

**August 2010**

Volume 13, Issue 8

### *Inside this issue:*

*page 1:*

Governor Doyle approves \$468,695 project at New Richmond Regional Airport

Ron Kind to Hold Listening Session on Aug 2nd

*page 2:*

Market & Johnson Recognized as a Top Contractor

Main Street Fairness Act Introduced in Congress

*page 3:*

Governor Doyle Announces Over \$319 Million in Energy Savings in 2009

Federal Foam Technologies Marks 15 Years in New Richmond

*page 4:*

Lommen, Abdo Law Firm Elects Board

Wisconsin Bankers Brace for Regulatory Overhaul

*page 5:*

Contour Plastics (Baldwin, Wisc.) Sold to Nolato Group

Center on Wisconsin Strategy Releases June Job Watch

*page 6:*

Kwik Trip Expands in River Falls

St. Croix County's Unemployment Rate Remains Constant From May to June

## **Governor Doyle approves \$468,695 project at New Richmond Regional Airport**

On June 30th, Governor Jim Doyle announced the approval of a \$468,695 project for engineering and construction-related services at the *New Richmond Regional Airport* (New Richmond, Wisc.). Gov. Doyle's action releases \$11,717 in state funds to help complete the project. The city of New Richmond is contributing \$11,718, and the Federal Aviation Administration is providing \$445,260.



*New Richmond Regional Airport*

According to Gayle Stearn, airport development engineer with the Wisconsin Department of Transportation, the funds will be used to develop a northeast hangar area, which will include construction of a connecting taxiway, hangar taxi lanes, and an entrance road. The project will provide additional room for future development. Construction is expected to be completed by spring of 2011.

Approximately 165 aircraft are based at the airport, with around 41,500 take-offs and landings each year. The airport is also home to eight aviation-related businesses and several business aircrafts. The airport estimates it contributes over \$9 million per year to the New Richmond area economy. The airport features a main runway that measures 5,507 feet long by 75 feet wide and a second runway that is 2,110 feet by 75 feet (2,360 feet long including the pavement from the main runway).

Mike Demulling serves as the manager of the airport in New Richmond. It is located along Wisconsin State Highway 65 and is two miles north of New Richmond's central business district.

---

## **Ron Kind to Hold Listening Session on August 2nd** **Session will be held in County Board Room from 1-2 p.m.**

U.S. Representative Ron Kind will host a listening session on Monday, August 2nd in the board room at the St. Croix County Government Center, 1101 Carmichael Road (Hudson WI) from 1:00 to 2:00 p.m.



*U.S. Rep. Ron Kind*

The listening session is open to the public.

Rep. Kind is a native of La Crosse and has represented Wisconsin's Third Congressional District since 1996. He is a member of the Ways and Means Committee which has jurisdiction over tax policy, Medicare, Social Security, and international trade. He also serves on the Subcommittee on Health, and since becoming a member in 2007, has focused his work primarily on issues relating to small business, and specifically, their health care challenges.

---

## Market & Johnson Recognized as a Top Contractor

Midwest Construction magazine has ranked Market & Johnson 9th among Wisconsin's 25 largest contractors based on revenue.

Market & Johnson also ranked 18th in the category of Top Commercial Buildings Contractors in the Midwest, 17th in Top Healthcare and Hospitals Contractors in the Midwest, and 48th in 2010 Midwest Top Contractors. The Midwest ranking includes contractors in Wisconsin, Illinois, Indiana, and Eastern Missouri.

Market & Johnson is the largest general building contractor/construction manager in western Wisconsin with offices in Eau Claire and La Crosse. The firm employs on average 225 construction professionals and serves all of western Wisconsin.

For more information, contact Jason Plante, Market & Johnson, at 715-834-1213 or visit their website at [www.market-johnson.com](http://www.market-johnson.com).

---

## Main Street Fairness Act Introduced in Congress

### *Proposed Bill Will Close Loophole With a Sales Tax on Internet Sales*

On July 1st, H.R. 5660, known as the Main Street Fairness Act was introduced by U.S. Rep. Bill Delahunt of Massachusetts. The bill is designed to help states retrieve billions in sales tax revenues that are owed but currently going uncollected while providing long overdue relief to Main Street businesses by restoring fairness and competition to the marketplace.

According to Rep. Delahunt, sales tax revenues comprise up to a third of most state budgets. This year, an estimated \$18.6 billion will go uncollected; by 2012, the states will be losing at least \$23 billion annually, based on conservative estimates. From 2009-2012, this amounts to a loss of approximately \$55 billion. In some cases, these revenue losses can comprise up to one half of a state's budget shortfall.

These revenues go uncollected because of the complex array of sales tax rules across the country. These outdated systems allow many online retailers to avoid collecting sales taxes from out of state consumers, and place retailers on local Main Streets at a competitive disadvantage simply because they collect and remit sales tax revenue.

Over two dozen states, including Wisconsin, have been working to fix the problem by coming up with an interstate compact that contains a uniform set of guidelines. To date, twenty-four states have simplified and streamlined their sales tax laws to make it easier for all retailers. However, for the compact to take effect - the Congress must sign off.

The Main Street Fairness Act provides Congressional authority for this interstate compact to take effect. This does not compel any state to join, but those that choose to adopt this system would then have the authority to require online retailers to collect and remit sales taxes the same way that businesses on local Main Streets do now.

Most importantly, it will help state and local governments balance their budgets without raising any new taxes and will not cost the federal government a dime.

Given the unprecedented economic times and difficult choices, state officials are now coming to the Congress looking for billions for their schools, teachers and other vital public programs. However, our first priority ought to be to help states collect the billions in tax revenues that are already owed, but are being lost.

To read a summary of the bill, please visit: <http://delahunt.house.gov/mainstreetfairnessact.pdf>.

The proposed Main Street Fairness Act is supported by the National Retail Federation, Retail Industry Leaders of America, International Council of Shopping Centers, Real Estate Investment Trusts Association, National Governors Association, U.S. Conference of Mayors, the National Conference of State Legislatures, National Association of Counties, and National League of Cities, and over 50 state-level retail associations and chambers of commerce.

---

## Governor Doyle Announces Over \$319 Million in Energy Savings in 2009

On July 2nd, Governor Jim Doyle announced that Wisconsin residents, farms and businesses saved more than \$319 million in energy costs in 2009 compared to \$239 million in 2008. The savings were attributable to energy efficiency and renewable energy initiatives with assistance from Wisconsin's Focus on Energy program. For every dollar invested in the Focus on Energy program last year saved Wisconsin residents, farms and businesses \$2.20 in energy costs.



Gov. Jim Doyle

The \$319 million in annual savings is equivalent to:

- the amount of electricity consumed annually by approximately 220,041 average homes in Wisconsin;
- the amount of natural gas consumed annually by more than 113,000 average Wisconsin homes;
- almost 5 billion pounds of carbon dioxide;
- the amount of electricity produced by 10,958 rail car loads of coal; and
- the same energy value as 6.2 million barrels of oil.

“These energy efficiency and renewable energy initiatives translate into real economic and environmental benefits for people and businesses in Wisconsin,” Governor Doyle said. “We are working hard to make Wisconsin a national leader in clean energy initiatives and projects that will help create jobs and protect our environment for generations to come.”

## Federal Foam Technologies Marks 15 Years in New Richmond

*Federal Foam Technologies* held an open house on July 21st to mark 15 years of business in the New Richmond Business & Technical Park (New Richmond, Wisc.). In 1996, Federal Foam completed its relocation from Minneapolis, Minnesota to New Richmond, Wisconsin. The company is a complete custom manufacturer of flexible cellular and plastic materials with operations capable of providing engineering and research and development services.

Products manufactured by Federal Foam Technologies has many applications, including for vehicles (ag equipment, truck-bus, construction, marine/recreation/utility, and military), industrial equipment (HVAC and generator), and speciality applications (craft, cushioning, packaging, filtration, bedding, and furniture, etc.).



*Wyman Smith, president of Federal Foam Technologies (center) is pictured with some engineering and sales staff at their July 21st open house in New Richmond. The company manufactures many products in New Richmond, including a headliner for a Kubota utility vehicle*

The company is ISO 9001 and ISO 14001 certified and is a member of the Wisconsin Green Tier program. Under the Green Tier program, businesses make binding commitments to superior environmental performance. In exchange, these businesses are given incentives proportional to their environmental commitments, such as reduced reporting requirements. This allows the Wisconsin Department of Resources (DNR) to focus its resources on those facilities that need greater attention and assistance in meeting environmental requirements.

Federal Foam has been honored by Wisconsin Manufacturers & Commerce as a Friend of the Environment recipient.

In addition to New Richmond, Federal Foam maintains facilities in Ellsworth, Wisconsin and Cokato, Minnesota.

St. Croix EDC honored Federal Foam Technologies as 2003 Business of the Year in St. Croix County.

Congratulations on 15 years in New Richmond (St. Croix County).

## Lommen, Abdo Law Firm Elects Board

Keith Broady, Ken Abdo, Sheila Bjorklund and Marc Johannsen were elected to the Board of Directors of Lommen, Abdo, Cole, King & Stageberg, P.A., a trial, business and entertainment law firm with offices in Minneapolis; Hudson, Wisconsin; and New York City. Abdo, Bjorklund and Johannsen were newly elected to the board of directors and Broady was re-elected to a second term.



Keith Broady



Ken Abdo



Sheila Bjorklund



Marc Johannsen



Phil Cole

Phil Cole was re-elected President of the firm. Bob King, Stacey DeKalb and Barry O'Neil continue to serve their terms as directors.

## Wisconsin Bankers Brace for Regulatory Overhaul

### *Bankers Association Warns Public Will See Higher Costs, and few, if Any, Benefits*

In a mid-July announcement, Wisconsin's top bank leaders warned that the biggest rewrite of banking laws since the Great Depression will raise the cost of financial services for the public without addressing the root causes of the financial crisis. Bankers completing the Wisconsin Bankers Association (WBA) semiannual Bank CEO Economic Conditions Survey also report that demand for commercial and other benchmark loan categories remains weak throughout the state.

When asked how the recently enacted federal financial regulatory reform bill — commonly referred to as the Dodd-Frank Bill — will affect their bank, the 114 survey respondents overwhelmingly said it will increase compliance costs, limit revenue opportunities and may force them to charge for services that are currently free. The Dodd-Frank Bill was passed by Congress on July 15th.

Bankers also expressed concern that the increased capital requirements in Dodd-Frank may reduce lending and slow the economic recovery.

Bankers further take issue with claims that consumers will be better protected as a result of Dodd-Frank. According to one banker, “[The] reform should have been directed at those who caused... the problems.” Another said Dodd-Frank will “generate a negative impact on both the bank and our customers.”

In stark contrast to how President Obama and federal lawmakers sold the regulatory reform package, Wisconsin bankers believe “Main Street” community banks will be hit harder by Dodd-Frank than the mega “Wall Street” firms. It will “place us on the endangered industry list,” a banker warned. Another said “larger organizations are better able to absorb the costs of compliance.”

On the Wisconsin economy, 96 percent of bankers rated current state conditions as either fair (77 percent) or poor (19 percent), compared to 95 percent six months ago. In the next six months, 78 percent of respondents predict that economic conditions will stay the same, while 14 percent say the economy will grow and 8 percent say it will weaken.

A majority of bankers (56 percent) believe that the Wisconsin economy has hit bottom and is now beginning to improve, while 44 percent said the economy is still weakening. That is an improvement from a year ago when 70 percent of respondents said the Wisconsin economy had not hit bottom and was still weakening.

Ninety-five percent rate current demand for commercial loans in Wisconsin as either poor (53 percent) or fair (42 percent), while 5 percent rated demand as good. No one rated demand as excellent.

Demand for residential mortgages wasn't much stronger with 17 percent rating it good, 58 percent rating it fair and 25 percent rating it poor. Seventy-four percent said that the expiration of the homebuyer tax credits is slowing home sales in the market or markets they serve.

Despite predictions that interest rates will remain low through the end of the year, bankers believe commercial and residential mortgage loan demand will remain weak.

“Bankers say commercial lending demand remains low because businesses are uncertain about the strength of the economic recovery,” said Kurt R. Bauer, WBA president/CEO. He said that bankers and their business customers are also concerned about how local, state and the federal governments will address budget deficits. “For all businesses, uncertainty about the economy or about potential tax increases leads to caution, which usually stalls job creation and economic growth.”

## Contour Plastics (Baldwin, Wisc.) Sold to Nolato Group

On July 26th, the Nolato Group, based in Torekov, Sweden, announced the acquisition of Baldwin-based Contour Plastics. Contour’s president Barry Grant and members of Contour’s management team will remain in their positions.



Barry Grant

“Contour Plastics is a well-managed company, and is a good fit for our growth strategy and our ambition to provide a global offering with regional medical technology production,” said Hans Porat, President and CEO of Nolato.

“This acquisition will give us a presence in the region from Minneapolis to Chicago, one of our four key American medical technology clusters,” said Christer Wahlquist, president of Nolato Medical Business Area. “It also represents a further strengthening of our overall offering, and a foundation on which to establish production in North America.”

Contour’s customers include a number of major American medical technology companies. According to reports, an estimated 80% of Contour’s business is attributable to molding parts for medical device companies. The Nolato Group supplies customers in medical technology, telecom, hygiene, automotive parts and other industrial sectors.

With the acquisition, Contour Plastics will operate as Nolato Contour. Contour was founded in 1990 and has been honored by Wisconsin Manufacturers and Commerce as an Emerging Business of the Year and by St. Croix Economic Development Corporation as a Business of the Year in St. Croix County. Contour was awarded \$250,000 in state tax credits in 2007 from the Wisconsin Department of Commerce for a major facility expansion that resulted in the creation of new jobs.

## Center on Wisconsin Strategy Releases June Job Watch

On July 26th, the Center on Wisconsin Strategy (COWS) released its monthly snapshot of the state’s job picture and key economic trends. The summary represents data for June 2010.

COWS says Wisconsin’s job outlook worsened again in June, following steady gains in employment from December 2009 to April 2010. The job picture remained constant from May to June. An estimated 8,200 jobs were lost across the state in June, compared to the welcome news of 34,000 new jobs in early 2010. Compared to December 2007, which marked the start of the recession, the state’s job base is 5.6 percent below the pre-recession level, meaning 162,000 jobs have been lost.

On a positive note, Wisconsin’s unemployment rate dropped 0.3 percentage points to 7.9% in June 2010, making it the lowest rate since February 2009. The December 2007 unemployment rate was estimated at 4.5%.

Wisconsin’s manufacturing sector lost 1,400 jobs in June, following five months of gains. The manufacturing sector still has nearly 69,000 fewer jobs than pre-recession levels, which represents a 14% loss in manufacturing jobs. This accounts for more than 40% of the state’s total job loss.

The state gained 500 construction jobs between May and June, and 6,400 jobs have been regained since January 2010. The construction sector has lost 22,900 jobs during the recession, which represents a 19% loss in the sector.

The June report can be viewed online at <http://www.cows.org/pdfs-WIJobWatch-June10.pdf>.

Information provided in the report is based on Bureau of Labor data compiled by the Economic Policy Institute.

## Kwik Trip Expands in River Falls

Kwik Trip is in the process of constructing a second convenience store in River Falls this summer. The new store will be located in the southeast corner of the North Main Street and Quarry Road intersection. Kwik Trip representatives indicate that they are planning to have the store open towards the end of October. The site plan for this store includes additional lots which may be developed in the future. All traffic generated by this development will be able to access Main Street via a signalized intersection at Main Street and Quarry Road.

The City of River Falls is responsible for the improvements at the intersection of North Main Street and Quarry Road. Improvements include a new signal light and the addition of a northbound right-turn lane at Quarry Road.

Because of the close proximity of this new signal to existing signals at Paulson Road and at CTH MM, the three signals will be set up with coordinated timing patterns during high volume periods of the day. Coordinating the timing pattern between these three lights will reduce the inconvenience to Main Street traffic caused by these signal lights while allowing side street traffic to enter safely.

The intersection improvement work is scheduled to begin in August and will be complete in time for the opening of the Kwik Trip store in late October. Minor disruptions to traffic on Main Street and Quarry Road can be expected at limited times during construction.

## St. Croix County's Unemployment Rate Remains Constant From May to June

### Rate Remain at 6.6% in May & June

On July 21st, the Wisconsin Department of Workforce Development (DWD) released the June unemployment rates for Wisconsin's 72 counties. St. Croix's rate was estimated at 6.6 % (not seasonally adjusted). It is the same rate as May, but it is down from the April rate of 7.8% and the March rate of 9.5%. A year ago, the county's unemployment rate was estimated at 8.3%.

Twelve of Wisconsin's 72 counties showed decreases in unemployment rates from May to June. The remaining counties stayed constant or experienced an increase. Every metropolitan statistical area (MSA) posted a lower unemployment rate in June 2010 than one year earlier.

Only six counties had unemployment rates lower than St. Croix in June. Dane County recorded the lowest rate in June at 5.7%, followed by La Crosse at 6.1% and Pierce at 6.1%. Menominee County had the highest rate in June at 17.1% and Iron County was at 11.0%.

The preliminary unadjusted unemployment rate for Wisconsin in June was estimated at 8.1% which is higher than the May rate of 7.7%, but lower than the April rate of 8.2%. The state's rate was 9.1% one year ago (not seasonally adjusted).

The preliminary unadjusted unemployment rate in the U.S. in June was estimated at 9.6% which is up from the May rate of 9.3% and the April rate of 9.5%. One year ago the U.S. rate was estimated at 9.7% (not seasonally adjusted).

County	June 2010 Unemployment Rate	Rank	Rate One Year Ago	County	June 2010 Unemployment Rate	Rank	Rate One Year Ago
Barron	7.8%	46	9.1%	Pepin	6.7%	65	6.8%
Chippewa	7.3%	55	8.5%	Pierce	6.1%	70	8.0%
Clark	9.2%	19	9.2%	Polk	8.6%	30	9.8%
Dunn	7.2%	59	7.7%	Rusk	10.8%	4	12.7%
Eau Claire	6.7%	64	7.6%	St. Croix	6.6%	66	8.3%

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