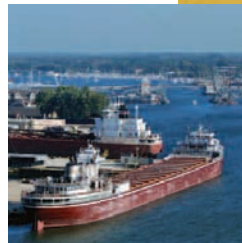
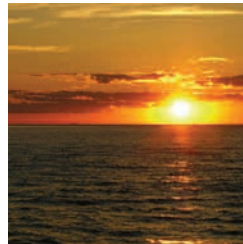




BUSINESS

By

NATURE



*“The Door County
Economic Development Corporation
is a public/private partnership
dedicated to improving the
economic vitality of the County
and its residents.”*

2010 *Annual Report*

Dear Investors & Friends,

As we reflect on the past year, we are encouraged that Door County along with the rest of the state and the region are on the road to recovery from one of our country's most severe economic recessions. Most agree that the recovery will be incremental and will take a considerable period of time. But thanks to our well known work ethic, creativity and perseverance, we will come back stronger than ever.

This report recognizes dozens of local organizations and businesses that fought through the recession and are focused on a brighter future. Here are just a couple examples:

- WireTech Fabrication, after years of planning and determination, successfully relocated to a new state-of-the-art manufacturing facility in the Sturgeon Bay Industrial Park. The City of Sturgeon Bay redeveloped their former site into a beautiful residential subdivision and developers V & A of Sturgeon Bay have begun construction on model homes that will complete the transformation of this neighborhood.
- Bay Shipbuilding/Fincantieri Marine Group has invested heavily in new technology, equipment, a new floating dry dock and buildings to help reposition the company as a leader in the global shipbuilding market. This investment has already paid off with the recent announcement of a new contract to build two Platform Supply Vessels (PSV) to support the offshore energy industry.
- DCEDC worked with dozens of businesses to launch the Door County Buy Local initiative. This program aspires to help grow the local economy and employment by encouraging and educating the community about the impact of purchasing locally whenever possible. The program has grown to over 120 members in just a few short months.

We commend these and every local business that made the commitment and investment to survive and thrive in this new economy.

We invite you to review this report and learn more about the work of your economic development team. None of this work would be possible but for the support of our investors and the many dozens of volunteers. We respectfully request your continued support to help ensure a brighter future for all county residents. Thank you.

Sincerely,

Roger Kinnard,
Chairman

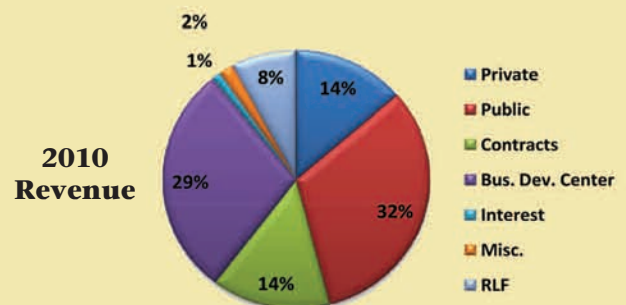
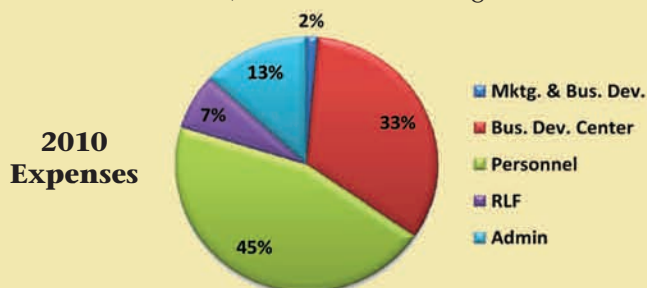
William D. Chadoir,
Executive Director

FINANCIAL RESOURCES

While developing and administering an aggressive economic development program, DCEDC strives to control costs and to direct resources where they are most beneficial. The graphs below were developed using information from the Door County Economic Development Corporation's year-end financial statements. Schenck Business Solutions, Certified Public Accountants, will be conducting an audit of

these statements this spring. Revenue for 2010 totaled \$293,656.18 and expenses totaled \$297,333.25.

Most DCEDC investor revenues are raised through three-year pledge drives. The DCEDC has received public sector commitments through 2011 and private sector commitments through 2013.



BUSINESS By NATURE



ECONOMIC DEVELOPMENT CORPORATION

EXISTING BUSINESS ASSISTANCE

■ In the year gone by, DCEDC responded to requests for business consultation from 59 existing local companies, including **Therma-Tron-X**, **N.E.W. Industries** and **Warner-Wexel**.



■ In April, **Roen Salvage Company** was recognized as the Door County Industry of the Year at DCEDC's Annual Meeting, and Northern Door restaurateurs **Kris** and **JJ Johnson** were recognized as Door County's Entrepreneurs of the Year for 2010.

■ After more than 15 years of discussions and negotiations, 2010 finally saw the relocation of **WireTech Fabricators** to a state-of-the-art facility in the Sturgeon Bay Industrial Park. The 65,000 square foot facility, built by Keller Inc., is considered to be one of the most modern CNC wire form fabrication facilities in the United States.



■ **V&A of Sturgeon Bay**, a partnership between "R" Van Rite Construction and Heritage Custom Homes of Green Bay, will be the developer of the 17-lot **Sunset Hill #2** subdivision on the former WireTech site. During 2010, the City of Sturgeon Bay razed the former WireTech building and prepared the site for housing development. Model homes will be built on the existing site by summer 2011. The WireTech project received invaluable support from a number of organizations, including the Wisconsin Department of Commerce and the Wisconsin Housing and Economic Development Authority.



■ **Bay Shipbuilding** and their parent company **Fincantieri Marine Group** completed construction of the first section of a new floating dry dock, as part of the on-going implementation of the Sturgeon Bay Shipbuilding Cluster Master Plan, with the second section to be completed by the end of 2012. Bay

Ship/FMG also constructed a new 3,500 square foot weld training center, a 17,000 square foot pipe shop in the shipyard and began a 15,750 square foot expansion of their existing Building 311. They also announced that they have been approved for a \$2.9 Million federal economic stimulus grant through the Maritime Administration Small Shipyard Assistance Program. The company will provide a 25% match for the grant that will fund new equipment for their Steel Fabrication Process Improvement Project; DCEDC assisted with the grant application. Overall, **Fincantieri** has committed over \$15 Million for capital improvements at Bay Ship.



■ DCEDC continued to offer monthly office hours in Northern Door County during the off-season to help grow important sectors of the economy around the entire County, including the tourism industry. Over eight sessions, DCEDC met with 17 entrepreneurs and business owners.

■ DCEDC and Door County Visitor Bureau hosted five educational/informational sessions featuring guest speakers on marketing, social media, customer engagement, health care and telecommunications, especially targeting the Northern Door business community and the tourism industry. Combined, the five sessions drew more than 225 participants.

BUSINESS RETENTION

■ DCEDC staff and Business Retention committee volunteers conducted 19 business retention interviews with a diverse group of local manufacturing, service, construction, retail and tourism businesses to thank them for doing business in the county and to assist them in resolving any issues constraining their growth.

■ Staff and volunteers continued to utilize **Executive Pulse**, an on-line business retention software package being employed throughout Northeast Wisconsin, which allows for data mining and reporting capabilities on both the local and regional level. Findings from **Executive Pulse** are included in this report.

ENTREPRENEURIAL SERVICES

■ During 2010, DCEDC assisted over 170 entrepreneurs investigating the feasibility and/or start-up of new business ventures. **Mariner Club of Door County**,

BUSINESS by NATURE



Brew Coffeehouse, G&J Glassworks, Lo Artisan Distillery, Kayaking Adventures Door County, Door County Distillery, Tracey Construction, Ping Studios, Floormart of Door County and Kitty O'Reilly's are among the new business ventures established in Door County in 2010.

■ The Door County Business Development Center (business incubator) is currently home to 10 businesses with 22 employees. Dust Free Sanders and the Jim Larsen Boys and Girls Clubs of Door County became new Center clients in 2010. Eighteen businesses have graduated from the Center, creating 80 jobs to date.



■ DCEDC co-sponsored the ninth annual Door County entrepreneurial training program, teaching 13 new and existing business owners how to write a business plan to grow their companies. Restaurant entrepreneur Will Gregory of Sturgeon Bay won a \$1,000 cash award provided by Associated, Baylake and Citizens banks, and an advertising package from FM106.9 The Lodge for his business plan, judged to be the best from the class.



■ DCEDC and the UW-Green Bay Small Business Development Center have a close partnership, which includes monthly visits to Door County by an SBDC Business Counselor. A total of 104 counseling sessions were held in Door County in 2010, accounting for 180 counseling hours with 57 distinct clients. 65% of clients were existing business owners. Four counseling clients started businesses in 2010 and two more expanded existing operations. Total capital raised or approved for SBA guarantees for Door County counseling clients totaled \$291,000 in 2010.



■ DCEDC administers Revolving Loan Fund programs for the County of Door, City of Sturgeon Bay and DCEDC Board of Directors, providing low interest financing for new or expanding businesses. In 2010, loans totaling \$825,000 were approved for **HTE, Inc., Captain Commodores, Kitty O'Reilly's, Lo Artisan Distillery, Therma-Tron-X, Trillium Herbal Company and WireTech**, leveraging \$1.959 Million in private funds, creating 37 jobs and retaining 135 jobs over the next three years. There are currently 24 active loans between the three revolving loan funds.

BUSINESS FINANCING

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■ During the 20-year history of the Door County revolving loan funds, DCEDC has serviced 65 loans with a value of over \$9.56 Million. Cumulative impact of the three Revolving Loan Fund programs includes almost \$31.1 Million in private investments, and the creation of 536 jobs and retention of 212 jobs. The Revolving Loan Fund balance for the three programs is currently \$1.041 Million, which is available to lend to eligible growing businesses.

COMMUNITY DEVELOPMENT

■ DCEDC helped to secure almost \$9 Million in federal stimulus funds from the US Army Corps of Engineers for rebuilding the south wall of the Sturgeon Bay canal and dredging of the Sturgeon Bay shipping channel. The south revetment work consisted of removing dilapidated timber sheet pile; installing over 2,000 feet of steel sheet piling with required anchor wall; placing stone fill, scour stone, and a concrete cap; and installing a safety railing.



■ DCEDC partnered with Mike Ward of Waypoint Private Capital, Inc. to assist in the establishment and management of the Door County Opportunity Fund, which will provide growth capital to Midwestern-based mid-market companies, as well as make much needed financing available to early-stage Door County companies. It is hoped that making seed financing available in the area will encourage and entice entrepreneurs to start or relocate promising businesses to the peninsula. The process of attracting investors to the Door County Opportunity Fund will begin in Summer 2011.

■ The new Door County Buy Local program started in 2010 is a grass-roots economic development initiative that seeks to strengthen local businesses, increase employment opportunities and educate the public about the importance of buying locally whenever possible. The Buy Local Initiative began by encouraging networking opportunities between local businesses during bi-monthly mixer events. A second priority will be educating the public about the economic value of keeping as many dollars as possible in Door County along with efforts to share information about what services and products are available through Door County enterprises. A third focus will be to encourage non-profit, civic organizations and governmental bodies to do as much business as practical with Door County firms. Additional information and schedule of events are available at www.doorcountybuylocal.com.



BUSINESS BY NATURE



ECONOMIC DEVELOPMENT CORPORATION

■ DCEDC collaborated with individuals and other organizations in the preparation of an application for Coast Guard City status for Sturgeon Bay. DCEDC is also working with the City on an initiative to relocate and build a new storage facility for the Guard in the vicinity of Sawyer Park and the Maple-Oregon Bridge.

■ The Wisconsin Housing and Economic Development Authority awarded a \$15,000 grant to DCEDC to provide free paint and fix-up rebates for exterior property improvements to specific properties in the former WireTech neighborhood surrounding the new Sunset Hill #2 subdivision. Property owners were eligible to receive grants of up to \$800 for exterior paint and exterior repairs. Twenty applications to the program were approved and projects completed.

■ DCEDC participated with the County of Door in the production of ten streaming online videos highlighting what Door County offers to visitors, residents and businesses. The videos were released on the DCEDC and County websites in early 2011.

■ The County of Door, the City of Sturgeon Bay and DCEDC endorsed the Wisconsin Economic Development Association's *Be Bold: Wisconsin Competitiveness Study*, which called for significant change in the delivery of economic development services at the state level.

■ DCEDC assisted the City of Sturgeon Bay with a successful grant application to the state Department of Commerce to prepare a redevelopment plan for the City's Westside downtown waterfront, including the vacant Applebee's and Door County Co-op properties.



■ DCEDC provided material assistance to a group of eight Northern Door municipalities in the preparation of a successful application to the Wisconsin Department of Transportation Scenic Byways program to designate portions of Highways 42 and 57 as a State Scenic Byway. The Scenic Byways program provides publicity, recognition and potential grant funding to the designated routes.



WORKFORCE DEVELOPMENT

■ DCEDC hosted our first-ever national keynote speaker for our 2010 Annual Investors Meeting. Rutgers University Prof. Patrick Carr, author of *Hollowing Out the Middle: The Rural Brain Drain*



and *What it Means for America*, discussed the findings in his book, how loss of our youth might impact Door County and suggested possible strategies to fight it.

■ The DCEDC Workforce Taskforce completed its third wages and benefits survey of local manufacturing companies from Door and Kewaunee Counties. The data collected enables companies to better understand the local labor market and keep employee compensation packages competitive. Seventeen companies participated: twelve from Door and five from Kewaunee. DCEDC also partnered with the Door County Visitor Bureau to initiate a wage and benefit survey of local tourism businesses. Sixty innkeepers, restaurateurs and retail business owners responded to that survey.

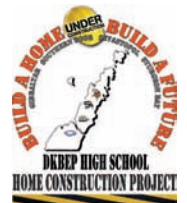
■ The Door/Kewaunee Business & Education Partnership (DKBEP) continued its High School Certified Nursing Assistant Program, offered to high school juniors who may be interested in pursuing a



career in health care. The goal of the program is to provide students the opportunity to explore various health related careers while helping to grow the regional healthcare industry's skilled workforce. Nine Door and Kewaunee students participated in the program and successfully passed their state CNA certification exam.



■ The third DKBEP High School Home Construction Program, which included eleven juniors and seniors from three Door and Kewaunee County school districts, completed a ranch style home in May 2010 in Luxemburg, WI. The home includes generous donations and upgrades from participating sponsors and subcontractors. Students who participate in the program have the opportunity to become skilled in all trade areas associated with home construction, with the goal of continuing their education or joining the local workforce. Six graduates of the 2010 program are continuing their construction education in trades-related programs at NWTC and one has already joined the local construction workforce; four are completing their high school education.



■ DCEDC facilitated an on-going series of meetings between area school administrators and local computer numeric control (CNC) manufacturing firms to discuss workforce needs, growth potential for the industry and a potential solution to more effectively introduce CNC

careers and provide introductory training to K-12 students. Equipment and technology costs are prohibitively high for schools to offer this training on



their own. The businesses indicated this industry is growing significantly and the availability of a qualified workforce is the major deterrent limiting the growth of jobs in this

sector. Northeast Wisconsin Technical College is proposing to purchase and equip a CNC Mobile Tech Lab that will be able to bring training and experience directly to area school districts, and provide customized training for dislocated workers, incumbent workers and high school graduates for area businesses.

ATTAINABLE HOUSING

■ DCEDC served on a Housing Trust Committee to explore the potential for establishing a housing trust to provide long-term attainable housing units in Door County, including participation in a Housing Trust 101 training course in Sister Bay, organized by the National Community Land Network.

■ The County Planning and Zoning Department identified three potential changes to improve workforce housing development: 1) allowing smaller lots in municipal core areas with sewer; 2) providing density bonuses to developers for creating clustered housing; and 3) allowing attached or detached accessory dwelling units. The County Board voted to approve the proposed changes in February 2011.

■ Private developer Keith Garot began construction on a new condo development in Sister Bay. He is building 8-unit duplexes, with plans to eventually build six buildings, for a total of 48 units. In most cases, the units are being sold to year-round members of the Northern Door workforce, including employees of Al Johnson's, Wilson's, the AC Tap and others. DCEDC and members of our Attainable Housing committee provided assistance and support to the project.

TECHNOLOGY COUNCIL

■ Starting in November 2009, DCEDC initiated a series of meetings between representatives from Nsight/Cellcom, the City of Sturgeon Bay, the County of Door, and Sturgeon Bay Utilities to develop a federal Recovery Act (Economic Stimulus) broadband grant application to partially fund fiber optic infrastructure upgrades in Door County. The application was ultimately not funded, but the company remains dedicated to investing resources to improve their telecommunications backbone in Door County. Beginning in Spring 2011, Nsight/Cellcom is installing a fiber optic line from Green Bay to Sturgeon Bay that will provide ultra high broadband services directly to anchor institutions (county buildings, schools and major businesses) in Door County, along with enhanced wireless services. Other service providers will also be able to hook into the fiber network and deliver services to homes and small businesses. The fiber line will eventually continue up to Gills Rock to connect all Nsight/Cellcom wireless tower sites in Door County.



■ Northern Door got a new local phone service provider when Frontier Communications purchased the territory from Verizon in July 2010. With more than 4 million customers in 27 states, Frontier is the largest provider of communications services to rural America. Frontier announced that they will begin offering DSL broadband service to Northern Door in June 2011.



■ DCWis.com (Door County Computer) relocated their wireless service point tower to a location on the east side of Sturgeon Bay, allowing them to provide 10-100+ Mb wireless service to the Industrial Park. DCEDC assisted DCWis in marketing the service to Industrial Park tenant companies. DCWis is also in the process of deploying a Wi-Fi network around the County, including a Wi-Fi mesh covering downtown Baileys Harbor.

THE YEAR AHEAD

*The DCEDC Board of Directors and Staff have established priority strategic objectives for 2011, including working to establish a locally based **equity investment fund**; implementing the final phases of the **Sturgeon Bay Shipbuilding Cluster Master Plan**; partnering with other groups to help **strengthen the tourism industry**; growing the fledgling **Door County Buy Local** initiative; exploring the feasibility of a **Door County Kitchen Incubator**; continuing the process to have Sturgeon Bay designated as a **Coast Guard City**; creating the necessary partnerships towards development of a **regional CNC training center**; supporting the redevelopment of the former WireTech site into workforce housing in the **Sunset Hills #2 subdivision**; and supporting the initiatives of Nsight/Cellcom and Frontier to **improve telecommunications** throughout the County. As always, the DCEDC staff will continue to be available to provide on-going guidance and assistance to the entrepreneurs and business owners of Door County.*

BUSINESS *by* NATURE



THE DOOR COUNTY BUSINESS CLIMATE

2010 Board of Directors

Officers

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DC Manufacturers Assn & Therma-Tron-X

Robert Starr - Vice-Chair

DC Board of REALTORS & ERA/Starr Realty

Greg Stephan - Treasurer

Associated Bank

William Chaudoir - Secretary

Door County Economic Development Corporation

Directors

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County of Door

Thad Birmingham

City of Sturgeon Bay

Patrick Duffy

Premier Search Associates

Joseph Innis

Southern Door County School District

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County of Door

Andrew Starr

Sturgeon Bay Visitor Center

Dr. David Ward

Northstar Economics

Vicki Wilson

Door County Visitor Bureau

Ex-Officio Directors

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UW-Extension

Robert Kufrin

Village of Sister Bay

Robert Loss

Northeast Wisconsin Technical College

Steve McNeil

City of Sturgeon Bay

Jack Money Penny

Door County Visitor Bureau

Michael Serpe

County of Door

Jim Stawicki

Sturgeon Bay Utilities

Dale Swanson

Wisconsin Public Service Corporation

Todd Trimberger

Sturgeon Bay Visitor Center

The future strength of the Door County economy is highly dependent upon the success and growth of businesses that already exist in Door County. The Door County Economic Development Corporation works with existing businesses on an ongoing basis to determine the health and strength of the local economy. DCEDC staff and our Business Retention committee volunteers regularly conduct confidential interviews with local businesses, to thank them for doing business in the County and to assist them in resolving any issues constraining their growth.

The DCEDC Business Retention Committee began using Executive Pulse, an on-line business retention data management system, in late 2006. Economic development organizations and technical colleges throughout Northeast Wisconsin are using Executive Pulse to track and manage data collected in interviews with corporate leaders. The Executive Pulse system allows for local and regional reporting, including aggregate trend analysis, comparative jurisdictional analysis and predictive reports.

During 2010, DCEDC staff and Business Retention committee volunteers conducted interviews with 19 area firms – a diverse mix including manufacturing, construction, retail, health care, accommodations and food service – representing a total workforce of 1,511. Results from those interviews are excerpted below to give a general impression of the Door County economic climate, as viewed by the business leaders of our community.

- 89% of employees are residents of Door County;
- 69% of area companies see employment either increasing or staying the same;
- 42% plan to hire additional employees within the next year;
- 79% rate the quality of the local workforce as *Good or Excellent*;
- 45% rated housing in Door County as *Good or Excellent*;
- 83% rate the recreational and cultural amenities of Door County as *Good or Excellent*;
- 61% rate economic development in Door County as *Good or Excellent*;
- 77% rate K-12 education in Door County as *Good or Excellent*;
- 100% rank the Internet as *Important or Somewhat Important* to their business;
- 42% rate local telecommunications services as *Good or Excellent*;
- 31% rate the local business climate as *Good or Excellent*;
- 18% rate the local business climate better now than five years ago;
- 71% forecast that the local business climate will be better five years from now;
- 82% indicate a positive corporate attitude towards the community.

Anyone interested in participating in the DCEDC Business Retention efforts, either as a volunteer or as an interviewee, should contact the DCEDC office at 920-743-3113.

185 East Walnut Street
Sturgeon Bay, WI 54235
920.743.3113 800.450.3113
www.doorcountybusiness.com

DCEDC 2010 Investors

Because economic development on the Door County Peninsula is good for *all* businesses, existing companies are an important source of financial support for DCEDC. This voluntary investment enhances the ability of DCEDC to provide business assistance, financial incentives and other initiatives designed to strengthen the local business climate. These private funds are combined with local government investments, grants and contract service fees to provide the money necessary for DCEDC to fulfill our mission "to improve the economic vitality of the county and its residents."

We encourage you to support the companies that invest in DCEDC.

Diamond (\$55,000 & up) County of Door

Platinum (\$5,000 - \$54,999)

Bay Shipbuilding Company City of Sturgeon Bay Sturgeon Bay Utilities

Gold (\$2,500 - \$4,999)

Baylake Bank Door County Memorial Hospital Wisconsin Public Service

Silver (\$1,000 - \$2,499)

American Transmission Company Hatco Corporation Palmer Johnson Yachts
Associated Bank Marine Travelift Village of Sister Bay
Be's Vending N.E.W. Industries Wulf Brothers

Bronze (\$500 - \$999)

Alberts Plastering Parcus Medical LLC Roen Salvage
C&S Manufacturing Corporation Peterson Builders, Inc. Stone Harbor Resort
Keller, Inc. Pinkert Law Firm Therma-Tron-X
North Shore Bank Pioneer Credit Union

Copper (\$499 & under)

Bank Mutual	Door Peninsula Winery	Just In Time Corporation	Portside Builders
Bay Electric Systems	Eagle Mechanical	Key Industrial Plastics	Pro Products
Bayland Buildings, Inc.	ERA/Starr Realty	LeFevre Tire & Auto	Simon Creek Winery
Bay Pharmacy	Flanigan Distributing	LfpDesign!	Soik Communications
Bridgeport Resort	Forbes Funeral Home	Little Fish Studios	Stoneman Schopf Agency
Casperson Funeral Home	Foremost Management	Logan Creek Soap	Title Services of Door County
C-Clearly Window Washing	Four Sail Realty	Main Street Market	Van's Lumber and Builders
Cellcom	Going Garbage & Recycling	May Realty	Veolia Environmental Services
The Cookery	Gordon's West Side Electric	McDonald's	Viking Electric
Dan's Fish, Inc.	Great Lakes Yachts	Meissner Landscape	W.E. Builders
DC Printing, LLC	Hedeon Foundation	Neuville Family Limited Partnership	Warner-Wexel
Door County Coffee & Tea Co.	Heyrman Construction Co.	Northeast WI Technical College	Washington Island Ferry Line
Door County Eye Associates	HTE, Inc.	Pine Crest Village	Witt Peninsula Ford
Door County Hardware	Insurance Center of Sturgeon Bay	PIP Printing	Woodrow Engineering
Door Landscape	JR Vacation Rentals	Plainfield Stamping	Young Automotive

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DoorCountyDailyNews.com Schenck Business Solutions Sturgeon Bay Visitor Center
Door County Visitor Bureau Stone Harbor Resort Sturgeon Bay Florist
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