



IOWA LAKES CORRIDOR DEVELOPMENT CORPORATION



2010-2011 ANNUAL REPORT



About the Corridor

Our Vision

To be a region where existing companies and entrepreneurs are thriving, residents are enjoying active and rewarding qualities of life, and organizations are working together more closely than ever to grow the Corridor's economy.

Our Mission

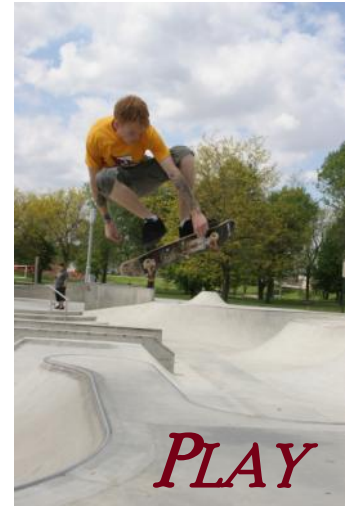
To foster, encourage, aid or otherwise assist in the economic growth and development of the four-county region of Buena Vista, Clay, Dickinson and Emmet Counties in Iowa.

Our Values

As an organization we value honesty, respect, integrity, trustworthiness, openness and reliability. We use the strengths and opportunities of the four-county region to build collaborative efforts for the benefit of the whole.

As employees, we each uphold high ethical standards in all aspects of our work. Through continuous self-improvement, we strive to be ready and responsive. We hold ourselves accountable to our investors, clients and board members, providing results and working to ensure the success of the Iowa Lakes Corridor region.





Our History

The Iowa Lakes Corridor Development Corporation, formerly the Iowa Great Lakes Corridor of Opportunity, was created in 1992 and served as the regional economic development agency for Clay and Dickinson Counties. In late 2005 and early 2006, Emmet County and Buena Vista County became a part of the Corridor, who was recognized and obtained funding as one of the regional marketing agencies by the Iowa Department of Economic Development in March 2006. The Corridor is governed by a 12 member Board of Directors with three directors elected by investors from each of the four counties.

Our Goals

- To become recognized as the most attractive region in Iowa for new ventures and entrepreneurs
- To assist in the creation of 150 new jobs each year through existing industry expansion, start-up businesses and new industry locations
- To attract more residents and workers to the region
- To build and maintain partnerships and relationships to ensure the successful completion of the strategic plan

“The Corridor continues to provide value for the region by developing opportunities and cultivating growth. The organization’s structure and leadership demonstrate how collaboration and cooperation benefit the region.”

-Jim Vermeer

Vice President of Business Development
Corn Belt Power Cooperative

A Message from the Chairman

It's exciting and a privilege to serve as chair of the Iowa Lakes Corridor Development Corporation. I'm proud to present this year's annual report. It is a testament to the support and commitment of our public and private sector investors, partners and employees to continue to build our successful regional model for economic development.

Traditional Iowa hard work and persistence by numerous individuals and companies resulted in several substantial accomplishments this fiscal year. It is also building momentum across the Iowa Lakes Corridor region for the year ahead. Over 70 percent of all new jobs are created by existing companies in our communities and region. This has been the case again this year as the Corridor assisted and supported 10 projects and companies, nine of which are existing. These 10 projects are projected to create over 250 jobs. This was accomplished in the face of a challenging national economy. We congratulate and thank all of our existing and new employers - big and small - for the important contributions made to our regional economy.

To further support our existing industries, the Corridor utilizes a majority of its marketing dollars for "people" recruitment, which are efforts to attract more residents and workers to the region. Through the use of targeted advertising - traditional electronic, print and sound campaigns, as well as evolving new social media - we are spreading the word about all the Iowa Lakes Corridor has to offer potential residents. A spousal employment network has been initiated this year, a record number of employers participated in our regional job fairs, and staff participated in several college career fairs in and outside of the region to encourage new professionals to make the Iowa Lakes Corridor their home. We also developed new partnerships and initiatives to prepare our young people to work in the region through Junior Achievement programming and new school-business partnerships.

Beginning in 2006, the Corridor placed an increased emphasis on growing from within by dedicating significant resources to encourage entrepreneurship. With the sixth annual Okoboji Entrepreneurial Institute quickly approaching, our youth entrepreneurship programs are providing opportunities to young people in the region that otherwise would not be possible. By adding a full-time entrepreneur to our staff, we are offering support and expertise often only found in larger metropolitan areas. We are highly invested in supporting, nurturing and growing entrepreneurs in the Iowa Lakes Corridor region in a committed effort to help start 10 or more companies each year.

2012 will mark the 20th year of the Iowa Lakes Corridor. Many plans to celebrate the past and prepare for the future are under way. The Corridor will be moving to a more permanent office location in the fall of 2011. Remodeling work is under way, with a moving date and details to be shared soon. In preparation for the next 20 years, the Corridor is developing a new strategic plan. Active engagement of our member counties was a priority in this effort, with over 80 individuals from the region participating in our Charting the Course forum and focus group sessions in March and April. Through the feedback and involvement of many throughout the Corridor region, we are confident a dynamic and focused plan will be presented by Fall 2011.

Thank you for your participation and support of the Iowa Lakes Corridor. Together, let's look forward to Fiscal Year 2012 with great optimism for our region's future.

Sincerely,



Bill Bumgarner



**Bill Bumgarner,
Chair of the Corridor's
Board of Directors**

Financial Report

The Iowa Lakes Corridor appreciates the strong financial commitment of our members and investors, especially following a very tough economic downturn. We have one year remaining in our current pledge campaign. Our balance sheet as of June 1, 2011, is below.



Iowa Lakes Corridor June 1, 2011, Balance Sheet

ASSETS

Checking/Savings	\$162,638	
Pledges Receivable	\$624,255	
CDs	\$102,068	
Total Current Assets	<u>\$888,961</u>	
Fixed Assets	24,421	
TOTAL ASSETS		<u><u>\$913,383</u></u>

LIABILITIES & EQUITY

Current Liabilities	\$29,204	
Long-Term Liabilities	\$631,600	
TOTAL LIABILITIES	<u>\$660,804</u>	

EQUITY

Retained Earnings	\$261,254	
Net Income	(\$8,675)	
Total Equity	<u>\$252,579</u>	

TOTAL LIABILITIES & EQUITY		<u><u>\$913,383</u></u>
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Results:

Summary of Year-To-Date Successes & Measurements

Goal: Become recognized as the most attractive region in Iowa for new ventures and entrepreneurs

Results at a Glance

New primary jobs

Goal: 150

Actual: 279

Retained jobs: 259

New business starts: 11

Projects completed: 16

New investment: \$26.7M

Additional square footage
occupied/constructed:
93,500 sq. ft.

Contacts made: 1,025

Projects/prospects
generated: 35

Existing industry
interviews: 28

Existing companies
assisted: 31

Students in entrepreneurial
training: 153

Number of classrooms in
Junior Achievement: 6

Federal/State funding for
projects: \$7.27M

Growing the regional economy through new start-up companies, helping existing companies grow, and developing the next generation of entrepreneurs and community leaders remained a priority focus for the Iowa Lakes Corridor this year.

The youth entrepreneurship programs, including the fifth annual Okoboji Entrepreneurial Institute for college students, the high school Be Your Own Boss seminar, the high school business plan competition, middle school Entrepreneurship Academy, and training for high school teachers are a point of pride for the Corridor each year - and a lot of fun.

Having an entrepreneur-in-residence on staff opened our doors to 35 client companies and helped start 11 new companies. A new networking club, Club E, is under way, and entrepreneurs from the region are encouraged to participate with other entrepreneurs.

Three training seminars and programs were offered in the region: Kauffman FastTrac® NewVenture™ with 10 participants, How to Start an Internet Business with 33 participants, and the From Recipe to Reality Food Seminar with 22 participants. We partnered with the Iowa Association of Business & Industry to bring a business succession planning seminar to the region as well.

A grant of \$40,000 to the Okoboji Foundation, matched with cash and in-kind by the Corridor, has formed a new partnership this

year. Grant funds through the Iowa Microenterprise Assistance Project - Philanthropy & Microenterprise Demonstration Project Grant came from the Community Foundation of Greater Des Moines Northwest Area Iowa Fund. Grant funds are being used to:

- create a Corridor Entrepreneurial Development Endowment Iowa Fund as part of the Okoboji Foundation Family of Funds to provide a long term resource for programs and services for entrepreneurs.

- allow the Okoboji Foundation and the Corridor to become liaisons to strengthen local, regional and state networks of support for entrepreneurial development and philanthropy.

- promote growth of new and existing endowments within the Okoboji Foundation Family of Funds.

Entrepreneurship has been a growing area of emphasis for the Corridor, and identifying ways to sustain the programs and services for the long-term is a priority. This partnership and any others like it in the future are important to the economic development of the Corridor region.

Number of clients served: 90

Number of new business starts: 11

Private capital raised for clients: \$0, but \$50,000 in Iowa Demonstration Funds

Number of volunteers involved: 50+

Number of schools involved: 8

Client satisfaction: evaluation forms completed on all events and seminars received high marks

Entrepreneurship

Objective: Assist in the start-up of 10 new companies in the region by June 30, 2011



Brent Wyman, right, a 2011 FastTrac® graduate, will re-introduce Wyman's SpudNuts to the Clay County Fair and to other Midwest-based fairs and events. The business will use his family's secret recipe for making fresh donuts from potato flour.

Kauffman FastTrac®

The Iowa Lakes Corridor is a certified Kauffman FastTrac® provider agency, and sponsored a FastTrac® NewVenture™ course, a 10-week, 30-hour program that teaches entrepreneurs in the early stages of developing their business.

Brian Dalziel, senior vice president of the Corridor, facilitated the course. Ten entrepreneurs completed the program. Eight of the ten continue to pursue the business they planned during the course. Three are expanding businesses they owned prior to taking FastTrac®, and two new start-ups have been launched and are in operation since the entrepreneurs

graduated from the program.

The course teaches a different aspect of entrepreneurship each week. Participants research the size and composition of their market, identify channels of communication to reach prospective customers, identify needed capital equipment and facility expenditures, determine the number and types of employees they need to recruit, determine how much money they need to launch their business, complete financial projections that teach them about the cash flow requirements for their business and familiarize themselves with sources of start-up funding. Each week features a guest speaker with expertise in that week's subject.

Entrepreneurial Assistance

Iowa Lakes Corridor provides business coaching services to entrepreneurs. During this fiscal year, the Corridor has provided coaching services to 35 entrepreneurs. Entrepreneurs receiving services founded 11 start-ups this past year.

One of these entrepreneurs is Kristy Henning, founder and CEO of Estherville-based EcoSense, the inventor and marketer of BagAgain™ reusable produce bags. Millions of disposable plastic bags are used each day in grocery stores across America to take home fresh produce. These bags, provided in the produce section by retailers, are thrown away after a single use.

BagAgain™ reusable produce bags replace disposable bags,

can be sanitized in laundry machines and used over and over again.

Henning, a FastTrac® graduate, has been receiving coaching services from the Corridor over the past year. During that time, Henning has recruited key leadership team members, planned her branding strategy, evaluated distribution channels, selected strategic manufacturing partners, completed four iterations of product prototype development, received consumer feedback from an informal intercept study and is planning formal focus groups to explore pricing and other important consumer issues. Henning is now working with the Corridor and her leadership team to complete her business plan and a detailed proforma financial statement in advance of a private equity solicitation.



Kristy Henning shows how her BagAgain™ reusable produce bag expands to hold a dozen apples, and shrinks back to its original size after use. The eco-friendly fabric is made from recycled water bottles.

Existing Business and Industry

Goal: Add 150 new primary, higher-wage jobs to the region through existing business and industry expansion, new industry locations, and new business start-ups

The Iowa Lakes Corridor aggressively marketed and traveled the country to promote the region and our existing employers to prospective industry, residents and workers. Three tradeshow and three site location consultant events had a Corridor presence to generate prospects and job candidates for the region.

Corridor staff completed 28 in-depth existing industry interviews and met with another 31 employers. Technical assistance was provided to 31 businesses for expansion, retention, supply chain and local government assistance. Corporate head-quarter visits were made with two major employers, Klaussner Home Furnishings and Pure Fishing.

Electronic ads, print ads and an electronic newsletter were distributed to targeted markets. These activities resulted in over 1,025 contacts made, which generated nine projects/prospects as well as more than 94 resumes of candidates for existing employers.

The regional employment directory was updated quarterly; it includes information about 70 regional employers. Two regional job fairs were organized for employers in the Corridor. The Spring Regional Job Fair had record numbers, with 33 employers attending, and 133 attendees from 38 towns.

Number of companies served: 103

Number of contacts made: 1,025

Number of leads, prospects and projects generated and sources: 35

Number of projects: 11 expansions/existing; 1 new Location; 4 start-ups

Number of new primary jobs created from existing and new companies: 253 retained; 279-353 to be created

New investment: \$26,791,000; Additional square footage - 93,500–95,500

Objective: Proactively assist existing business and industry to maximize growth opportunities in the region.

Business Recognition Event

The Iowa Lakes Corridor held the first annual Business Recognition Luncheon for existing business and industry in November 2010. This event was held as a way to thank businesses for their commitment to the Corridor region. Three awards were given during the luncheon: Small Business Excellence, Large Business Excellence and Entrepreneur of the Year.

The Corridor requested nominations for the awards, and gave the nominations to a judging committee comprised of business and community leaders throughout the Corridor. The winners were announced at the luncheon. Businesses were nominated for various reasons: contribution to local economy, recent expansion, new product or service, customer service, management practices, and community involvement.

Winners were Thinx for Small Business Excellence, Ranco Fertiliservice for Large Business Excellence, and Pat McGill for Entrepreneur of the Year.



Winner of the Large Business Excellence award was Ranco Fertiliservice of Sioux Rapids. Pictured are owners Bob and Pat Reno and long-time employee Carol Hermstad.

In correlation with the Business Recognition Luncheon, the Iowa Lakes Corridor proclaimed the week of the event as Business Appreciation week, and had city and county governments pass proclamations with the same declaration.

Junior Achievement

The Iowa Lakes Corridor assisted two schools with launching the Junior Achievement program in their elementary schools. Clay Central-Everly's elementary school and Newell-Fonda's kindergarten class completed the program in the spring of 2011. The JA program utilizes volunteers in the business

community to come into the classroom and talk to the students about their experiences. Volunteers also lead hands-on learning activities during their five sessions. Having volunteers from the business community not only helps the students learn about entrepreneurship, but also builds relationships between the school and local companies.

Goal: Attract more people and workers to the region

A long-term challenge for many rural areas is to retain and attract people and workers, and the Iowa Lakes Corridor is no exception.

Online advertising continued and was expanded to include new markets. The "Why Go Back?" campaign continued, inviting visitors to make the Iowa Lakes Corridor their home. The campaign included billboards, radio, television and print advertising.

Website clicks from Google Ads: 7,823

Website clicks from other electronic advertising: 6,504

Website traffic and earned media from Why Go Back?: 617

Job matches as result of efforts: 2

2010 Census results: 63,896

Objective: Develop and broadcast the compelling case for the Iowa Lakes Corridor region as the place to live, work and play.

In a concentrated effort to bring more people to the region, the Corridor continued online and out-of-region marketing for job openings in targeted geographic locations. Google, LinkedIn and Facebook ads showcasing specific jobs, as well as the Corridor's Job Center webpage, were used. Two billboards, one in the Corridor region and one near Webster city, advertised job availability.

Radio ads in Sioux Falls ran periodically throughout the fiscal year, and will continue throughout the summer. Print, radio and online job ads ran in Des Moines during the Iowa State Fair.

Because of the promotion of jobs in the Corridor region, the Job Center page on the Corridor's website is the second most visited page after the homepage.

Goal: Build and maintain partnerships and relationships to ensure the successful completion of the Corridor's strategic plan

Building and maintaining partnerships is a necessity of any organization today. The Corridor has recognized this for many years, and has raised the bar by including it as a specific goal in its strategic and annual work plans.

Highlights for this fiscal year have been the increased participation of Corridor staff in professional and civic groups, our annual Washington, D.C., Summit, our Des Moines forum, and new partnerships formed this year with the Okoboji Foundation and Community Housing Initiatives.

Corridor staff are serving in leadership roles in the Clay County Community Foundation, the Okoboji Foundation, Professional Developers of Iowa, Young Professionals of Iowa, MidAmerica Economic Development Council, Community Housing Initiatives, and the Iowa Venture Capital and Entrepreneur Conference.

The 2011 Washington, D.C., Summit presented several policy recommendations and key priority infrastructure projects that are important to the long-term viability of the region. With the change

in administration in Iowa, the Corridor staff and Board of Directors met with three new state agency directors and area legislators to maintain lines of communication and build strong relationships with state government leaders.

New partnerships formed this year will have long-term benefits for the region by providing additional expertise and resources for key initiatives: housing and entrepreneurship.

The Corridor has formed a new collaborative partnership with Community Housing Initiatives, a statewide, non-profit housing and development group based in Spencer, and affiliate of Neighbor-Works America, to begin identifying and addressing housing needs in the region.

Number of partnerships and allies: 34

Attendance at investor meetings: Average of 54

Federal/state funds received for projects: \$7,270,000

New investors: 3

Earned media: 44 news releases, 171 articles published, 16 radio interviews, 1 magazine story,

15 news programs

Marketing & Communications

The Corridor's Marketing and Communications plan includes promoting and publicizing entrepreneurial success stories. To further this, the Corridor started the promotion of women entrepreneurs. The Corridor region is fortunate to have a large pool of women entrepreneurs to support. Since January 2011, one woman entrepreneur has been featured each month in the monthly e-newsletter, online and as a distributed press release.

"I cannot thank the Iowa Lakes Corridor enough for their article about my business. It was so well written that our corporate headquarters asked for a copy. Within days of the printed article, I received calls from new clients who were excited to try my products. The best part was that it formed a relationship of helping others. I sincerely thank the Corridor for their promotion of women entrepreneurs in the region."



-Karen Vander Laan

Website

A significant amount of time and energy is put into the Corridor's website, lakescorridor.com. The website is the primary source of information for potential, existing and start-up companies, as well as potential and existing residents. Since July 1, 2010, 27,755 visits have been made to the website by 19,093 individuals in 89 countries. Search engines have sent 48.97 percent of visitors, direct traffic has sent 27.88 percent of the visitors, and referring sites have sent 23.14 percent of visitors.

Facebook

The Corridor's Facebook page, www.facebook.com/iowalakescorridor, has also been a source of information to residents for events and accomplishments in the region. Since July 1, 2010, the Corridor's Facebook page has received 43 new likes, for a total of 119 lifetime likes. Facebook, via the page and advertising, has sent 2,738 visitors to the Corridor's website.

Iowa Lakes Corridor is Charting the Course for 2013-2016

It doesn't seem possible, but the Iowa Lakes Corridor is already planning for the years 2013 to 2016. The organization's current strategic plan is entering its fourth year and has begun the process for a new or revised set of goals and objectives for the next four years. A more broad and involved process is under way, and was launched on March 24th with an afternoon of experts providing recent demographics, research, trends and examples of rural and regional economic development approaches. Over 70 individuals from across the four-county region of the Iowa Lakes Corridor attended and participated.

Presentations were done by Don Macke, Director, Center for Rural Entrepreneurship of the Rural Policy Research Institute; Christine Hamilton-Pennell of Growing Local Economies; and

Jennifer Riggerbach, Project Coordinator of Workforce Central, an initiative of the South Wood County Community Foundation in Wisconsin Rapids, Wisc. All of the research materials and presentations have been posted to the Corridor's website at www.lakescorridor.com/partner-with-us/charting-the-course. The page also includes several articles the Board of Directors and staff have reviewed to help inform of current research and trends.

The Iowa Lakes Corridor conducted additional research to assist in this planning process. An exit survey was conducted immediately following the March 24th event to test some of the concepts highlighted during the afternoon, with some questions also included in the annual member/investor survey. A series of focus groups were held in each of the four coun-

ties in late April with about 70 attendees total. The themes across the region have been consistent and are being considered by a core team charged with helping develop the plan.

For the first time, the Corridor has contracted with an outside firm to survey new movers to the area and will begin to incorporate findings from the research into marketing messages and the strategic plan. The targeted date for completing the next strategic plan is July 31, 2011, with Board approval in August.

"The current strategic plan has served the region well," said Kathy Evert, president and CEO of the Iowa Lakes Corridor Development Corporation. "It is a well-rounded plan which is always good, but was especially beneficial given the great recession that hit every region of the country hard in 2008-2010."

Thank You to our 2010-11 Investors

A&M Laundry
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