



eNews Update

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February 25, 2010

Recent News:

APEX Positions Region in the Final Showdown for 1,500 Jobs

– Since early 2009, APEX has engaged in discussions with a European wind turbine manufacturer that is currently seeking a suitable location for the Company's new North American headquarters and production facilities. At a meeting with the Company in Atlanta in early February, 2010, an APEX-led delegation succeeded in positioning the region of northeast Minnesota and northwest Wisconsin as one of the final two sites that are still under consideration for this major expansion. This delegation included senior leaders from Iron Range Resources and DEED. There is still much work to be done, but current estimates place the potential job creation for this project in the range of 800-1,500 FTEs. This project originated with APEX and in July of 2009, [Lisa Heyesen](#), APEX Director of Business Development, traveled to the Company's European headquarters to discuss the competitive advantages of our region. The Company's management team visited the Twin Ports the following month, and since that time the Company has engaged a site selection firm to navigate its formal site selection process. APEX has worked diligently with its partners at the Federal, State and Local levels to keep our region in the running.



GeaCom Celebrates Emergence of Phrazer™ – After the recent earthquakes in Haiti, the world watched in horror as some 300,000 people suffered injuries and cried out for help. As these voices cried out in many different languages, the international teams of rescuers who rushed to their aid found deeper barriers beyond the physical destruction. Every day, in every country, language barriers pose significant challenges in emergency situations – whether in a natural disaster or on a simple trip to the hospital while vacationing in a foreign land. [GeaCom](#), a Duluth-based start-up, may very well have the solution the world is crying out for. On Friday, March 5, 2010, GeaCom and its affiliates will gather at the DECC to celebrate the emergence of [Phrazer™](#) - the world's first multi-lingual, interactive communicator. This breakthrough communication system will not only transform medical care worldwide, but will also have a major impact on reducing costs while saving lives. APEX has assisted [GeaCom](#) in various stages of the Company's growth, and we hope you will join us in congratulating this outstanding Northland business on their recent success. If you are interested in attending the celebration event, please contact Lisa Heyesen at lheyesen@apexgetsbusiness.com.

New Member Joins APEX – We are pleased to announce that [Jamar Company](#) joined APEX this month as a Contributing Member.

The Jamar Company has a proven track record of completing complex industrial and commercial projects efficiently and safely, with a commitment to exceeding customer expectations and delivering projects on time, with a high degree of safety, within budget and with the highest level of quality. Please join us in welcoming [Jamar Company](#) as our newest APEX member!



In This Issue

- New Member Joins APEX
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- ABioNova Signs MOU with Superior Steel

Mark Your Calendars!

APEX Board Meetings:

- Thursday, March 11, 2010 at 7:30 a.m. in the Great Lakes Ballroom at the Holiday Inn, Duluth
- Thursday, May 6, 2010 at 7:30 a.m. in the Lyric Room at the Holiday Inn, Duluth

[Click Here to View the Entire APEX Calendar of Events!](#)

Helpful Links

www.NorthlandConnection.com
Research site options, demographic information and more, all at one convenient location. The Northland Connection is a dynamic resource for businesses looking to expand or relocate in the region of northeast Minnesota and northwest Wisconsin.

Tax Credit Information

www.deed.state.mn.us/wote
You know there are tax credits out there, but how does a business qualify? Visit the DEED website to learn more about Federal income tax credits that are available for employers who hire individuals from targeted categories.

Helpful Links

Labor Market Information

www.deed.state.mn.us/lmi

Access a wealth of workforce-related information that goes beyond just sheer numbers, including insight on new workforce entrants, workforce shortages, employment, and other economic information.

Minnesota BioMap

<http://network.biobusinessalliance.org/>

Click on the link above to explore Minnesota's bioscience industry resources. Created by the BioBusiness Alliance of Minnesota, this tool can help raise awareness of the state's bioscience capabilities.

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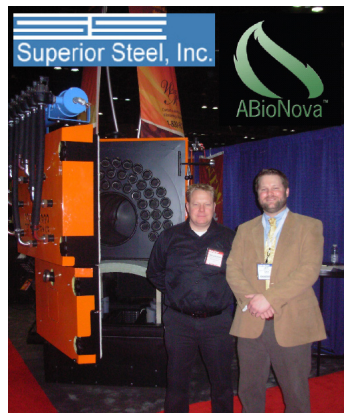


ALLETE President Addresses the APEX Board – At the APEX Annual Meeting on Thursday, January 28, 2010, Mr. Al Hodnik, President of ALLETE, addressed the APEX membership and Board of Directors about the future of the economy in northeast Minnesota and northwest Wisconsin, and of region's leading electric utility provider, Minnesota Power. Key points from Mr. Hodnik's speech touched on the many challenges and opportunities associated with emerging energy trends, as they relate to renewable energy and mandates for compliance. In addition to sharing his insights with the membership and board, Mr. Hodnik was also elected to serve on the **APEX Executive Committee**, filling the seat formerly held by Dave McMillan, who we thank for his five years of service on the Committee.



In other business, Past Chair Steve LaFlamme, President of Oneida Realty Company, was honored for his service as 2009 Board Chair, as he handed the torch to George Goldfarb, Executive Vice President & COO for **maurices**, who was elected 2010 APEX Board Chair. Dr. Thomas Patnoe, President of **SMDC Health System**, was elected as Vice Chair; Nancy Norr, Manager of Regional Development for **Minnesota Power**, was elected as Secretary; and John Strange, CEO of **St. Luke's**, was elected to serve as Treasurer. In addition to Al Hodnik, other At-Large Executive Committee Members included Jim Bendas, Controller for **Genesis Attachments**; Peter Hedstrom, Senior Vice President for **US Bank**; and Dr. Michael Lalich, Director of the **UMD Natural Resources Research Institute (NRRI)**.

APEX Alerts Fraser to Lake Assault Lead – Based on a lead that came through the APEX office, **Fraser Shipyards**, a subsidiary of APEX Member **Reuben Johnson & Son, Inc.**, began in late 2009 to explore the opportunity to purchase **Lake Assault Custom Boats**, a company which specializes in producing patrol, fire, rescue and work boats. Lake Assault Custom Boats has 58 customers in 13 states and represents a natural expansion for the multi-faceted, heavily skilled workforce employed at Fraser Shipyards. Jim Korthals, Fraser's President & COO, lauded the Company's relationship with APEX for having made this deal possible.



ABioNova Signs MOU with Superior Steel – Per Carlsson, President of ABioNova, traveled to the Twin Ports with APEX's Jeff Borling during the first week of February to sign a memo of understanding with **Superior Steel**, a highly competitive Twin Ports manufacturer who will provide full manufacturing support for ABioNova's North American expansion. ABioNova is a Swedish company specializing in high-efficiency biomass boiler systems that provide affordable, low-maintenance heat for mid-sized commercial and public buildings, and for large and small district heating operations. Superior Steel will manufacture and assemble all components of the boiler systems, sales and distribution will be handled by **WoodMaster** of Red Lake Falls, Minnesota, and **ABE Environmental Systems** will serve as the local representative for northeast Minnesota and northwest Wisconsin. The project is expected to create and retain a minimum of 35 permanent jobs. This represents the first of many such technology-transfer/international business attraction initiatives that APEX is pursuing with strategic partners like the **BioBusiness Alliance of Minnesota** and the **Swedish American Chamber of Commerce**, among others.

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Continued Growth at Duluth International Airport: United Adds Service, Delta Expands

– When United Airlines announced plans to offer two round-trip daily flights between Duluth and Chicago via SkyWest, the Northland business community cheered. Although the service provided by Northwest Airlines, now Delta, has long been a valued asset to the regional economy, most business-minded people would agree that competition between two airlines in the same market will ultimately have a greater impact on maintaining affordable rates and securing new routes and expanded service. Sure enough, reports indicate that load factors and booking rates are trending favorably and Delta recently announced two new daily flights between Duluth and Minneapolis, using its larger D-9 aircraft. Travelers can now choose between 11 daily flights in and out of Duluth – seven to Minneapolis and two to Detroit via Delta, and two through Chicago on United/SkyWest. This comes at a time when the Duluth Airport Authority is pursuing a long-overdue expansion of the Airport Terminal. As a community, it is up to us to support the new expanded service being offered at the Duluth International Airport, so that this regional economic development engine can continue to grow. Remember: Think global... Fly Local.



Borling Assumes New Role as APEX Director of Itasca Business Development

– Jeff Borling has been promoted to serve as APEX Director of Itasca Business Development, executing a contract between APEX and the Itasca Economic Development Corporation (IEDC). With support from the staff and leadership of both APEX and IEDC, Borling will focus on driving new business opportunities to the Itasca Eco Industrial Park and throughout Itasca County.

Activities & Results:

New on the Track

1. Data Storage/Co-Location Facility – Together with Minnesota Power, an ALLETE Company, APEX has been working to attract high tech data storage and co-location facilities to northeast Minnesota and northwest Wisconsin. Most recently, the team has engaged in discussions with a new prospect that has several facilities in operation throughout the Midwest. This project is still in the early stages, but Company representatives have visited the Twin Ports and a local delegation has plans to visit the Company's headquarters sometime in March of 2010. If your company is interested in securing space in the proposed data center, please contact Lisa Heyesen at: lheyesen@apexgetsbusiness.com or (218) 740-3667.

2. Software Development Firm – APEX and other GROW! Minnesota partners from across the region recently responded to a request for proposals from the Minnesota State Chamber of Commerce, regarding workforce and real estate information for a Minnesota-based software development firm that is looking to expand into other areas of the State. Proposals have been drafted and submitted, and APEX will continue to monitor the progress of this lead.

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In the Race

1. GeaCom, Inc. – In conjunction with the City of Duluth, the Duluth Seaway Port Authority and Minnesota Power, APEX is working with GeaCom, Inc. to find competitive site options for a manufacturing and production facility in northeast Minnesota. GeaCom is a local company that is currently testing its breakthrough product, Phrazer™. Phrazer™ is a revolutionary hand-held translation device with rapid language acquisition capabilities that can enhance communication and eliminate language barriers in healthcare facilities and other critical situations. You can learn more about GeaCom on their website: <http://phrazer.geacom.net/>

2. IT Consulting Company – APEX worked closely with the City of Duluth to attract an IT company that provides a variety of professional services to Fortune 500 clients around the world. This back-office, consulting company has several offices across the nation, including one in the Twin Cities. The City of Duluth is leading the effort and APEX assisted in helping to market the region and build the business case for expansion in Duluth. There is nothing new to report at this time.

3. Senior Living/Memory Care Facility – APEX recently provided a regional overview and other information to a Twin Cities-based Company that is seeking to locate an advanced Senior Living/Memory Care facility somewhere in the upper Midwest. The Twin Ports area is under serious consideration for this facility and APEX will continue to provide quality information and a high level of customer service to help build the business case for locating in the Northland.

4. Small-Scale Wind Component Manufacturer – This is an early-stage development opportunity that APEX is pursuing in conjunction with several other economic development partners from throughout the region, and specifically in Lake County. The Company's management team has demonstrated a high level of experience and capability, and a significant portion of the project capital has already been raised through private investments. The prototype will be released sometime in December, 2009, representing the next step on the Company's path to the marketplace. APEX and its partners plan to host a visit from the Company's COO and other key decision makers sometime near the end of the first quarter, 2010.

5. Wood Pellet Manufacturer – Based on a lead generated in July, 2009, APEX and the IEDC have worked together to build the business case for an experienced wood pellet producer to locate at the Itasca Eco Industrial Park, at the site of the former Ainsworth OSB plant in Grand Rapids. The Company has demonstrated a successful track record and business model that is well aligned with the needs and values of our Northland communities. Company representatives are now working diligently to negotiate lease terms, initiate the permitting process and establish supply agreements for their new Minnesota wood pellet production operations.

6. Local Electronics Manufacturer – APEX is currently assisting a local electronics manufacturing company that is seeking to raise \$600,000 in additional capital. The Company's flagship product is selling well and can be found in retail outlets and catalog services throughout the world. Existing investors have agreed to contribute up to 50% of the capital needed to fund additional expansions, and APEX is helping to connect the Company's management team with other qualified investors who may be interested in this opportunity. Any interested parties are encouraged to contact Rob West at: rwest@apexgetsbusiness.com

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7. Aircraft/Aerospace Strategy Development – Efforts aimed at aggressively promoting additional growth in the region’s aviation and aerospace manufacturing cluster were temporarily placed on hold at the beginning of 2009, as attention shifted to maintaining and supporting our current manufacturers through the economic downturn and subsequent recession. As the economy begins to show signs of recovery, APEX will redouble its efforts in working with existing regional suppliers to identify new opportunities for business expansion and attraction, while further recruiting new businesses that can fill necessary gaps in our regional supply chain.

8. European Wind Turbine Manufacturer – Northeast Minnesota is still under consideration for a major European wind turbine manufacturer that is currently seeking a location for its new North American headquarters. For more information, please refer to the headline story above.

9. International Wind Turbine OEMs – APEX is currently pursuing three other original equipment manufacturers (OEMs) who are major players in the international wind energy component manufacturing industry, apart from the European contact listed above. Meetings are being arranged with two of these companies in conjunction with economic development partners like the Minnesota Dept. of Employment and Economic Development (DEED) Iron Range Resources, and others. APEX is in close contact with one company specifically, with plans for a visit to the region sometime later this year.

10. Wind Turbine Blade Manufacturer – APEX continues to engage in discussions with a consortium of private sector leaders who are working to establish a manufacturing facility intended to produce a new and innovative utility-scale wind turbine blade. The Company, VEC Technologies, is currently owned by Genmar Holdings, which filed for Chapter 11 bankruptcy in June, 2009. As the bankruptcy process continues to progress, our region is still well positioned to attract the VEC Technologies wind blade operation. APEX has partnered with several organizations to help meet the needs of this prospect, including Minnesota Power, Iron Range Resources, the Duluth Seaway Port Authority, Northland Connection, the Northspan Group, and various entities from communities throughout the region.

11. Local Wood Pellet Producer – APEX is currently assisting a local wood products company that is interested in expanding into the wood pellet and biomass fuel production industry. With strong brand recognition and an existing presence in national retail outlets, the Company has the resources and capabilities needed to become a serious competitor in this industry. APEX was able to connect the Company’s management team with the research and resources needed to complete proper due-diligence, but there is nothing new to report at this time.

12. Angel Fund Development – After identifying start-up capital and angel investment funds as a critical missing link in the region’s business development efforts, APEX teamed up with the Northland Foundation and the Duluth Superior Area Community Foundation to perform a feasibility study assessing the potential for a successful angel investment network to be established in northeast Minnesota and northwest Wisconsin. APEX has since completed a regional survey aimed at ascertaining the interest in starting an angel fund, and with a 40% response rate, it appears as if the interest is reasonably high. More information will be made available on this opportunity later in 2010, although it has already been determined that APEX will not directly manage any potential fund that might be created.

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13. Mixed-use Development Project – APEX is working with several local-level economic development groups to assist an APEX member who is planning an innovative, multi-million dollar development project in northeast Minnesota. Although APEX does not typically pursue projects in the retail, hospitality and tourism sectors, the tax revenue and other corresponding economic impacts associated with this project are significant enough to warrant serious attention and support.

14. Contact Centers – APEX typically responds to one or more requests a month from Site Selectors representing expanding or relocating call center/customer service operations. Although we rarely hear back from the Site Selectors after the initial information has been submitted, we will continue to respond to these requests and will follow up with them diligently. We have responded to at least four such requests in the past three to four months.

Over the Finish Line

1. Biomass Boiler Manufacturing – APEX continues to facilitate meetings between representatives of international companies and local manufacturers who would like to tap into the growing market for high efficiency furnaces and boiler systems that rely on woody biomass fuels. Per Carlsson, President of a Swedish company known as ABioNova, is the first of these prospects to establish a foothold in Minnesota, having recently signed an MOU with Superior Steel, a competitive Twin Ports manufacturer. For more information, please refer to the headline story above.

2. Commercial Air Carrier – Over the past several years, APEX has worked closely with the Duluth Airport Authority, Monaco Air Duluth and several other partners to develop strategies for expanding commercial air service at the Duluth International Airport. In an effort to address regional demands, Allegiant Air recently added direct flights between Duluth and Orlando, and United Airlines announced daily service between Duluth and Chicago beginning December, 2009. APEX and its partners are pleased with these developments and will now redirect their efforts to supporting existing carriers and maintaining services.

3. North Shore Manufacturing Company – APEX recently assisted a local manufacturing company that has signed a new contract that will allow it to expand its business significantly in coming years. It was initially thought that there may be a need for APEX to provide consulting services aimed at positioning the Company to better manage its long-term economic growth. However, based on preliminary discussions with Company representatives, APEX was able to help identify opportunities for cost-saving measures and other improvements that negated the need for additional consulting assistance.

4. Industrial Cleaning Operation – Hydro-Klean, a Midwestern company that specializes in large-scale industrial cleaning projects recently opened shop in Duluth at the Garfield Enterprise Park. As the Company expands its presence in Minnesota, Wisconsin and North Dakota, this expansion will result in 10 new jobs in the Twin Ports with plans for additional growth in the future. This prospect came through the Northland Connection – a product of the Northspan Group that is sponsored by APEX, Minnesota Power and many other regional partners – and APEX worked closely with the Northland Connection, Express Employment Professionals and the City of Duluth to bring this opportunity to the Northland.

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Sidelined

1. Large Capacity Battery Production – APEX recently engaged in discussions with a manufacturer of large capacity batteries and electric storage devices for the solar and wind energy production industries. The Company is looking for a beta site and is considering the Duluth area in its national search. This prospect is still in play.

2. Polypropylene Production – Based on feedback from several APEX members and other regional businesses, APEX is exploring the potential for a polypropylene manufacturing operation to be established in northeast Minnesota or northwest Wisconsin. Polypropylene is a chemical-based thermoplastic polymer that is used in a variety of applications, including the production of plastic packaging materials. There seems to be a wide demand for these products in the northern tiers of Minnesota and Wisconsin, which suggests there could be significant savings for local businesses in the form of shipping costs, if they had access to a local provider.

3. Operations and Maintenance Service Center – Past reports suggested the State of Minnesota was on the short list for a prospect that would provide operational and maintenance support to the growing wind energy industry. This lead originated with the Minnesota Department of Employment and Economic Expansion (DEED) and APEX assisted in providing information about the competitive advantages of the Arrowhead Region. All signs suggested that northeast Minnesota was still on the list. However, without any recent communication from the prospect, APEX now assumes that this lead has grown cold. We will revisit this with our partners ascertain whether or not there is still an opportunity to bring the prospect to the Northland.

4. Commercial Aircraft Maintenance Facility – APEX has engaged in discussions with Northern Aero Partners, Cirrus Design Corporation, the Duluth Airport Authority, DEDA and the City of Duluth to examine an opportunity to reopen the former NWA Maintenance facility to provide MRO services for commercial aircraft. This new venture is still very much in the early stages and will require a substantial amount of due-diligence; there is nothing new to report at this time.

Off Track

1. Early-Stage Wind Energy Component Manufacturer – APEX recently worked with the Dept. of Employment and Economic Development (DEED) to create marketing materials that speak to the competitive advantages of our region, in response to a national search being conducted by an early-stage wind turbine component manufacturer. Initial reports indicated that several sites in northeast Minnesota had made it onto the prospect's "short list." However, APEX recently learned that this is a start-up company that is not well capitalized, and we are no longer optimistic about the project's potential.

2. Green Chemistry Pilot Project – In early April, 2009, APEX worked with the BioBusiness Alliance of Minnesota to arrange a series of meetings between local paper/pulp operations and a biomass/green chemistry company that is currently exploring site options for a pilot project. Although the pilot project will likely go to a paper/pulp mill in downstate Wisconsin, Company representatives continue to show an active interest in our region and are exploring future opportunities for commercialization, once the technology has proven successful in the pilot phase.

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3. Bio-Diesel Production Company – In conjunction with the BioBusiness Alliance of Minnesota, APEX and the Duluth Seaway Port Authority recently hosted a site visit for a publicly traded company that specializes in bio-diesel manufacturing operations. A formal proposal was submitted and a series of follow-up meetings took place at the Port on Monday, July 13, 2009. At this time, it appears there are significant issues related to the financing of this project that could eventually prevent it from going forward in our region.

4. Utility-Scale Wind Turbine Component Manufacturer – A major manufacturing operation is currently being planned by a utility-scale component producer. Based on the specific needs of this prospect, APEX has proposed several potential site options in Lake and St. Louis counties in Minnesota, as well as in Douglas county in Wisconsin. However, we have since learned that the prospect has not secured their joint venture agreement and talks have slowed. We will continue to monitor this situation, but are no longer optimistic about the project's potential success.

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