



MADISON REGION
ECONOMIC PARTNERSHIP



A Quality Control Laboratory at Promega Corporation in Fitchburg, WI

» 2017

STATE OF THE MADISON REGION REPORT &
ADVANCE NOW STRATEGY UPDATE

madisonregion.org

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// Remarkable Progress

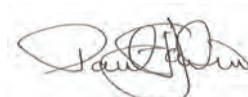
2017 is the fifth and final year of the Madison Region's *Advance Now* Strategy and, as we prepare for *Advance Now* 2.0, we are pleased about how far we have come toward delivering on the promise of that strategy. This report, which for the first time is included with our annual journal, outlines some of the past year's achievements and further demonstrates both our adherence to the *Advance Now* strategy and our dependence on collaboration with our many partners and stakeholders.

The state of the Madison Region's economy is exceptional but there is much critical work ahead and there are more accomplishments to be realized – as long as we sustain and grow the programs and efforts that we have implemented in the past half-decade.

Thank you to our investors, partners, supporters, and colleagues. We are pleased to work with you, and on your behalf, to strengthen the economy in the Madison Region and ensure that everyone Thrives Here.



Jon Schumacher
Chair, MadREP Board of Directors



Paul Jadin, CEcD
President, MadREP

// *Advance Now*: Madison Region's Strategy for Economic Growth



 **ADVANCE NOW**
Madison Region's Strategy for Economic Growth

MadREP's work is defined by the *Advance Now* Strategy, the Madison Region's comprehensive economic development strategy for the years 2013-2017.

// Economic Competitiveness and Innovation & Entrepreneurship

The *Advance Now* Strategy calls for accelerating the Madison Region's position of leadership through a comprehensive approach to economic development. MadREP continues to focus on these key areas under its Economic Competitiveness plank – Investing in Manufacturing Communities Partnership (IMCP), international business growth, and sector development – with an ongoing focus on business retention, expansion, and attraction.

Investing in Manufacturing Communities Partnership

In July 2015, U.S. Secretary of Commerce Penny Pritzker named MadREP as one of 12 designees in the second round of the Investing in Manufacturing Communities Partnership (IMCP) initiative for the Region's Agriculture, Food & Beverage (AFB) industry cluster. Led by the U.S. Department of Commerce, IMCP is a multi-agency program designed to leverage economic development funds and accelerate the resurgence of manufacturing nationwide by supporting the development of long-term economic development strategies.

- \$2.1 million in grants received in first year for the region, and nine additional applications received in spring 2017
- MadREP targeted IMCP grant resources toward projects that support entrepreneurial physical spaces and technical assistance
- IMCP grant resources are reinforcing and expanding the Madison Region's AFB ecosystem

REAP Food Group

\$203,500

Wisconsin Farm Fresh Atlas
U.S. Department of Agriculture (USDA)

Food Finance Institute

\$500,000

Training to support food hubs
USDA

UW-Extension

\$750,000

EDA University Center designation
U.S. Economic Development Administration (EDA)

StartingBlock Madison

\$475,000

Programming and operations
EDA

MadREP

\$200,000

IMCP Consortium
EDA

TOTAL AWARDS TO DATE:

\$2,128,500

PRIORITY PROJECTS

- Garver Feed Mill – Helped secure funding to complete financing for microhousing and incubation for second stage food companies
- Artisan Food Network – Received \$150,000 in state funding to work with Agriculture, Food & Beverage entrepreneurs and food incubators in rural areas

//Economic Competitiveness and Innovation & Entrepreneurship

International Involvement

MadREP is involved in the international scene and promotes import/export as an integral source of economic growth for the Madison Region.

- Attended America's Competitiveness Exchange (ACE) VI in Ontario Canada: toured Waterloo, Kitchener, Hamilton, Toronto, and Niagara assets with 45 foreign dignitaries from Latin America and the Caribbean. Also attended ACE VII in San Antonio, College Station and Austin, TX.
- SelectUSA events in partnership with WEDC and M7: Washington, D.C., Montreal Canada, and Hannover Messe, Germany
- Hosted three WEDC foreign trade reps in a roundtable with regional manufacturers
- Hosted Consul General of Canada in a roundtable with regional manufacturers
- MadREP has a representative serving as Vice President of the Madison International Trade Association (MITA) Board of Directors

MadREP worked closely with Gaskets Inc. of Rio. They are a 2015 graduate of ExporTech™, a national export assistance program helping companies enter or expand in global markets. They joined MadREP on the 2016 trade mission to Mexico, translated a webpage into Spanish, and achieved sales to Argentina and Chile.

ED 101

In collaboration with the Wisconsin Economic Development Association, MadREP offers economic development training to elected officials through the ED101 Program.

- 2014-2016 Delivered: Beaver Dam, Columbus, Dodgeville, Horicon, Mayville, McFarland, Poynette, Sun Prairie, Verona, Watertown, and Waupun
- 2017 Planned: Lodi and Fall River

Major Projects / Attraction

- In 2016, processed 29 site location requests throughout the region plus many other data requests from our regional partners supporting attraction, Foreign Direct Investment (FDI), and retention projects:
 - Tyson plant repositioning
 - John Deere Horicon Works expansion
 - Managed Little Potato Company's site search
 - Oscar Mayer site redevelopment planning and repositioning
 - Assisted Tribe 9 Foods in their acquisition and co-location of a Colorado-based company with two Wisconsin-based companies in Madison

Madison Region ICT Cluster Snapshot



The Madison Region is home to many Information Communications Technology (ICT) companies. Those companies have been highlighted in this cluster snapshot.

Target Industry Sectors

MadREP is committed to growing our target industry sectors through asset-based planning, decision making, and investment. To that end, MadREP partnered with the UW Extension's Center for Community and Economic Development on a research project to profile the following industry sectors: Healthcare, Information/Communications Technology, Precision Manufacturing/Bicycling, Life Sciences/Medical Devices.

These five industry cluster analyses, to be finished in 2017, will complete the profiles of Madison Region's core industries. They will also serve MadREP in its international and communications programming, site selection strategies, supply chain management, workforce and diversity investments, entrepreneurial ecosystem planning, and be a model for the rest of the state of Wisconsin.

Visit www.madisonregion.org for more information and to read the complete industry cluster reports.

//Economic Competitiveness and Innovation & Entrepreneurship

Centers of Excellence

StartingBlock Madison

Located in downtown Madison, StartingBlock will catalyze start-ups by providing a collaborative environment of learning, mentorship, and resources through flexible leases, professional advisors, investment opportunities, and community programming.

- Approved by WEDC in 2016, MadREP served on the advisory board for StartingBlock which held its groundbreaking for the Spark Building in January 2017.
- MadREP co-authored the successful \$500,000 i6 grant from the U.S. Economic Development Administration to help StartingBlock underwrite the first three years of staffing and start-up programming costs.

MADISON PUBLIC MARKET

MadREP is working with the City of Madison on site planning, a feeder system for diverse entrepreneurs, and grant funding from state and federal governments for the Madison Public Market.

Games Development

- MadREP serves as creator and staff to the Madison Games Alliance (MGA), providing administrative, marketing, and social media coordination.
- MadREP is in the second year of supporting MGA, serving educational and entertainment game development and peripheral industries.
- The MGA has been successful in repositioning the industry sector following the departure of the UW's Games Learning Society.
- Other important developments for MGA are the studios' collaboration, sharing talent and technology, and prioritizing workforce development and skills development training.
- MadREP is working with the University of Wisconsin-Madison Computer Science team on the development of a new digital media center of excellence.
- MadREP is helping plan and promote the first Games Development Conference in Madison in October 2017.



UW Center for Dairy Research (CDR)

Finalizing grant funding packages with the state on the soon-to-be constructed aseptic, accelerator, and incubation spaces serving food, beverage, and dairy innovators in Babcock Hall on the University of Wisconsin-Madison campus. It will likely be designated in 2017-18.



//Economic Competitiveness and Innovation & Entrepreneurship

Start-Up Scene

Qualified New Venture Business Data



throughout the state that received
QNBV tax credits in 2015



were from
Dane County
[52.8%]*



Total amount of credits issued to
those 87 companies was

\$18,441,335



\$9,841,005

went to Dane County companies (53.3%)

* From our region, only Dane County companies received
QNBV tax credits in 2015

PRIORITY PROJECTS

- MadREP helped school districts in the region that received Fab Lab grant assistance from WEDC – Waunakee, Stoughton, and Edgerton were successful in 2016, and three additional districts have applied for next year – Mayville, Mount Horeb, and Belleville.
- MadREP helped Sky Ship Studios successfully raise \$75,000 in their 2016 Kick starter campaign to digitize the card game Gloom.
- MadREP helped Understory connect with and contract for the installation of their weather-related Internet of Things sensors on rooftops throughout the region.
- MadREP worked extensively with OneEvent Technologies of Mount Horeb to raise capital, find senior talent, and connect with market opportunities.

ACHIEVEMENTS

- Games developer PerBlue sold DragonSoul to GREE International Entertainment of Japan for \$35 million and posted the first successful exit for a game development company in the state.
- Madison's Joel McDonald developed Prune, named Apple Inc.'s 2015 Game of the Year for the iPad and Time magazine's Best Video Game of 2015.
- Arch Virtual was contracted to produce the first in Wisconsin Virtual Reality product that was used to present and receive plan commission approval for the Spark/SBM Building in Madison.

//Economic Competitiveness and Innovation & Entrepreneurship

Business Retention & Expansion

Business Retention & Expansion (BRE) activities are recognized as a foundational component of economic development. The premise is simple: before seeking new employers, it is vitally important to identify and address the needs of companies that have already invested in your local community and workforce.

Business Walks

Business Walks are an entry-level BRE activity which feature a half-day blitz where dozens of volunteers fan out over a community (or portion of a community for larger municipalities) to visit businesses and ask them 3-4 key questions to determine if they are facing challenges or opportunities that an economic development partner could assist with. In 2016 MadREP assisted with the inaugural Business Walk in the Region, where 140+ businesses were visited on Madison's Northside. Beginning in 2017, MadREP expects to support 3-4 Business Walks each year. The first was in Baraboo this April and another is planned for the northern corridor of Stoughton Road in Madison.

Surveys

At the intermediate BRE level are mailed and online surveys. These surveys feature 15-20 questions, many of which are standardized but a few of which are topical. This format allows for more data collection than Business Walks. In 2016, MadREP conducted its second round of mailed/online surveys. This level of outreach has yielded over 300 completed surveys.

MadREP's top-level BRE exercise features completion of the 42 question Synchronist survey via in-person visits to individual employers. This exercise is the most time intensive, but yields the most information. MadREP works in partnership with economic development professionals from across the region to conduct these surveys and respond to opportunities and threats identified by businesses. At the end of 2016, MadREP had nearly 175 full Synchronist surveys in its database.

To date, MadREP has been a partner in over 600 BRE visits within the Madison Region. BRE will continue to be a foundational aspect of the organization as we work with companies to mitigate threats and capitalize on opportunities.

// Human Capital

Inspire Madison Region

Making connections between regional employers and educators, MadREP continued its work in 2016-17 helping students develop the skills necessary for a successful transition from school to career with its *Inspire Madison Region* initiative.



As an add-on component to Career Cruising (the software program used by students

across Wisconsin for career exploration), *Inspire Madison Region* is a tool that makes it possible for students to connect to career coaches and experiential learning activities such as job shadowing and internships in places of work.

"John Deere Horicon Works supports Inspire Madison Region because the program provides students with access to information about jobs in manufacturing, and allows connections to mentors who can provide students 'real-life' information about those jobs."

*Steve Johnson,
Factory Manager,
John Deere Horicon Works*

**50 participating
school districts**



**360+ Career
Coaches**

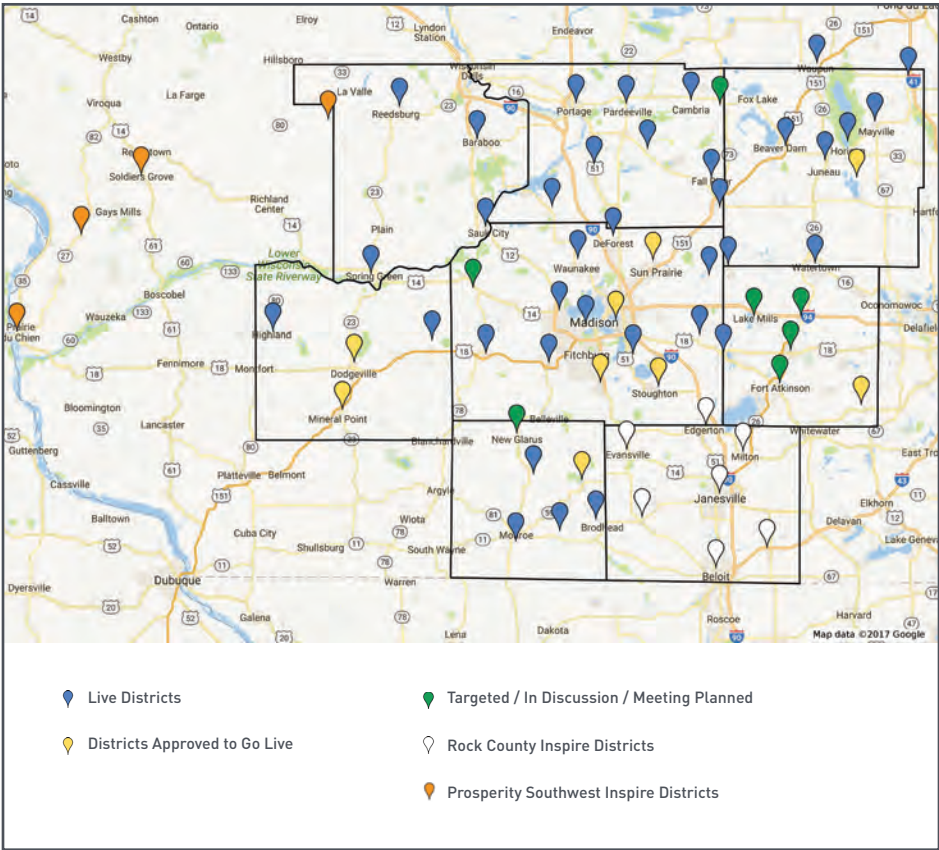
320+ Companies



**1,850+
Experiential
Learning
Activities**

www.inspiremadisonregion.org

MadREP Inspire Madison Region Schools



BUSINESS & EDUCATION COLLABORATIVE

The Inspire Madison Region Initiative is a product of MadREP’s Business & Education Collaborative (BEC). The BEC includes leaders from the business community, K-12 school districts, post-secondary institutions, and workforce development partners in the Madison region. This collaborative assists students of all ages to generate awareness and develop the skills necessary for a successful transition from school to career.

// Leadership & Diversity

The inclusion of a diverse workforce is vital to the sustained economic growth of the Madison Region. With this in mind, MadREP is committed to playing a leading role in weaving together the important conversations of diversity and economic development, and molding the region into a model for economic inclusion.

SUMMIT

MadREP's continued partnership with the Urban League of Greater Madison to host the annual Economic Development & Diversity Summit reflects a collective commitment to advancing talent, opportunity, and growth for all the region's citizens. As awareness of the intersection between economic development and diversity has grown, so has Summit attendance, to over 500 individuals from the Region's eight counties for the 2016 event.



The Madison Region's Economic Development and Diversity Summit
TALENT. OPPORTUNITY. GROWTH.



MadREP was pleased to have Jay Williams, then Assistant Secretary of Commerce for Economic Development, join us at the 2016 Summit. He is pictured here, fourth from the right, with members of his economic development administration and leadership of MadREP and Urban League of Greater Madison.

Diversity & Inclusion

Assessing the progress of diversity and inclusion (D & I) efforts by Madison Region employers is a critical first step in improving D & I efforts over time. MadREP launched its Workplace Diversity & Inclusion Survey in 2015 to create a baseline understanding of the status of D & I efforts by regional employers.

The survey is used to capture quantitative data about workforce demographics, supplier diversity programs, and community engagement, while providing companies with a vehicle to self-assess strengths and opportunities relative to diversity in their workforce.

For the latest survey results, visit www.madisonregion.org/about/research-and-reports

//Marketing

Madison Region Reviewed as a “Great Product” After MadREP’s Familiarization Tour

In June 2016 MadREP welcomed a new cadre of site selectors from Chicago and Orlando for a two-day tour of the region’s business and economic development assets. The itinerary featured stops at the Ironworks Campus, Electronic Theatre Controls, Epic Systems, and Wisconsin Institutes for Discovery, as well as presentations about the region’s available and certified sites and an evening on the Betty Lou Cruise.

The site consultants – each of whom represent global corporate clients making business location decisions –



Following this tour, two other site consultants visited the region to address the Madison Region’s preeminence in Information Communications Technology (ICT) which led to the creation of the ICT cluster map featured on page 6.

were engaged throughout the entire tour. They learned a great deal about our target industries, with the biggest surprise being our strength in information technology and digital games development.



The Madison Region had the **FOURTH HIGHEST** rate of job growth in the country last year, and the **second fastest high-tech job growth** behind only San Francisco between 2000 and 2015, along with the usual sterling rankings in other areas.

Data Dashboard

In 2016, MadREP enhanced its robust online tool of 30+ economic indicators to help tell the story of the Madison Region. The dashboard includes data on industries, population, wages, and more, all which are easily accessible and configurable. This page has quickly become one of MadREP’s most popular website destinations.

Check out the dashboard at www.madisonregion.org/data-dashboard

// Notable Projects Throughout the Region

Al. Ringling Theatre • Restoration • \$3m • Baraboo, Sauk County
American Family Insurance • Additions • \$29.6m • Madison, Dane County
American Packaging Corp • Expansion • \$29m • 240 new jobs • DeForest, Dane County
American Packaging Corp • New facility • \$21m • 60 jobs • DeForest, Dane County
Anchor Bank • Addition • \$47m • Madison, Dane County
Atlantis Valley Foods • New • \$1.5m • 20 new jobs • Cottage Grove, Dane County
BCP Transportation • Expansion • 70 new jobs • Deerfield, Dane County
Beaver Dam Cold Storage North • Expansion • \$14.5m • 20 new jobs • Beaver Dam, Dodge County
Beaver Dam Eye Care • Expansion • \$2m • Beaver Dam, Dodge County
Bell Laboratories • Expansion • \$12m • DeForest, Dane County
Benjamin Plumbing • New • \$2.5m and \$10m • Fitchburg, Dane County
Cameca Instruments • New • \$6m • Fitchburg, Dane County
Catalent Pharma Solutions • New • \$34m • Madison, Dane County
Certco • New addition • \$9.6m • Madison, Dane County
Charter NEX Films • Expansion • 50 new jobs • Milton, Rock County
Clasen Quality Coatings • Expansion • \$1.5m • Cottage Grove, Dane County
Colony Brands • Expansion • 225 jobs • Monroe, Green County
The Cosmos and The Spark • New • \$40m • 600 new jobs • Madison, Dane County
Create-A-Pack Foods, Inc • Expansion • \$5m • Ixonia, Jefferson County
Dollar General • New • \$75m • 552 new jobs • Janesville, Rock County
Duluth Trading Company • New • \$20m • 100-150 new jobs • Mount Horeb, Dane County
Eastland Feed & Grain • New • 4-10 new jobs • Monroe, Green County
Ecolab • Expansion • 5 new jobs • Beloit, Rock County
Electronic Theatre Controls • Expansion • \$12m • 625 employees retained • Middleton, Dane County
Employer Group • New • \$1.7m • Verona, Dane County
Fiskars • Americas' corporate headquarters • \$18.3m • 55 new jobs; 276 retained • Middleton, Dane County
Fromm Family Foods • Expansion • \$4.9m • 25-30 new jobs • Columbus, Columbia County
Galaxie LLC • New addition • \$15m • Madison, Dane County
Glory Global Solutions, Inc • Expansion • \$3.6m • 50 new jobs • Watertown, Jefferson County
IPM Foods LLC • New • 36 new jobs • Beloit, Rock County
John Deere Horicon Works • Expansion • \$42m • 80 new jobs • Horicon, Dodge County
Johnsonville Sausage • Expansion • 36 new jobs • Watertown, Jefferson County
Klondike Cheese Company • Expansion • Monroe, Green County
Laser Express • New • \$7.3m • Middleton, Dane County
Little Potato Company • New investment • \$20m • 129 new jobs • DeForest, Dane County
Loggerhead Deco • New • 36 new jobs • Portage, Columbia County

Madison Kipp Corp • Expansion • \$3.5m • Sun Prairie, Dane County
 McKenzie Place • New • \$7.3m • Madison, Dane County
 Northwoods Paper Converting • Expansion • \$4.2m • Beaver Dam, Dodge County
 OneNeck • Expansion • \$5.2m • Fitchburg, Dane County
 Pharmaceutical Product Development • Parking spaces expansion • Middleton, Dane County
 Plastics Industries • New • 30 new jobs • Janesville, Rock County
 RCH Manufacturing • New • \$4.2m • Madison, Dane County
 Ridell, Inc. • New • \$7.5m • 300 new jobs • Sun Prairie, Dane County
 Riverside Energy Center • New • \$700m • Town of Beloit, Rock County
 Royle Printing Co • New • \$2.1m • Sun Prairie, Dane County
 Saint Gobain • Expansion • \$11.5m • 48 new jobs • Portage, Columbia County
 SC Aviation • Expansion • \$37m • 31 new jobs • Janesville, Rock County
 SHINE Medical Technologies • New headquarters • 80 employees • Janesville, Rock County
 Source2Market • Warehouse construction • Iowa County
 Spectrum Brands • Expansion • \$3.4m • Middleton, Dane County
 Stand Rock Hospitality • Expansion • 30 new jobs • Wisconsin Dells • Columbia & Sauk Counties
 Stateline Distillery • New • \$1.2m • Madison, Dane County
 Steamfitters Local 601 • New • \$12m • Madison, Dane County
 STIHL • New • 44 new jobs • Cottage Grove, Dane County
 Stonehouse • New • \$34m • 200 new jobs • Madison, Dane County
 Sub-Zero Group • Expansion • \$71m • 222 new jobs • Fitchburg, Dane County
 Sun Nuclear • Expansion • \$1.8m • Middleton, Dane County
 Teel Plastics, Inc • Expansion • \$7m • 80 new jobs • Baraboo, Sauk County
 Toledo Molding & Die • New • 100 jobs • Beloit, Rock County
 Union Corners • New • \$10.5m • Madison, Dane County
 United Vaccines • New • \$25m • 23 new jobs • Verona, Dane County
 UW Pharmacy Enterprise • New • \$9m • Middleton, Dane County
 UW Provisions • New • \$3m • Sun Prairie, Dane County
 Vandelay Industries • New • \$4m • Beaver Dam, Dodge County
 Vintage Brewing Co • New • 80-100 jobs • Sauk City, Sauk County
 Vintage Parts • New • \$4.2m • Beaver Dam, Dodge County
 W.W. Grainger, Inc • Expansion • \$5.2m • 300 new jobs • Janesville, Rock County

\$1.49+ billion
 in capital expenditures

 **4,958 jobs**

// 2016-2017 Investors

CORNERSTONE PARTNERS | \$50,000 AND OVER ANNUALLY



ANCHOR PARTNERS | \$25,000-\$49,999 ANNUALLY



SUSTAINING PARTNERS | \$10,000-\$24,999 ANNUALLY



SUPPORTING PARTNERS

\$5,000-\$9,999 annually

Cambridge State Bank/Bank of
Poynette
CUNA Mutual Group
First Weber Group
Johnson Bank
Kraemer Brothers, LLC
Madison College
Michael Best & Friederich LLP
Stafford Rosenbaum LLP
Stark Company Realtors
Summit Credit Union
Teel Plastics, Inc.
United Way of Dane County
UW Credit Union
Webcrafters, Inc.

OTHER PARTNERS

Agrace HospiceCare, Inc
City of Fitchburg
Edgewood College
EZ Office Products
Flad Development & Investment Corp
Great Dane Pub & Brewing Co.
Great Lakes Higher Education
Corporation & Affiliates
Home Savings Bank
Hooper Foundation
J.H. Findorff & Son
Lerdahl Business Interiors, Inc.
Magna/*In Business Magazine*
Monroe Clinic
Sara Investment Real Estate LLC
Sergenian's Floor Coverings
Smith & Gesteland, LLP
Strang, Inc.
Village of DeForest



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ECONOMIC PARTNERSHIP

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