandria Area Economic Development Commission and Alexandria Technical and Community College.

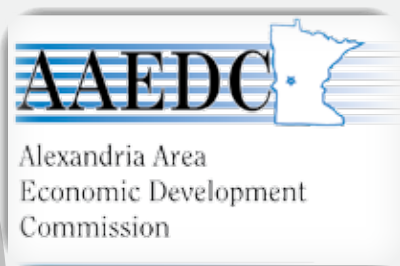
# ENTREPRENEUR/SMALL BUSINESS TRAININGS

## Entrepreneur Boot Camps

In a continuing effort to provide high quality entrepreneurial and small business training opportunities to individuals from throughout the region, the AAEDC and Alexandria Technical & Community College Customized Training Center presented two Entrepreneur Boot Camp Programs in 2010. Boot Camp sessions took place in both February and September, providing training and information to attendees in the areas of business structure/organization, business startup financing, business startup challenges, building cash flow statements, business insurance, accounting 101, sales & marketing, and more.

Based upon prior session feedback and additional insights provided by a past-attendee survey, the Entrepreneur Boot Camp format was changed for the September session - from a two-day to a one-day training event. Initial responses to this change have been very positive.

\*Partial funding for this program is provided by West Central Initiative.



## Small Business Trainings

To better meet the demand for focused small business training by entrepreneurs and small business owners of the region, 2010 saw the birth of a new series of small business training programs. Trainings take place approximately once per month and provide a 2-hour session focused on a specific area of interest to entrepreneurs and business owners/leaders. This training series has been designed as the next step in a comprehensive small business training program to follow the Entrepreneur Boot Camp program. The Small Business Training programs are being coordinated and designed by the Alexandria area SCORE chapter, ATCC Customized Training Center, and AAEDC.

\*Partial funding for this program is provided by West Central Initiative.



## Small Business Mentorship Program

The AAEDC and Alexandria Technical & Community College Customized Training Center collaborated in 2010 to form a small business mentorship pilot program designed to provide in-depth and highly focused training, networking, and mentorship opportunities to small business owners from throughout the region. Monthly meetings include a training presentation and discussion lead by an outside expert in the topic of the day. Based upon the success of the 2010 pilot, this program is scheduled to be expanded in early 2011 to increase the number of participating business owners and leaders from throughout the Douglas County regional community.

\*Partial funding for this program is provided by West Central Initiative.

# EMERGANCE AS A REGIONAL CENTER

To illustrate the strong and vibrant regional-center economic climate in the greater Alexandria Area, a sampling of the 2010 commercial investments in the public and private sectors with an estimated project cost minimum of \$50,000 included:

Professional/Service	Estimated Project Cost*	Square Footage	Type of Project(s)
Randy Fischer Development	\$600,000	8,208 sq. ft.	New Construction
American National Bank of MN	\$135,000	4,650 sq. ft.	Alteration
Cornerstone Properties	\$100,000	1,032 sq. ft.	Alteration
Custom Design Storage	\$59,360	1,980 sq. ft.	New Construction
Viking Savings Bank	\$50,000	-	Alteration
<b>Multi-Family/Senior Housing</b>			
Knute Nelson Senior Living Campus	\$12,104,827	220,649 sq. ft.	New Construction
Lakewood Terrace, LLC	\$1,665,794	25,083 sq. ft.	New Construction
Lakewood Terrace, LLC	\$1,665,794	25,143 sq. ft.	New Construction
Lakewood Terrace, LLC	\$195,800	9,790 sq. ft.	New Construction
Knute Nelson Memorial Home	\$100,000	-	Alteration
Alexandria Townhomes	\$83,400	-	Alteration
<b>Retail</b>			
Viking Plaza Shopping - JoAnn Fabric	\$320,000	18,933 sq. ft.	Alteration
McDonald's (Hwy 29 S)	\$185,000	-	Alteration
Angelina's Restaurant	\$153,761	1,360 sq. ft.	Addition
Legal Service of NW MN	\$147,517	4,116 sq. ft.	Alteration
Alexandria Dock Works	\$67,658	1,932 sq. ft.	Addition
3007 LLC	\$65,205	3,500 sq. ft.	New Construction
<b>Government/Education</b>			
City of Alexandria - Police Station	\$3,313,663	23,959 sq. ft.	New Construction
Douglas County - Courthouse	\$2,200,000	16,622 sq. ft.	Alteration/Addition
Pope/Douglas Solid Waste Management	\$1,400,000	14,000 sq. ft.	Addition
Alexandria Technical & Comm. College	\$247,800	-	Alteration
City of Alexandria - Airport Remodel	\$201,177	-	Alteration
ISD #206	\$132,845	-	Alteration
Alexandria Technical & Comm. College	\$65,000	-	Alteration
<b>Industrial</b>			
Pfeninger Warehousing, LLC	\$2,250,000	50,000 sq. ft.	Addition
Tri Global Enterprises	\$416,160	9,248 sq. ft.	Addition
Minn. Mining & Mfg Company	\$348,200	-	Alteration
Alexandria Pro-Fab	\$162,000	3,600 sq. ft.	Addition
Alexandria Pro-Fab	\$89,100	1,980 sq. ft.	Addition
Henry's Foods	\$50,000	-	Alteration

Source: 2010 public record commercial building permit activity - City of Alexandria & Douglas County.

\*Estimated Project Cost amount is based upon permitted construction costs only.



Alexandria Area  
Economic Development  
Commission

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