

Business Development Report

Purpose	Promote business development opportunities and attract new investments to the region.
Strategic Plan Alignment	Business Development Community Development Workforce Development

What did we do?	FY18	FY19
Budget	\$7,000,000	\$7,000,000
# of Projects	11	12
Agency Investment	\$7,332,000	\$3,575,877
Total Project Investment	\$18,012,258	\$16,644,438
Leverage	1.5 : 1	3.7 : 1
Key impact measures	FY18	FY19
# of Participation Loans	7	11
# of Direct Loans	4	1
# of New Businesses Relocating to Region	2	1
# of Existing Businesses Operating in Region	9	11
# of First-Time Loans	7	5
# of Repeat Loans	4	7
# of Jobs Created	91	75
# of Jobs Retained	239.5	267

What were the results?
<p>FY19: Modernizing equipment is central to sustaining a business' ability to compete in the national and global markets. Many of the FY19 loans helped existing businesses purchase technologically advanced equipment. In some instances, advanced equipment such as robotic equipment can sustain the business and enable it to grow its competitive edge and market share.</p> <p>The agency will host a lending forum in FY20 to inform area bankers and lenders of our financial assistance programs. In addition, staff will explore the future possibility of adding retail as an eligible industry for agency financing programs.</p> <p>Target industries include: aerospace, customer care, manufacturing and value-added natural resources.</p> <p>FY18: Deal flow and the number of financial transactions were increased through our bank participation, direct loan and loan guaranty programs. Agency staff visited companies headquartered within the state, across the country and internationally. The aerospace and customer care industries, which both leverage regional strengths, were targeted.</p>

Fiscal Year 2019				
Business/Organization	Description	Type of Loan	Agency Investment	Total Project Investment
Airmark, Inc. DBA Nelson Wood Shims	Expansion and purchase equipment	Participation	\$255,000	\$579,700
American Peat Technology, LLC	Purchase equipment	Participation	\$750,000	\$7,375,000
API Outsourcing, Inc.	Expansion	Participation – Forgivable	\$200,000	\$3,310,000
Cast Corporation	Purchase equipment	Participation	\$305,000	\$610,000
Hibbing EDA, Inc.	Purchase building	Direct	\$600,000	\$600,000
Hibbing Fabricators, Inc.	Purchase equipment	Participation	\$115,000	\$230,000
Midwest Manufacturing and Mechanical	Purchase equipment	Participation	\$115,177	\$264,354
Range Cornice and Roofing Company	Purchase equipment	Participation	\$207,000	\$742,173
RKG Enterprises, Inc.	Construct paint booth	Participation	\$200,000	\$600,000
Swan Machine	Purchase equipment	Participation	\$497,100	\$1,158,211
Vertex Properties, LLC	Expansion	Participation	\$256,600	\$1,025,000
Zakobe, LLC	Purchase equipment	Participation	\$75,000	\$150,000

Fiscal Year 2018				
Business/Organization	Description	Type of Loan	Agency Investment	Total Project Investment
Airmark, Inc. DBA Nelson Wood Shims	Transform production line	Participation	\$325,000	\$650,000
Ellefson Off Highway, Inc.	Expansion	Participation	\$300,000	\$800,000
Hedstrom Lumber	Purchase and renovate equipment	Participation	\$250,000	\$500,000
Heliene, Inc.	Expansion	Direct	\$1,750,000	\$8,700,000
Hibbing Fabricators, Inc.	Purchase equipment	Participation	\$220,000	\$440,000
Hoyt Lakes	Purchase building for expansion	Direct	\$850,000	\$850,000
RSF Industries, Inc.	Purchase equipment	Participation	\$37,000	\$85,000
Stern Companies	Purchase equipment	Participation	\$1,000,000	\$3,248,000
Tower EDA	Purchase building for expansion	Direct	\$1,850,000	\$1,850,000
Virginia-Eveleth EDA	Financial assistance	Direct	\$650,000	\$650,000
Virginia Plastics	Purchase assets	Participation	\$100,000	\$239,258