

July 2009

Volume 12, Issue 7

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NELA USA Announces Relocation to River Falls **St. Croix EDC Assists Buyer and Seller**

NELA USA, a manufacturer of register punching and bending machines for offset printing plates, announced it will relocate to River Falls, Wisconsin following the acquisition of a 53,000 square foot facility in the Whitetail Ridge Corporate Park. The facility, located at 610 Whitetail Boulevard, will integrate NELA's engineering, production, and customer service functions. NELA expects to close on the purchase later this month. Details were finalized at a June 9th River Falls city council meeting when the council gave its approval of NELA's purchase in accordance with the terms of a developer's agreement. NELA USA employs around 60 people at their current location in Oakdale, Minnesota and serves markets in North and South America.



Bob Deis, NELA USA's director of manufacturing, stands in front of an automated printing plate sorting system being assembled in early June. It will be shipped and installed at the Chicago Tribune.

"We are very happy to become part of the River Falls manufacturing community and we believe Wisconsin's business climate will be very helpful to our future growth," said David Klein, president of NELA USA. "The City of River Falls made our decision to move an easy one because of their cooperative attitudes. St. Croix EDC and the Wisconsin Department of Commerce provided timely information about opportunities and locations in Wisconsin. Such help was invaluable to our decision making," added Klein.

The parent company of NELA is based in Lahr, Germany. NELA expanded into the United States in 2000 by merging with the former Ternes Register Systems in suburban St. Paul, Minnesota. Through the purchase of the Ternes assets, NELA became the largest manufacturer of punch and bending systems. NELA also has an operation in Asia to serve those markets.

NELA's equipment provides innovative solutions and efficiencies for newspapers and commercial printers. NELA's systems have been installed at over 250 locations, including the New York Times, Atlanta Journal-Constitution, Houston Chronicle, Star Tribune, Dow Jones & Company, Zero Hora, and O Globo (both located in Brazil). NELA lists Heidelberg, Goss, Kodak and Agfa as its OEM (original equipment manufacturer) partners.

NELA continues to diversify. Earlier this year, the company's operations in Germany announced the acquisition of OMSC Optical Measurement (Dessau, Germany). OMSC is a leader in the field of optical surface inspection systems for the examination of rubber, polymer and ceramic parts. The transaction offers great potential for further growth of the NELA group, including the operations in River Falls.

NELA will purchase the former Hal's Millwork facility, which closed earlier this year. The building includes 6.8 acres and will accommodate future additions. The building was constructed in 2001 and occupied in March 2002. Following internal improvements, including the addition of more office space, NELA USA will occupy the building in late summer.

St. Croix EDC worked extensively with NELA concerning its relocation to Wisconsin (St. Croix County). The EDC, in conjunction with the River Falls EDC, introduced NELA to the partnership that owns the facility. The announcement to purchase the building follows months of negotiations between the buyer and seller.

“I welcome NELA USA to River Falls,” said Mayor Don Richards. “Their inclusion in Whitetail Park, in an existing building, saves us precious land in the park, and builds the potential for increased employment at the same time. They will be a nice fit among the park’s corporate tenants,” added Mayor Richards.

NELA’s operations in the U.S., Germany, and Asia make it the largest technologist and state-of-the-art manufacturer of plate automation and register systems in the world. More information about NELA is available at www.nela-usa.com.

Derrick Commercial Contracting Projects Receive Recognition

Two of Derrick Commercial Contracting’s projects were honored at the Wisconsin Chapter of Associated Builders and Contractors’ annual Projects of Distinction (POD) dinner, held earlier this year in Wisconsin Dells. The award-winning projects are considered the best of the best and are judged on distinctiveness, execution of design, craftsmanship, coordination, budgeting, safety, difficulty and unusual challenges.

Derrick received a Gold Award in the \$2 million-\$10 million Commercial Category for the Air Motion Systems project, which was completed last summer. This 35,652-square-foot manufacturing building in River Falls, Wisconsin is the first privately owned LEED-certified building in west central Wisconsin. This green project was in keeping with Air Motions high performance environmentally-friendly, ultra-violet systems for the printing industry. Design for the project was provided by Elliot Architects of Hudson, Wisconsin. Architects Brian Hinz and Trent Yunker joined Bill Derrick in receiving the award.



Shown with the Gold Project of Distinction award for Air Motions Systems (River Falls, Wisc.) are (l to r) Trent Yunker and Brian Hinz of Elliot Architects (Hudson, Wisc.) and Bill Derrick and Tom Derrick of Derrick Companies (New Richmond, Wisc.)

Derrick also received a Silver Award in the Over \$2.5 million Metal Building category for the Amzoil Sandbox Arena project, completed just outside of New Richmond in Fall 2007. This 116,850-square-foot arena is the second largest indoor motocross racing facility in the nation. The Butler steel building was custom designed with longer-than-normal spans in order to minimize the number of columns in the track area. The architect for this project, Lars Architectural Services of Hudson, and Tom Derrick accepted the award.

Ribbon Cutting Officially Opens Family Fresh Market in New Richmond

Community leaders and representatives from Nash Finch Company participated in a ribbon cutting ceremony on June 9th at the Family Fresh Market in New Richmond, Wisconsin. The store, located on the corner of South Knowles Avenue (State Highway 65) and West 4th Street, is a former Econofoods store, and now represents an important anchor to New Richmond’s downtown business district. For years, Nash Finch and city officials discussed ways to re-brand and expand the grocery store in downtown New Richmond. The solution emerged through an extensive remodeling and 11,300 square foot addition, resulting in a Family Fresh Market that comprises approximately 43,748 square feet.



To support the expansion, three homes along Minnesota Avenue were purchased and razed. A one block section of Minnesota Avenue was vacated. Nash Finch and Derrick Commercial Contracting, the project’s general contractor, worked closely with the City of New Richmond to ensure the store’s exterior depicted the city’s downtown design standards.

This is the second Family Fresh location for Nash Finch. The first occurred with the conversion of another Econofoods in Hudson a couple years ago.

Nash Finch is a Fortune 500 company and one of the leading food distribution companies in the United States.

U.S. Rep. Ron Kind Will Discuss American Recovery and Reinvestment Act on July 6 State Director of the SBA & USDA Rural Development Loan Specialist Will Join Rep. Kind

Earlier this year, Congress passed the American Recovery and Reinvestment Act (ARRA). ARRA provides program funding and assistance through the Small Business Administration (SBA) and U.S. Department of Agriculture (USDA) Rural Development.

U.S. Representative Ron Kind, working in conjunction with the Small Business Development Center (SBDC) and the Technology Transfer Institute at UW-Stout, has invited Eric Ness, state director of the SBA, and Jeff Hudson, loan specialist, USDA Rural Development, to Hudson on Monday, July 6, 2009 to discuss ARRA provisions relating to the SBA and USDA and small businesses. The meeting is open to all small businesses, and will begin at 2:30 pm in the County Board Room, St. Croix County Government Center, 1101 Carmichael Road, Hudson, Wisconsin.



U.S. Rep.
Ron Kind

Interest parties can contact Brad Smith in Rep. Kind's La Crosse office prior to this meeting at (608) 782-2558 in the event of questions or comments.

American Recovery and Reinvestment Act and USDA Rural Development

The American Recovery and Reinvestment Act of 2009 was signed into law by President Obama on February 17, 2009. The Recovery Act is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st Century. It is an extraordinary response to a crisis unlike any since the Great Depression, and includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

USDA Rural Development and Implementing the Recovery Act: Seven USDA Rural Development Programs are receiving funding through the 2009 Recovery Act. These programs are current programs that are administered by USDA Rural Development, no new programs were created at USDA under the Recovery Act. Funds are available under this authority until September 30, 2010.

Business & Industry Guaranteed Loan Program: Has received funding provide additional assistance to lenders to finance the improvement or development of business, industry, and employment, to improve the economic climate in rural areas.

Rural Business Enterprise Grant Program: Has received approximately \$20 million to provide funding for a variety of programs to support business development in rural areas.

Community Facilities Direct Loan and Grant Program: Was given funding to develop essential community facilities. Funds may be used for facility acquisition, construction, renovation, or purchase of equipment and furnishings for essential community services in the areas of health care, public safety, and education. The Recovery Act provided \$1.1 billion in Direct Loans and \$61 million in Grants.

Single Family Housing Program: The Recovery Act provides \$967,113,096 in Direct Home Loans and \$9.8 billion in Guaranteed Home Loans to assist individuals and families become homeowners.

Water and Environmental Programs: Has received approximately \$3.7 billion for rural water and wastewater infrastructure for improvements to drinking water, sanitary sewer, solid waste and storm drainage facilities.

Broadband Investment Program: USDA Rural Development's Rural Utilities Program will implement the broadband provisions of the Recovery Act. This funding will support the expansion of services and facilitate development of services in areas without sufficient access. More information is available at www.usda.gov/rus/telecom.

Recent Accomplishments: The Single Family Housing Program has nationally obligated \$130,716,396 in Direct Home Loans and \$3,796,492, 265 in Guaranteed Home Loans. To date, Wisconsin has obligated \$1,693,999 in Direct Loans and \$131,992,025 in Guaranteed Loans.

April 28, 2009: Secretary Vilsack announced \$615.8 million in Recovery Act Water and Waste Disposal projects. To date, Wisconsin awarded approximately \$15.4 million funding five projects.

May 18, 2009: Secretary Vilsack announced \$57.2 million in Recovery Act Community Facilities projects. To date, Wisconsin has awarded \$3,006,000 supporting five projects.

More information about USDA's Recovery Act efforts is available at www.usda.gov/recovery. To learn more about other efforts regarding the Recovery Act, available opportunities, the investments made, and the impact, visit www.recovery.com.

Source: USDA Rural Development June Newsletter

Rep. Kind Introduces Legislation Benefitting Small & Family-Owned Businesses

Tax Relief Measure to Help Area's 'S Corporations' Reinvest & Grow Their Businesses

In his continuing effort to find ways to bolster small business growth and investment, U.S. Rep. Ron Kind (D-WI) a member of the powerful tax-writing House Committee on Ways and Means, has co-authored the *S Corporation Modernization Act of 2009* (H.R. 2910), which would modify an unreasonable penalty paid by "S corporations." A bipartisan group of members including Rep. Dave Reichert (R-WA), Rep. Allyson Schwartz (D-PA), and Rep. Wally Herger (R-CA) have co-sponsored the bill.

This bill is a commonsense tax code change that will have huge returns in terms of growth and investment for S corporations," said Rep. Kind. "Especially in this tough economic time, my goal is to look out for the small and family-owned businesses which drive our economy. This bill speaks to that, reducing a penalty on S corporations, and thus encouraging them to reinvest the savings into growing their business and creating jobs."

There are 3.8 million registered S corporations nationwide, 59,000 in Wisconsin alone. S corporations are small and family-owned businesses that have between 1 and 100 shareholders and are taxed differently than large corporations. Right now, S corporations are taxed twice on assets they sell within 10 years of converting to this tax classification – making the sale and reinvestment of these assets prohibitively expensive and hindering growth and job creation. In some states, the double-tax burden can reach as high as 70 percent.

The American Recovery and Reinvestment Act changed the law from requiring S corporations to hold on to unproductive and inefficient assets for 10 years to now requiring their ownership for only seven years, a more realistic business cycle and the same modernized exception Rep. Kind pushed in the 110th Congress. This seven year requirement is only in effect through 2010, at which time S corporations will again be required to hold assets for 10 years, limiting cash flow and availability and encouraging excess borrowing. To provide permanent relief, the *S Corporation Modernization Act of 2009* would allow S corporations to liquidate unproductive assets after seven years – freeing up capital to be used to grow the business and create new jobs. The seven year requirement enacted through the Recovery Act is helping S corporations successfully manage their business in this economy, proving it a necessary update to current law. In the long run, a three-year reduction in this unreasonable and unproductive penalty will help ease the overall tax burden on small and family-owned businesses and help them grow and prosper in an increasingly competitive market," Rep. Kind added.

"Throughout his tenure, Congressman Kind has been a tireless champion and friend to the small businesses community and his introduction of the S Corporation Modernization Act is another example of how he values Main Street businesses and the workers they employ," said Dick Roderick of the Dead River Company and Chairman of the S Corporation Association.

"Ron Kind has repeatedly proven himself to be a friend of private enterprise in Wisconsin. This legislation will help Appleton Papers and many other Wisconsin-based S corporations confront this difficult economy and emerge even stronger," said Mark Richards, Chairman, President and CEO of Appleton Papers.

River Falls Commemorates New City Hall

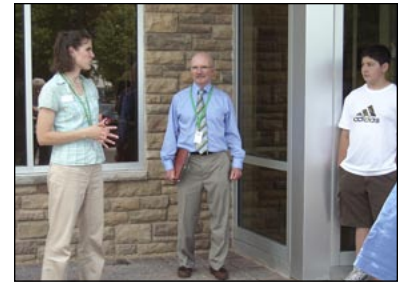
LEED-Registered Build Reflects City's Statewide Leadership in Sustainable Matters

River Falls city officials and staff commemorated its new city hall with an open house on June 18th.

The 26,850 square foot facility is located at 222 Lewis Street, on a redevelopment site near the Kinnickinnic (Kinni) River. The city's administration, engineering, finance, community development, municipal utilities, and cable departments, along with the council chambers and municipal court, are located in the city hall.



Exterior of the River Falls City Hall, 222 Lewis Street, River Falls WI



River Falls Mayor Don Richards led a tour of city hall during the open house on June 18

The building is LEED-registered, and the energy efficient features will likely qualify it as silver certified building. LEED is an acronym for Leadership in Energy and Environmental Design.

The city hall is the first LEED-registered city hall in Wisconsin. The city hall was designed by River Falls-based Frisbie Architects.

River Falls Days 2009: "Fiesta de la Kinni" Runs July 9-12

The annual River Falls Days celebration runs Thursday July 9-Sunday, July 12. It includes a carnival, parade, burrito eating contest, truck and tractor pull, street dances, and many more family-friendly activities.

2009 "Fiesta de la Kinni" buttons are now on sale at the River Falls area Chamber of Commerce office, 214 North Main Street, from 8 am to 4 pm, Monday through Friday, and at participating businesses. Buttons are \$3 and are good for discounted admission to the street dances, truck and tractor pulls, and an entry form for cash prizes.

For a complete schedule and other registration forms, visit www.rfchamber.com or call (715) 425-2533.

NWMOC Announces Grant Funds for Manufacturers

The Northwest Wisconsin Manufacturing Outreach Center (NWMOC), with headquarter offices at UW-Stout in Menomonie, Wisconsin, has received grant funding to assist small and mid-sized manufacturers, with fewer than 500 employees, achieve profitable growth and improve business performance. NWMOC will provide grants in the range of \$5,000 to \$6,500 to pay up to 50% of project costs for services it delivers. The remaining project costs will be paid by the company.

NWMOC director Larry Blackledge said, "With this assistance, we will be able to help manufacturers prepare themselves for growth and profitability in the coming economic recovery."

Grant funds can be used to defray the cost of projects focused in one of two areas: lean transformation or business growth.

Lean Transformation: Up to \$5,000 per manufacturer interested in pursuing lean transformation, including those who are new to lean or those who have implemented lean initiatives in the past two years but have not been fully successful in achieving desired results. The funding is targeted at lean transformation projects designed to improve performance across all facets of the business enterprise.

Business Growth: Up to \$6,500 per company is available to help small and mid-size manufacturers implement Eureka! Winning Ways, a nationally recognized system to accelerate growth and generate high impact ideas for new products and services.

Grants are offered on a first-come, first-serve basis. The project completion deadline is December 31, 2010. Interested manufacturers should call (866) 880-2262 or (715) 232-2397. NWMOC's website is <http://numoc.uwstout.edu>.

Stevens Engineers Acquires Building Completes Move in Early June

In late May, the principals of Stevens Engineers, completed the acquisition of existing office space at 2211 O'Neil Road in Hudson, Wisconsin. Stevens Engineers then completed the move from leased space on Livingstone Road to O'Neil Road in the St. Croix Business Park. With an estimated 6,000 square feet, the new location affords the engineering firm with space to accommodate future growth.

The Regional Business Fund, Inc. provided assistance with the transaction in the form of a supplemental loan that was approved the St. Croix EDC's loan review committee. Citizens State Bank (Hudson, Wisc.) was the primary lender on the transaction.

Stevens Engineers is a civil engineering, land surveying and planning firm based in Hudson, Wisconsin. Stevens has performed LEED design services for projects such as the River Crest Elementary School in Hudson, the Maple Grove Ice Arena expansion, and the \$60 million Duluth Entertainment & Convention Center.

Earlier this year, Angela Popenhagen earned the LEED Accredited Professional designation (LEED AP). The LEED professional accreditation distinguishes professionals with the knowledge and skills to facilitate the LEED certification process in sustainable, green building and development practices.

LEED is an acronym for Leadership in Energy and Environmental Design. The LEED Green Building Rating System(TM) encourages and accelerates global adoption of sustainable building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria.

For more information, contact Angela Popenhagen at (715) 386-5819 or go to www.stevensengineers.com.



Angela Popenhagen and Scott Ward are pictured outside their office building at 2211 O'Neil Road in the St. Croix Business Park (Hudson, Wisc.)

Wisconsin Business Development Granted Authority to Provide 504 Loans in Minn.

In late April, the Small Business Administration (SBA) granted Wisconsin Business Development Finance Corporation (WBD) the authority to provide SBA 504 loans in 14 Minnesota counties. This action means WBD can assist businesses, banks, or their associates in providing loans in neighboring counties in Minnesota. Previously, WBD was authorized to provide 504 loans in Wisconsin's 72 counties.

SBA's approval for WBD includes the Minnesota counties of St. Louis, Carlton, Houston, Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright.

WBD was formed in 1982 to assist small businesses in gaining access to capital in order to grow their businesses, provide job opportunities, and inspire their communities. The cornerstone of WBD's success is the delivery of the SBA 504 product. Sold nationwide exclusively by not-for-profit Certified Development Companies (CDC), the SBA 504 loan fulfills SBA's public policy objective to support small businesses and create jobs in our communities through long-term, fixed-rate financing.

Since inception, WBD has helped fund over 2000 businesses throughout Wisconsin. This past year, WBD rose to become the 11th largest producer out of the 254 CDCs in America. WBD participated in projects with over 100 Wisconsin lenders and served as an integral hub in every project.

Locally, Jeremy Price, a WBD vice president and loan officer, staffs an office in Hudson. He can be reached at (715) 381-6719. Mike Dieckman is also a vice president and loan officer with WBD. He can be reached at WBD's Eau Claire office at (715) 834-9474.

Additional information on WBD can be found at www.wbd.org.



Jeremy Price, WBD
(Hudson office)



Mike Dieckman, WBD
(Eau Claire office)

RSM McGladrey Survey Says Manufacturers Eye Turnaround in 2010

Small- to mid-sized U.S. manufacturers say they expect business to remain down in 2009, but then start turning around in 2010, according to a survey released by RSM McGladrey, Inc on June 22.

Forty-two percent of manufacturers said their businesses were declining, compared to 12 percent a year ago. Only 9 percent of companies said their business was “thriving and growing,” down from 38 percent last year.

The “2009 Manufacturing and Wholesale Distribution National Survey” found that about 52 percent of the 923 survey respondents plan to cut U.S. jobs in 2009, nearly double the percentage from last year’s survey.

But only 11 percent expect to cut jobs in 2010 and 44 percent plan to add employees.

While fewer than 10 percent of respondents said they expected gross margins to increase in 2009, 30 percent anticipate improvements in 2010.

The online survey was conducted from March 11 to April 13, 2009.

St. Croix County’s Unemployment Rate Drops Unemployment Falls in 49 of 72 Counties

On June 24th, the Wisconsin Department of Workforce Development (DWD) released the May unemployment rates for Wisconsin’s 72 counties. St. Croix’s rate was estimated at 8.2% which is down up from the April rate of 9.1% and the March rate of 9.8%. A year ago, the county’s unemployment rate was estimated at 3.9%. Twenty-five counties had unemployment rates lower than St. Croix in May.

Unemployment rates from April to May decreased in 49 of Wisconsin’s 72 counties, increased in 16, and remained the same in seven. Dane County recorded the lowest rate at 5.9%, followed by Pepin County at 6.5% and La Crosse, Buffalo, and Eau Claire counties at 6.6%. Rusk County had the highest rate in May at 13.4%, compared to 14.6% in April.

The adjusted unemployment rate for Wisconsin in May was estimated at 8.7% which is lower than the April rate of 8.8% but higher than the March rate of 8.5%. The state’s rate was 4.2% one year ago.

The U.S. unemployment rate was estimated at 9.1% which is an increase from the April rate of 8.6% and the March rate of 8.5%. One year ago the U.S. rate was estimated at 5.5%.

County	May 2009 Unemployment Rate	Rank	Rate One Year Ago	County	May 2009 Unemployment Rate	Rank	Rate One Year Ago
Barron	8.5%	44	4.5%	Pepin	6.5%	71	3.5%
Chippewa	8.1%	50	4.0%	Pierce	7.3%	61	3.9%
Clark	8.9%	37	5.0%	Polk	9.9%	20	4.8%
Dunn	6.9%	67	3.7%	Rusk	13.4%	1	6.4%
Eau Claire	6.6%	70	3.5%	St. Croix	8.2%	47	3.9%

Source: Wisconsin Department of Workforce Development; St. Croix Economic Development Corp.

Note: The 10 counties of western, west central, & northwest Wisconsin comprise Momentum West, a regional economic development & marketing organization