

thrive [🌱]



2010 »

ANNUAL REPORT

Growing the region's economy in ways
that preserve and enhance quality of life.

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About Thrive

Thrive is the economic development partnership for the eight-county Madison Region, established to grow the region's economy in ways that preserve and enhance quality of life. We create value with initiatives that focus on long-term, sustained results, aimed at building the region's competitive advantage.



There is no one in our region doing the same work that we are.

As the only organization in the eight-county Madison Region that can bridge local, regional, and state economic growth initiatives, Thrive faces both significant responsibilities and opportunities. Our work in 2010 reflects this and our commitment to creating a dynamic environment where people and businesses prosper.

In today's economy, providing businesses with efficient access to capital is more important than ever, and Thrive is working to address this challenge. We committed additional resources to our Capital Growth initiative in 2010, improving our ability to provide direct assistance to businesses throughout the region.

Our commitment to Sector Development has been no less apparent, with ongoing projects in three of the sectors that comprise our region's greatest assets—agriculture, healthcare, and advanced manufacturing. Our “grow your own” approach to economic development has proved successful as we support job creation and quality growth among the region's skilled and entrepreneurial workforce.

With a growing sense of urgency around the state's economic climate, Thrive has demonstrated its ability to cultivate productive dialogue and action. As part of our effort to shape smart decision-making and create long-term growth, Thrive delivered valuable data and information in 2010 on topics ranging from regional transit, to tax increment financing, to the state of our region's economy. We have also been involved in the restructuring of the Wisconsin Department of Commerce, helping to shape a new entity focused on economic development.

As always, our commitment to fostering Promotion and Collaboration among the region reflects our belief that success in one part of the region is a win for all of us. Our frequent convening of the Economic Development Professionals Network has improved and strengthened the region's economic development practices, notably through our Best Practices Series that provides hands-on, interactive learning on relevant economic development tools. Our implementation of Synchronist, an online business retention software, reflects our strategic approach to building a regional business retention and expansion program.

Our region boasts a diverse array of assets, and Thrive remains committed to growing the region as a whole while preserving those aspects that make each part unique and that lend themselves so strongly to our exceptional quality of life.

We're proud to do this work. We've accomplished much, but the future demands more. We look forward to being at the center of it.

Gary Wolter
Chair, Thrive Board

Jennifer Alexander
President, Thrive

Sean Robbins
Executive Vice President, Thrive

Thrive Investors

Thrive thanks those who have invested in our region's economic future through their generous financial contributions.

CORNERSTONE PARTNERS

\$50,000-\$100,000 over 3 years

Alliant Energy Corporation
American Family Insurance
American Transmission Company
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Commerce
M&I Bank
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SSM Health Care of Wisconsin
and Dean Health System
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The QTI Group
T. Wall Properties
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US Bank
WPS Health Insurance

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J. P. Cullen & Sons
Landmark Services Cooperative
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United Way of Dane County
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UW Credit Union
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Investment Corp.
Fort HealthCare
Herzing University
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FEDERAL GOVERNMENT

U.S. Department of Commerce
Economic Development
Administration

STATE OF WISCONSIN

Department of Agriculture, Trade &
Consumer Protection
Department of Commerce

LOCAL GOVERNMENT

Dane County
City of Evansville
City of Fitchburg
City of Madison
City of Middleton
City of Stoughton
Town of Bristol
Town of Primrose
Town of Vienna
Town of Westport
Village of Brooklyn
Village of Cambridge
Village of DeForest
Village of Marshall
Village of McFarland
Village of Oregon
Village of Waunakee

Thrive Board of Directors

Thrive's Board of Directors is comprised of accomplished business and community leaders from across the eight-county Madison Region.

Deb Archer
President
Greater Madison Convention & Visitors Bureau

Jon Bales
Superintendent
DeForest Area School District

John Biondi
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Terri Potter
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Tom Spitz – Treasurer
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Trevor Twose
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Mithridion, Inc.
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Bill White – Secretary
Partner
Michael Best & Friedrich LLP

Gary Wolter – Chair
Chairman, President & CEO
Madison Gas & Electric Company





Original photography by Rick Marolt.

2010 Year in Review

Thrive's business model focuses on four strategic initiatives that reflect a focused approach to delivering results across the region's economic base.

Capital Growth

Financial capital is a linchpin of job creation and community development in any economic climate. Our Capital Growth initiative is a targeted effort to get capital to communities and businesses throughout the region, bringing together public and private investment opportunities that support sustained economic growth.

Sector Development

The agriculture, healthcare, and advanced manufacturing industries are important drivers of economic vitality in the Madison Region. Our Sector Development initiative focuses targeted resources into catalytic projects within these industries to encourage innovation and long-term growth with public and private-sector partners.

Policy and Research

Our region's competitiveness relies upon enlightened public policy that sustains our quality of life while growing economic opportunities. Thrive's Policy and Research initiative fosters regional dialogue by providing data and information that is timely, relevant, and actionable, ensuring that our region stays ahead of emerging trends and is proactively positioned for quality growth.

Promotion and Collaboration

Effective promotion of the region's assets begins with authentic collaboration within. Thrive's Promotion and Collaboration initiative is focused on building tangible results that increase our region's capacity to grow in ways that enhance our economy and quality of life.

Thrive Seeks Economic Development District Designation

Objective: Achieve Economic Development District designation to increase regional funding opportunities.

Description: In 2010, Thrive began the process of becoming an Economic Development District (EDD) through the U.S. Economic Development Administration (EDA). An EDD is an EDA designation that will create regional funding opportunities, including seed money for revolving loan funds, planning grants, and infrastructure funding. In order to become a district, Thrive must first develop an EDA-approved Comprehensive Economic Development Strategy (CEDS).

Results: Thrive was awarded a \$97,500 grant from the EDA to create the CEDS. Upon federal approval, the Madison Region will gain an EDD designation, making it the eighth Economic Development District in Wisconsin.

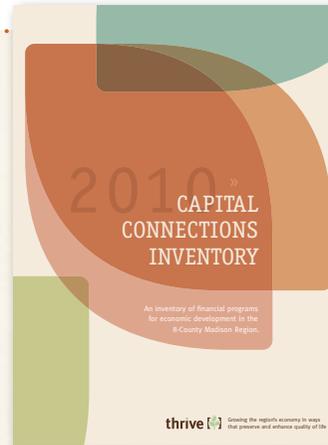


Through Thrive's efforts, the Madison Region is expected to become the eighth Economic Development District in Wisconsin. With more than 85 percent of the state already covered, it is essential that our region gain this designation to grow the pool of financial resources available to our businesses.

Capital Connections Inventory Provides Resource for Financial Programs

Objective: Facilitate the efficient flow of financial capital to businesses and communities.

Description: Thrive created the Capital Connections Inventory, a catalog of 350+ financial programs at the federal, state, and local levels available for economic development projects in the Madison Region. Thrive staff provides financial advisory services related to the funding programs in the inventory. In 2011, Thrive will convert the inventory into a fully searchable online database on its website.



Results: Launched in July 2010, the resource was distributed to more than 1,200 businesses and Thrive staff has assisted 30 businesses on pipeline projects valued at more than \$50 million.

“Anteco Pharma has taken advantage of Thrive’s Capital Connections Inventory and advisory services as we plan expansion of our biotech manufacturing business in Columbia County. This has both streamlined the financing process and introduced us to individuals and programs that will be essential to our growth.”

- Howard Teeter, President, Anteco Pharma

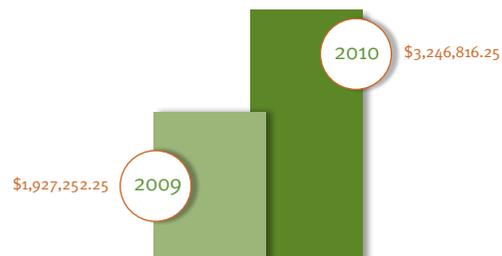
Grocers Buy Local Program Increases Sales of Local Food

Objective: Leverage the region's strong agriculture base to increase sales of Wisconsin food products in our region and re-capture those dollars locally.

Description: Studies indicate that a dollar spent locally returns 70 cents back into the local economy, opposed to the 40 cents that remains in the local economy for each dollar spent on non-local products. Thrive partnered with the Wisconsin Grocers Association (WGA) and Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) on the WGA's *Grocers Buy Local* project to increase sales of regionally-produced food products. Leveraging DATCP's Something Special from Wisconsin™ brand, the partners collaborated with targeted local grocers to increase market opportunities and visibility for regional products.



Results: With special events held at regional grocery stores, augmented by new marketing efforts, the initiative resulted in increased sales for local grocers and producers, more local product choices for consumers, and more dollars retained within the regional economy.



Total sales of Something Special from Wisconsin™ products from four participating stores: Metcalfe's Market, Madison; Miller & Sons Market, Verona; Mountin's Piggly Wiggly, Mayville; Daniels Sentry, Janesville.

* Controlled for inflation.

Thrive Establishes Food Business Incubator Network

Objective: Grow the region's \$1.86 billion agriculture industry through the support of new food businesses, new value-added products, and long-term, new jobs in three regional communities.

Description: In 2009, Thrive received a \$100,000 grant from the Economic Development Administration to support the creation and study of three food business incubators, which lower entry costs, reduce risks, and increase business success rates by providing space, equipment, and critical technical assistance. The three incubators, located in Beloit, Mazomanie, and Monroe, offer a combination of physical shared-kitchen infrastructure and technical

business assistance to help get new businesses off the ground. In addition, Thrive partnered with the UW-Extension Agricultural Innovation Center to develop the Food Business Incubator Network, which shared best practices from food incubators and food business entrepreneurs across 12 regional communities.

Results: Food entrepreneurs accessed low-risk investment opportunities that eased their entry into the marketplace. Early results look promising in some instances. At the Heritage Kitchen in Mazomanie, for example, nine new businesses were licensed through the Wisconsin Department of Agriculture, Trade, and Consumer Protection.



Over the course of 2010, nine new businesses were licensed through the Wisconsin Department of Agriculture, Trade, and Consumer Protection to process at the Heritage Kitchen in Mazomanie.

Thrive Provides Scholarships to Biotech Companies

Objective: Support the region's biotechnology sector by increasing access to business development opportunities.

Description: Thrive partnered with BioForward, the City of Madison, UW-Madison CIBER, and Alliant Energy on a Small Business Scholarship Program to send local companies to the biotech industry's largest trade show, the BIO International Convention. This convention provides key business development opportunities through one-on-one partnering sessions and company presentation forums. In an event the scale of BIO—with over 1,700 exhibitors and 15,000 attendees—the ability to target and connect face-to-face with potential partners is a true opportunity.

Results: In 2010, 10 Wisconsin biotech companies were awarded \$1,100 scholarships, with nine of those companies located in the eight-county Madison Region. These companies walked away with leads and partnership possibilities.

Thrive Compiles Peer Community Inventory for Dane County Regional Transit Authority

Objective: Inform regional transit decisions based on objective research and data.

Description: With the understanding that regional transportation solutions are crucial to a healthy economy, Thrive supported the creation of a Dane County Regional Transit Authority (RTA) and in June 2010, partnered with the Greater Madison Chamber of Commerce to submit a set of Transit Plan Criteria to the RTA Board. In the months that followed, Thrive compiled a Peer Community Inventory that examined five comparable regions that have embraced transit as an important part of their economy and have recently implemented new or expanded

“Thrive filled an important role in shaping the discussion about regional transportation. By approaching the transit plan from a regional perspective and providing data about best practices from peer communities, Thrive enabled the Regional Transit Authority to make strategic, informed decisions.”

– Susan Schmitz, Regional Transit Authority Board of Directors

Between 2004 and 2009 the bioscience industry in Wisconsin expanded the number of business establishments by 19%, grew the total payroll by over 22% in current dollars while increasing average earnings per worker by 19%.

– BioForward's “The Contribution of the Bioscience Industry to the Wisconsin Economy” study, September 2010



transit systems. Developed with the assistance of consultant researcher Dr. Jessica Guo, Director of the Transportation and Urban Systems Analysis Laboratory and Assistant Professor of Civil & Environmental Engineering at the University of Wisconsin-Madison, this objective report identifies best practices and informs strategic decisions for our region.

Results: By distributing the Peer Community Inventory, Thrive played a proactive role in bringing a regional perspective to the transit discussion and influenced dialogue based on best practices from around the country.

Best Practices Series Provides Learning for Local Professionals

Objective: Improve economic development practice across the region by providing interactive educational opportunities for local professionals to learn about best practices in using economic development tools.

Description: Thrive's Best Practices Series reduces regional disparities in access to crucial economic development information by providing objective information and case studies within an engaging learning and discussion environment. The series is targeted at local municipal leaders, commercial developers, planners, and economic development professionals.

Results: The series launched in 2010 with a session on Tax Increment Financing attracting more than 80 professionals from across the eight-county region. Three new sessions are scheduled for 2011.

"I was pleased to see Thrive host the seminar on Tax Increment Financing, since it is an important economic development tool that is too often misunderstood. It's important to see how TIF is used in both large and small communities. The presentations and the dialogue were excellent."

- Vic Grassman, Economic Development Director for the City of Janesville



Annual State of the Madison Region Summit Reaches New High

Objective: Engage and inform regional leaders about emerging economic and quality of life trends and catalyze decision-making that positions the region for quality growth.

Description: Thrive's annual State of the Madison Region report compares our region against five peer regions, providing a benchmarking tool for tracking the region's progress on key economic and quality of life measures. In 2010, Thrive unveiled this research to an audience of more than 200 decision-makers from the private, public, and nonprofit sectors from all eight of the region's counties at our State of the Madison Region Summit. This year's keynote speaker Mac Holladay, one of the nation's leading economic development strategists and founder/CEO of Market Street Services in Atlanta, inspired fresh thinking about the issues facing our region.



Attendance at Thrive's annual State of the Madison Region event

Results: This year's Summit attracted a record number of participants. The data and keynote address created a sense of urgency surrounding the need to prioritize economic growth, and the report remains a year-round resource for information and decision-making.



A Closer Look: Thrive Builds Regional Business Retention Program

Studies indicate that up to 75 percent of all new jobs stem from existing businesses and that companies expand in communities where their needs are understood and met. To this end, Thrive has initiated a formal business retention program, called Business Link, that relies on the input and collaboration of county and municipal economic development professionals from across the Madison Region.

“Business retention has always been a high economic development priority for our region. However, it has generally occurred in individual communities without any context to what is going on in our regional economy,” notes Neil Stechsulte, the economic development coordinator for Sun Prairie. “Business Link allows our region to effectively identify company trends across geographies, industry sectors and over time.”

At the outset, Thrive convened a 25-person steering committee to make initial decisions related to program goals and timeline. Like many business retention programs, Business Link requires the strategic gathering and synthesis of data.

The committee selected a software program, Synchronist, to manage interview data, identify growth industries, and track contacts and referral programs, providing a broader snapshot of regional assets and trends.

Thrive purchased the software, aided by additional funds from Madison Gas and Electric and Alliant Energy, to make the tool regionally available at no cost to participants.

In the first year of this program, each economic development professional is charged with interviewing

the 25 largest employers within their geographic boundaries. This process enables economic development professionals to build stronger relationships with employers, learn more about specific opportunities and challenges, and provide more timely assistance.

Though early in the process, the program has already led to improvement and assistance to businesses. For example, after an interview between Stechsulte and a manufacturing company in Sun Prairie, the company’s CEO revealed that a drop in his building’s value had created a loan-to-value concern with his bank. Stechsulte quickly connected this business with the Wisconsin Business Development Corporation, that was able to provide a loan guarantee that satisfied the bank’s concerns. This transaction occurred in less than a week, largely because of the relationship that Stechsulte forged with the company during the initial retention interview.

These relationships cultivated between employers and their counties, cities, or municipalities open a constant line of communication and create room for building a climate that encourages business growth.



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A Closer Look: Thrive Assists Madison Children's Museum with New Markets Tax Credit Program

Thrive's capital growth initiative can take many forms, but ultimately helps organizations connect with the funding they need to operate and grow. Take the case of Madison Children's Museum, which Thrive assisted during its recent expansion on the Capitol Square.

The project included the \$11.5 million renovation of an existing office building into a five-story, 56,290 square foot facility with greater capacity to serve a broader range of children and accommodate increased visitor traffic from local and national markets.

Despite undergoing a capital campaign during the toughest years of the recession, the nonprofit museum surpassed its goal, raising more than \$10 million for the project through donations and public and private grants. However, the museum faced a financing gap for the construction loan due to the remaining \$1.5 million cost and the fact that some pledges were made over a period of time.

The museum was looking for options to refinance the loan through the New Markets Tax Credit Program, a program developed by the U.S. Treasury for community development. This program could potentially save the museum tens, if not hundreds, of thousands of dollars in interest over the life of the loan.

However, the process of applying for the credit was complex, stifling the museum's progress. The museum called on Thrive to help reinvigorate the financing project.

"Thrive guided us through all of the options to consider and gave us encouragement to pursue the

tax credit," said Ruth Shelly, executive director of Madison Children's Museum. "Thrive's counsel pointed us in the right direction and helped us move this project to its full potential."

With further help from Forward Community Investments, Madison Children's Museum is working toward obtaining the new loan.

"Madison Children's Museum is a perfect example of how Thrive can be a catalyst and positively impact the outcome of such worthy projects," said Sean Robbins, executive vice president of Thrive. "The museum's expansion and continued operation creates more jobs and adds to the vitality of the city core."

In the first month the new facility was open, Madison Children's Museum welcomed more than 40,000 visitors from 32 states and 23 Wisconsin counties and expects 200,000 visitors for the year.

"The museum is an important regional asset that reflects our balance of economic development and quality of life," added Robbins. "It contributes to our reputation as a good place to live, work, and raise a family."

“Thrive’s challenge to those of us in the health sector to ‘walk the talk’—to take workplace wellness from slogan to reality—is right on target,” comments Tim Size, Executive Director of the Rural Wisconsin Health Collaborative.



A Closer Look: Regional Healthcare Leaders Work to Improve Workforce Wellness

Healthcare in our region is a strong driver of both the economy and quality of life. It creates employment opportunities, while providing the region’s population with well-coordinated systems that cover a spectrum of unparalleled care. Since 2007, Thrive has convened healthcare industry executives in the Healthcare Leadership Collaborative (HLC), a CEO roundtable exploring opportunities to advance the region’s healthcare sector.

Over the past few years, HLC leaders have taken up the challenge to lead by example in the area of workforce wellness to inspire broader adoption for the benefit of both individuals and organizations. The leaders have collaborated with Thrive to introduce the Working for Health Initiative.

Healthcare leaders envision healthier workplaces as a regional competitive advantage, driving down healthcare costs for area employers and increasing employee engagement and productivity.

In 2010, the HLC completed an important phase of this initiative, which focused on enhancing wellness programs within healthcare organizations themselves. These organizations concentrated their efforts on growing their programs and increasing employee participation, while tracking results through standard Health Risk Assessments. The programs target behaviors related to nutrition, activity, tobacco use, and alcohol use.

Healthcare organizations of varied sizes and locations committed to the project, including several in rural parts of the Madison Region. The Rural Wisconsin Health Collaborative in Sauk County, for example, offers a robust wellness program for its employees

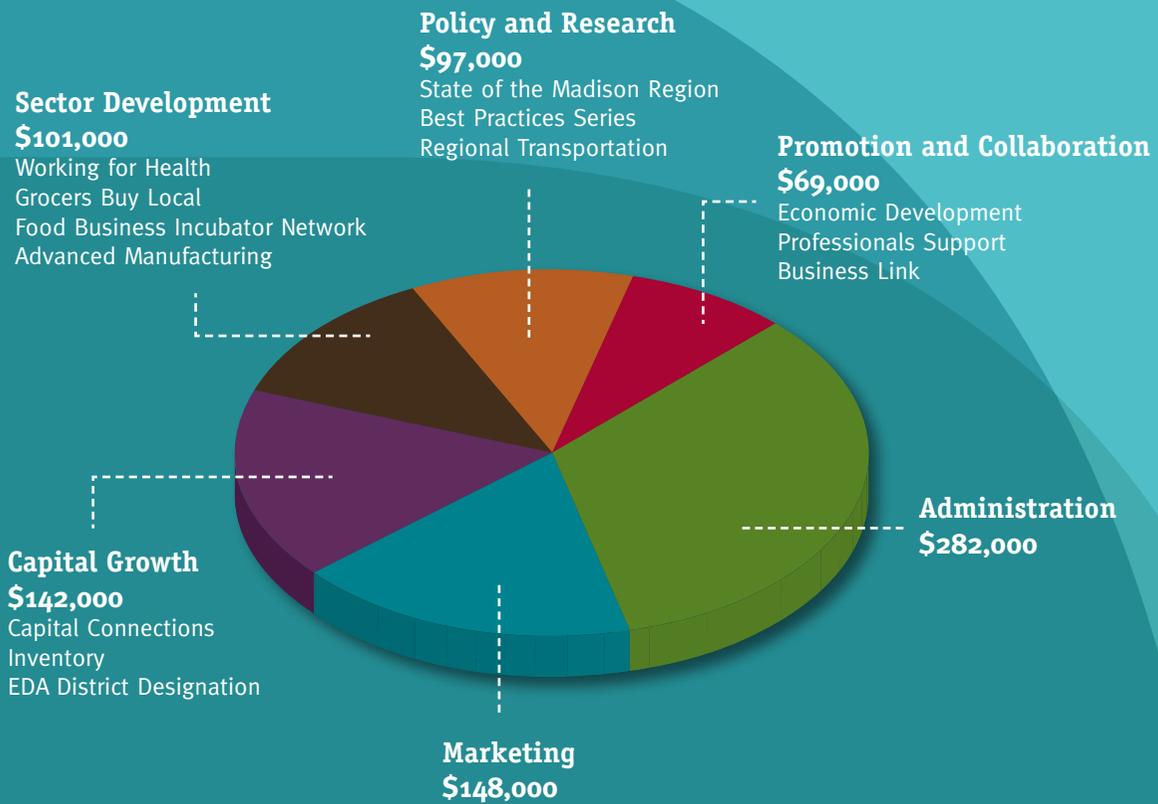
and is an advocate for employee health among all industries, particularly in rural communities.

“Thrive’s challenge to those of us in the health sector to ‘walk the talk’—to take workplace wellness from slogan to reality—is right on target,” comments Tim Size, Executive Director of the Rural Wisconsin Health Collaborative.

With the completion of phase one of the initiative at the end of 2010, the HLC will continue its internal focus while also turning its attention to the broader employer base of the region. By sharing their own success stories and leading through the example of their programs, the HLC aims to increase the number of employee wellness programs and participation across the region. With the introduction of Workforce Wellness Week in May 2011, Thrive and the region’s healthcare leaders hope to inspire a long-term commitment among employers to prioritize employee health.

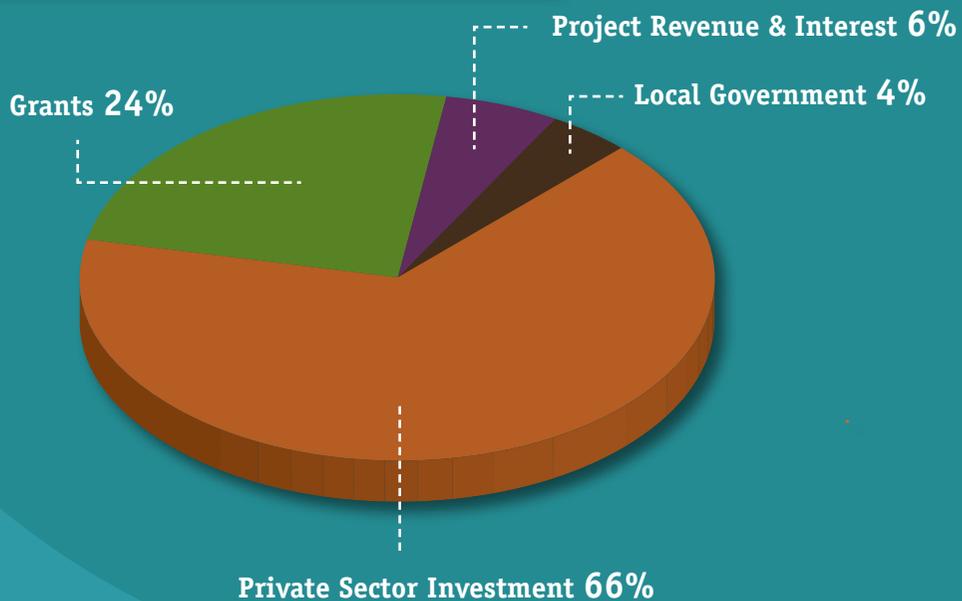
Financial Summary

In 2010, Thrive invested \$839,000 into our four key initiatives of Capital Growth, Sector Development, Policy and Research, and Promotion and Collaboration, as well as in Marketing and Administration. The following chart represents the allocation of these resources.



Funding Sources

Thrive received funding support from four main sources in 2010.





Looking Ahead

Thrive has done important work in 2010, from on-the-ground assistance for businesses to research that shaped public policy and regional planning efforts. The outcome of this work has inspired aggressive, results-driven goals for 2011.

Our State of the Madison Region report made it clear that despite our multiple, diverse assets, our region is falling behind our peers in key metrics. The recession has affected us, and there is a real sense of urgency to lay the groundwork for future economic development—not just for the next year, but for the next 20 years.

In this we see tremendous opportunity—opportunity to continue our good work in the region while exploring new strategies and approaches to achieve sustained growth. We sit at a pivotal moment that demands collaboration, forward action, and above all, results.

Thrive is in a unique position to stitch together strategies, initiatives, and resources from throughout the region into a common playbook. It will be built by listening to business and community leaders, and guided by research and informed assessments of our economic and social realities.

The resulting playbook will not contain pages of ideas, but action items to create meaningful change. Furthermore, it will establish benchmarks to track and measure the results of our work.

While Thrive is in the unique position to help spearhead and bring together the work of many in the region, the responsibility and the privilege to create long-term growth and economic prosperity belongs to all of us. That's why in the year ahead, we will be turning to you—our partners across the region—for support and input into this important process.

We invite you to get involved and stay informed about the project by visiting our new website, which is scheduled to launch in spring 2011. The site will feature new business tools, company and community profiles, and additional information to keep you up-to-date and part of the plan.

The year ahead will bring many changes and opportunities. At the end of 2011, we'll have a regional strategy for economic growth that will guide us into the years that follow. We look forward to working with you to deliver the results of that strategy.



Thrive Staff

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Sean Robbins, Executive Vice President

Brad Elmer, Project Director

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