



# RIPPLE EFFECTS

How does one measure the strength of a state's business climate?  
Or, for that matter, the effects of economic development investments?

Job creation, understandably, often serves as a shorthand metric to reflect an economy's health. Indeed, along with the number of businesses and communities assisted, jobs impacted is a key metric the Wisconsin Economic Development Corporation (WEDC) uses to gauge the effectiveness of the work we perform in concert with economic development partners throughout the state.

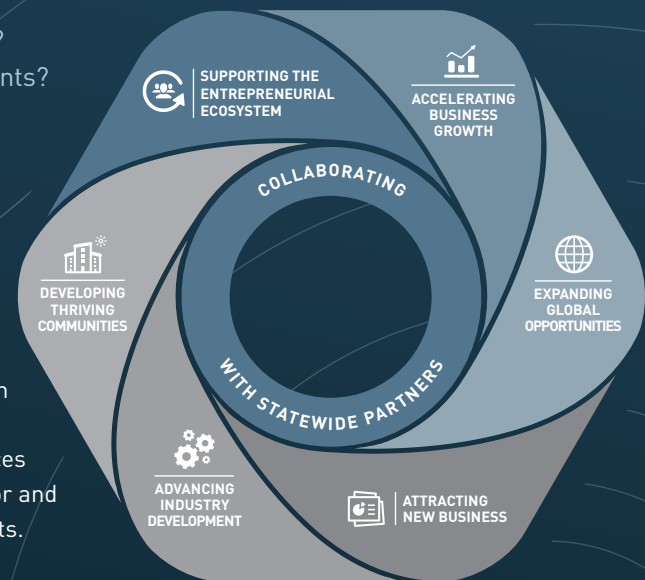
In fiscal year 2014, investments by WEDC and our partners helped more than 2,000 businesses and communities create or retain an anticipated 32,689 jobs. We are proud of these results; however, job impact alone does not tell the full story of the positive outcomes—the ripple effects—that result from our state's coordinated efforts to create new opportunities for business success.

Today's startup company could be tomorrow's Epic Systems. And let's be clear—it is innovative companies throughout Wisconsin that are creating jobs, not government agencies. The best we can do is to help companies operating here take advantage of the markets that exist for their products. And when they win, Wisconsin wins. When a company

spends millions of dollars on an expansion project, much of that money is pumped into the local economy through the purchase of materials, services and future vendor and supplier contracts.

Last year, WEDC invested in contracted projects that will result in more than \$1.6 billion in direct capital investments in Wisconsin. These investments increase Wisconsin's competitiveness for new business attraction, and they provide a foundation for new organic business development. Simply put, business fuels business.

In the pages that follow are just a few stories of the wide-reaching and lasting outcomes that have resulted from projects WEDC has been part of.





EXPANDING

# OPENING A WORLD OF OPPORTUNITY

ExporTech™ is a proven export strategy development program designed to speed a company's "go-to-market" timeline by creating a customized international growth plan for the company's product in target export markets.

“We now have a solid and executable strategy; in addition, we have a clear picture of the achievable results and we're moving forward with confidence. ExporTech took the mystery out of exporting.”

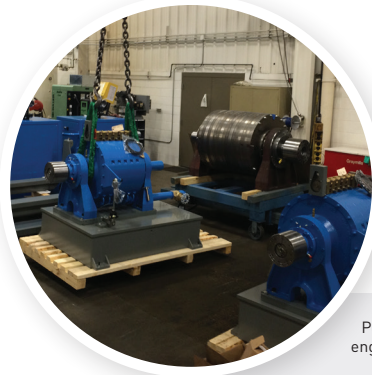
Todd Bielawa, President, Century Products

Studies have shown that the majority of companies making a profit in the U.S. manufacturing sector are engaged in foreign sales and exporting, with exporters experiencing 2.4-times faster overall company growth than their non-exporting counterparts. Exporting offers small and medium-sized companies a proven growth path.

Companies that participate in ExporTech receive access to subject matter experts; individualized coaching and consulting; customized support; and guided development of an international market strategy. The program provides a unique focus on top management success factors and aims to provide companies with early export success at a reduced risk.

## EXPERIENCED PARTNERS

WEDC partners with the Wisconsin Manufacturing Extension Partnership and UW-Stout Manufacturing Outreach Center to deliver the ExporTech Program. The program helps Wisconsin companies establish a proactive approach to export markets, whether they are new to exporting or seeking to develop a more strategic plan to reach new markets. By encouraging and supporting Wisconsin companies to pursue international growth, WEDC and its economic development partners facilitate progress toward a desired future that maximizes the potential of global markets.



Power Test Inc. of Sussex, Wisconsin, provides engine testing equipment to customers worldwide.

- Since 2010, 100 companies have completed the ExporTech program. In total, 20 ExporTech sessions have been held throughout the state, with companies from 38 of Wisconsin's 72 counties participating.
- Graduates indicate an average positive financial impact of \$548,390 within one year of program completion. Using that average, the estimated boost ExporTech has provided to all participating Wisconsin companies in the year following their session is nearly \$55 million.
- As the driving force in job creation and economic growth, small business expansion is critical to the long-term health of Wisconsin's economy. Companies engaged in international business are more stable, achieve higher growth rates and pay higher wages than those that only sell domestically.





SUPPORTING

# FUELING BUSINESS STARTUPS

Ideadvance, a \$2 million seed fund launched by the UW System and WEDC, supports projects created at UW schools.



The program's funds help accelerate startups' commercialization efforts by providing up to \$75,000 in two stages for entrepreneurs who are working to bring their ideas to fruition, analyze markets, assess demand and tap into investment sources. This is the first gap fund in UW history.

Reeves and partner, Yusuf Dahl, share details of Tali Payments with a UWM professor.

One of the first recipients of the Ideadvance

Seed Fund grant was Tali Payments, a minority-owned business led by Carlton Reeves, a UW-Milwaukee engineering post-doctoral staff member. Tali Payments is a new twist on using smartphones to improve security and efficiency in mobile payments. Through Ideadvance's Lean Startup training, tracking progress and distributing dollars, Reeves learned that his software could integrate with other systems and improve customer experiences.

## SEED FUND COLLABORATION:

The \$2 million Ideadvance Seed Fund is managed by the University of Wisconsin-Extension Center for Technology Commercialization and is funded through a \$1 million UW System Economic Development Incentive Grant and \$1 million from WEDC's Capital Catalyst Program. The program is a novel mix of money, mentorship and accountability to help raise the entrepreneurial IQ in the state of Wisconsin—helping businesses commercialize complex technologies and innovative ideas more quickly.

“Through Ideadvance, we began to think outside of the box, and now we're positioned to partner with a large fast-food chain in the Milwaukee area. We've made progress because we had to listen to customer problems and then be agile to solve those problems.

Carlton Reeves



- The growth of Tali Payments leads to new market opportunities for local main street business owners and long-term growth potential for other Wisconsin communities as Reeves' business scales up.
- Tali Payments has employed 12 interns, allowing students to gain invaluable experiential learning opportunities to launch their own careers.
- Reeves has helped hundreds of students pursue new business ventures in Wisconsin.
- Ideadvance has led to additional corporate engagements developing Lean Startup programming with large Wisconsin-based companies.
- The Ideadvance platform led to the build-out of the SBIR Advance Program, which provides \$1 million in state funding to match federal Small Business Innovation Research/Small Business Technology Transfer funding for Wisconsin's high-tech companies. WEDC created the program to help these companies advance the commercialization of technology.





# WISCONSIN LANDS NATION'S LARGEST ONLINE RETAILER

Amazon's decision to build two fulfillment centers in Kenosha and bring more than 1,200 jobs to the region was a key economic development win for the state, as the nation's largest online retailer reviewed options in more than a dozen states before selecting Wisconsin.

Amazon selected Kenosha due to the location's easy access to I-94, its proximity to the Chicago metropolitan area and its expansion potential. In fact, Amazon initially had planned to construct one facility in Kenosha, but within months of that decision, it moved forward with plans for the second adjacent building.

A 500,000-square-foot sortation center is now operational, and construction is nearly complete on a 1,000,000-square-foot distribution facility, which is expected to be open by the end of 2015. The project represents more than 1.5 million square feet of space and a total investment of \$300 million.

“Amazon has a very notable and recognizable brand, so from that perspective, they have certainly increased awareness of Kenosha County and southeastern Wisconsin as a viable market for major logistics developments.”

Todd Battle, President,  
Kenosha Area Business Alliance

## REGIONAL, LOCAL AND STATE PARTNERSHIPS

WEDC played a key role in landing Amazon by authorizing the company to receive up to \$10.3 million in state tax credits for the project. A development of this magnitude, however, would not have been possible without the cooperation of several key partners—including the Kenosha Area Business Alliance, other state agencies, and the City of Kenosha, which provided \$22.5 million in financial assistance for the project.

- The \$300 million being spent on equipment, construction, supplies and other materials will benefit contractors and vendors throughout the state.
- Once the facilities are operational, its workers will patronize local restaurants and retailers. An economic modeling study using Economic Modeling Specialists International (EMSI) data projects the Amazon development will indirectly generate about 700 additional jobs in the region.
- The project will have a positive impact on the state treasury as online purchases made in Wisconsin will be subject to sales tax, a move that will generate an estimated \$30 million annually for the state coffers.
- Direct and indirect jobs generated as a result of Amazon's move are expected to create \$22 million in state income tax revenue over the next five years.



Amazon is building two fulfillment centers totaling more than 1.5 million square feet on 160 acres in Kenosha. [Photo courtesy of aerialscapes.com]



DEVELOPING

# WISCONSIN MAIN STREET PROGRAM HELPS REVITALIZE DOWNTOWNS

The Wisconsin Main Street Program has been a huge benefit for Downtown Beloit because it gives us the resources and tools we need to be successful. Many of the projects that have improved downtown may not have become a reality without the assistance and vision of the program.

**Shauna El-Amin,**  
Executive Director, Downtown Beloit

Anyone who has taken a walk through downtown Beloit will tell you that there is something special about the city's vibrant business district.

Located along the banks of the Rock River, downtown Beloit hosts more than 50 days of events per year—from summer lunchtime concerts to a Saturday morning farmers market, which is considered one of the best in the state.

The city's downtown revitalization began more than 25 years ago, when Beloit became one of the first participants in the Wisconsin Main Street Program, which supports the restoration of the historic character of downtowns while pursuing strategies such as marketing, business recruitment and retention and public improvements. When the city joined the Main Street Program in 1988, the downtown had a weak business mix and plenty of vacancies. With support from the Wisconsin Main Street Program, downtown Beloit has experienced a true renaissance.

## BREATHING NEW LIFE INTO HISTORIC DOWNTOWNS

Beloit is one of 36 current Wisconsin Main Street communities receiving assistance from WEDC to develop strategies to breathe new life into business districts through the creative reuse of buildings, streetscape improvements, and proactive marketing and promotion efforts. Wisconsin Main Street is part of a nationwide program of the National Trust for Historic Preservation and has been recognized nationally for its participation, initiatives and outcomes.



The popular farmers market is one of dozens of events taking place year round in downtown Beloit.

- With its riverfront sculptures and murals as a backdrop, downtown Beloit has transformed into a thriving commercial district, now home to over 170 businesses and including amenities such as public art, bike paths and a canoe launch.



- The former Woolworth's store underwent a significant renovation and now houses a grocery store that has become the focal point of a downtown filled with a dozen restaurants and cafés, boutiques and bookstores, museums and art galleries.
- Since Beloit became a Main Street community, there has been a net increase of 85 businesses and 150 new jobs. Over the last decade, there has been more than \$41 million in private investment downtown and a 51 percent increase in property values.
- Beloit's success is being replicated in Main Street communities throughout Wisconsin. Since 1989, those communities saw more than 3,000 businesses open their doors and create 7,100 jobs, with nearly \$1 billion in private investment taking place in downtown districts.



**ACCELERATING**

# IN THE U.S. CHEESE MARKET, THERE'S AMPLE ROOM FOR GROWTH IN WISCONSIN

Emmi Roth USA, the American arm of a vaunted Swiss company, has been producing high-end specialty cheeses for the U.S. market in Monroe for more than 30 years.

In 2011, when its original creamery in Monroe reached capacity, the company launched a multi-state search for a location for its new factory. It eventually chose Platteville, a city of 11,000 in southwestern Wisconsin. The facility, which has been fully operational since late 2013, employs 32 people full-time, and produces cheeses including Raclette, Fontina, GranQueso and the company's signature Grand Cru. Continued rapid growth in demand for premium cheeses is forecast among U.S. consumers, and Emmi Roth has potential for even more expansion: the Platteville plant is at half its capacity, and there is space on

adjacent land for additional buildings. As Emmi Roth also prepares to shift cheese production for its Canada and Mexico markets from Switzerland to Wisconsin, expansion in Platteville is likely.

## PUBLIC PARTNERSHIPS DRIVE PRIVATE SECTOR GROWTH

As part of Emmi Roth's contract with WEDC, the company agreed to make capital investments of more than \$42 million in the new location. About one-quarter of this cost was offset by incentives from federal, state and local government—including \$500,000 in tax credits and a \$600,000 loan from WEDC. In return for these incentives, Emmi Roth established a fund that assists farmers in the transition to New Zealand-style seasonal milking and grazing, thus expanding the ranks of grass-fed cows in Wisconsin. Entities at the various levels of government worked together effectively to create an attractive package that persuaded Emmi Roth to locate in Platteville and benefited the city, region and state.

- Cheese that's made in Wisconsin from Wisconsin milk is a major selling point for Emmi Roth's products. Through local co-ops, the company purchases the milk of 2,400 cows on 120 farms within a 20-mile radius of Platteville.
- The University of Wisconsin-Platteville churns out graduates with the science and engineering knowledge needed to run the company's sophisticated production equipment.
- Employees at the Platteville facility are nearly all local hires, and it was constructed by local contractors.
- Cardboard boxes to transport the cheese are made by a Platteville company.
- From Platteville, some of the cheese is sent elsewhere in Wisconsin for shredding and slicing.
- Emmi Roth sells its whey, a byproduct of the cheese-making process, to a handful of Wisconsin whey processors, helping to meet the intense demand for this commodity for protein powders, baby food and other products.



Emmi Roth has a bright future in Wisconsin, and we are proud to be their new home.

Larry Bierke,  
Platteville City Manager



Emmi Roth's new facility employs 32 people and produces Raclette, Fontina, GranQueso and the company's signature Grand Cru.





# GLOBAL WATER CENTER'S IMPACT ECHOES THROUGH WATER SECTOR AND BEYOND

In the year-and-a-half since it opened, the Global Water Center (GWC) has become a bustling hub of water-related research and commerce.



In 98,000 square feet of space spread across seven stories, 43 companies, including 14 startups, develop, test and successfully market new products and processes in water technology. The University of Wisconsin-Milwaukee and University of Wisconsin-Whitewater also have space in the building, with researchers

Groundbreaking for the first of nine buildings planned for the 17-acre Reed Street Yards site is planned for spring 2015.

exploring topics including fluid dynamics, zooplankton behavior and the use of nanowire membranes for pollutant removal. The Water Council, the organization behind the center, has deliberately cultivated a mix of tenants whose offerings at times compete, but can also complement one another. The center's culture of collaboration has helped establish Milwaukee as a worldwide hub for water innovation.

## TRANSNATIONAL AND CROSS-INDUSTRY SYNERGIES

Following an industry cluster model that is also driving collaboration in the energy, power and control sector, WEDC's \$750,000 investment in the GWC has been matched many times over—the total project cost reached \$22 million. The Water Council's "Business. Research. Entrepreneurship. In Wisconsin" (BREW) seed accelerator has provided startup funding to about a dozen fledgling companies with promising new technologies, and a new batch will be announced soon.

“ We started our catering business to meet the needs of The Water Council and Global Water Center tenants. I've worked here three years, and every year our business increases exponentially. I've never seen a neighborhood develop so quickly. ”

**Evan Schiefelbein,**  
Manager, Zak's Café

- Along with redevelopment of the 109-year-old GWC building, the entire Walker's Point neighborhood is being revitalized.
- Zak's Café opened in 2011, as plans for the new center were taking shape. The café now has 30 employees, a satellite location within the GWC, and a catering business supported largely by GWC meetings and events.
- The formerly dilapidated neighborhood now hums with activity—office workers seeking lunch, but also evening and weekend visitors headed to an ice cream parlor, a trendy restaurant, a wine bar, or a shop to purchase artisan chocolates or locally roasted coffee.
- A nearby architecture firm and property management firm are thriving with local projects.
- At the adjacent Reed Street Yards site, a transformed former brownfield and rail yard, ground will be broken this spring on a four-story, 80,000-square-foot office building that will provide additional space for water technology companies now that the GWC is nearly full. That building is the first of nine planned for the 17-acre site.





# YOUR EXPERTISE ALONG WITH OUR SOLUTIONS

MAKE FOR A POWERFUL TEAM.



**TOGETHER, WE'LL TAKE BUSINESS FURTHER IN WISCONSIN.<sup>®</sup>**

Strong client relationships are built on more than your expert advice, they're built on trust and confidence. And you can gain both with the right partner by your side. Connect with the Wisconsin Economic Development Corporation (WEDC) for a partner who can help you offer effective business solutions to your clients. From loans, grants and tax credits for startup or expansion, to exporting assistance and worker training programs, WEDC provides you and your clients with new opportunities to grow. To learn more about programs, resources and customized support that can help your clients succeed in Wisconsin, call **855-INWIBIZ** (toll free), or visit **Succeed.InWisconsin.com**.



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