



2008 Annual Report for Greater Mankato Growth, Inc.

(including Greater Mankato Convention & Visitors Bureau, LLC)

Building on our Success

Dear colleagues,

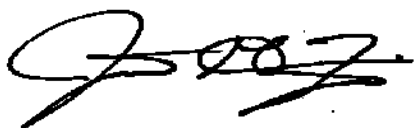
2008 was a building year for Greater Mankato Growth, Inc. and the Greater Mankato Convention & Visitors Bureau. Throughout our first full year of operations some programs were added on to or remodeled. Based on the needs of the marketplace, brand new programs were also constructed. And while programs were modified and created, we also found it necessary in some cases to reorganize in order to enhance service delivery to our customers—you.

Like many “building” projects, as we made changes, things didn’t always go according to plan and, yes, we learned a few things along the way. Thankfully, both GMG and the CVB have strong leaders in their boards of directors to lead our organizations forward. It is because of this and the efforts of our staff and community members that 2008 was a success.

Now we must build on this success in 2009. GMG and the CVB are well positioned to meet the needs of our members, constituents and the regional marketplace. We need to remain strong to continue to deliver the products and services our businesses and community needs. Because of our organization’s dependence on the business community for our support, and reciprocally the support we as an organization provide to the business community, Greater Mankato Growth must be sensitive to the current business climate and proactively plan for the future.

As an organization supported by the business community, it is imperative we continually serve as responsible stewards of the resources provided to us. In recent months we have been asking you questions and will continue to ask what programs are most valuable in building your business. With your continued input and involvement, I am confident that we will continue to be able to effectively support and promote the economic growth and vitality of our members and the Greater Mankato regional marketplace.

Warm regards,



Jonathan G. Zierdt, President & CEO
Greater Mankato Growth, Inc.



Greater Mankato Growth, Inc.

Mission Statement

Greater Mankato Growth, Inc. exists to support and promote the economic growth and vitality of our members and the regional marketplace.

Core Values

The needs of the members are best met by growing the regional marketplace. We accomplish this by being:

Catalysts – initiating action for economic growth beneficial to our members and congruent with our regional desire and culture.

Stewards – using our resources efficiently and effectively and wisely leveraging our strengths.

Collaborative & Inclusive – cultivating and sustaining relationships, while encouraging the mobilization of our marketplace assets to enhance growth.

Approachable – being visible and accessible and creating a friendly, vibrant and respectful environment.

Innovative – embracing change and promoting progressive solutions.

Ethical – communicating openly and honestly and taking responsibility for our actions in all our business practices.



Greater Mankato's Economic Diversification

Business Payroll Distribution by Industry for Mankato-North Mankato MSA (includes Blue Earth & Nicollet Counties)

| | | | |
|----------------------------------|---------------|---|---------------|
| Primary Economy | 29.9 % | Professional / Service Economy | 51.1 % |
| Manufacturing | 18.5 % | Health Care & Social Assistance-Blue Earth County | 15.5% |
| Construction | 5.7 % | Educational Services-Blue Earth County | 10.2% |
| Wholesale Trade | 5.4 % | Health and Education Services-Nicollet County | 7.8% |
| Information | 3.6 % | Professional and Business Services | 7.9% |
| Transportation and Warehousing | 2.4 % | Public Administration | 3.6% |
| Natural Resources & Mining | 1.4 % | Finance and Insurance | 3.0% |
| Utilities | .9 % | Other Services | 2.3% |
| | | Real Estate and Rental Leasing | .8% |
| Retail/Consumer Economy | 10.3 % | Unclassified Data | 9.6 % |
| Retail Trade | 7.5 % | | |
| Accommodation and Food Service | 2.5 % | | |
| Arts, Entertainment & Recreation | .3 % | | |

Source: Q2 2008 Census of Employment and Wages (QCEW), Labor Marketing Information from Minnesota Department of Employment and Economic Development

Greater Mankato's Economic Vitality

Statistics for Mankato-North Mankato MSA (includes Blue Earth & Nicollet Counties)

| | 2005 | 2006 | 2007 | 2008 (As of Q2) |
|-----------------------------|----------------|----------------|----------------|--------------------|
| Average # of Establishments | 2,760 | 2,837 | 2,745 | 2,760 |
| Average # of Employees | 49,777 | 51,223 | 52,474 | 51,805 |
| Retail Sales | \$1.29 billion | \$1.35 billion | \$1.37 billion | |



Business Development

- GMG conducted more than 40 formal business retention visits. Additionally, more than 100 companies were visited in connection with the Envision 2020 resource campaign, generating CEO input on business needs and opportunities in our area.
- GMG worked with 22 existing companies regarding financing and expansion options, workforce development, ownership transition and more, helping contribute to the addition of facilities and employment. Examples:
 - Met with corporate and local executives of Alltel Wireless on an ongoing basis regarding the mutual value of their location in the marketplace, workforce development and other topics, helping to retain the company's operations in Greater Mankato and paving the way for Alltel's plans to add 130 additional employees announced in November, 2008.
 - Assisted Kato Cable with the exploration of constructing a new facility and the JOBZ application process, retaining this entrepreneurial venture in the community and helping position it for growth. The company currently has 22 full and part time employees and plans to add more full time positions in 2009.
 - Met with CAB Construction about their difficulty in finding welders, machine operators and mill rights, which led to the formation of a group of 22 manufacturers to work on short and long-term solutions for meeting their talent needs. GMG has partnered with DEED to help lead this charge.
- GMG had 120 recorded interactions with existing businesses, as well as many day-to-day interactions via quick phone calls to answer questions, notify someone of a business development event, etc.
- GMG partnered with the Southern Minnesota Initiative Foundation to deliver the High Potential Business Program, focused on growing and retaining existing businesses by helping them build on their core areas of excellence. 14 companies were identified as fitting the client profile and provided with information, with all showing interest. At the end of 2008 one company was approved to join the program and two had applications pending.
- GMG offered a variety of Professional Development opportunities through 2008 to provide employees with knowledge to take back to their workplaces, including Leadership Institute of Greater Mankato, Sakatah Institute and the new Professional growth Series Workshops (formerly called the Management Symposium and Professional Development Series) and Greater Mankato Young Professionals program.
- GMG grew the Greater Mankato Business Accelerator, a program of Greater Mankato Growth and the City of Mankato that connects entrepreneurs with the resources they need to succeed. The Business Accelerator currently has 164 clients, 19 Primary Economy clients in the Accelerator's formal business building program, which has three graduates to its credit. A new marketing program for the Accelerator also began in 2008.
- GMG partnered with *The Free Press* to have a special section in its new monthly business magazine *MN Valley Business* beginning in July, 2008.

Business Development (continued)

- GMG collaborated with the BioBusiness Alliance of MN (BBAM), Minnesota Department of Employment and Economic Development (DEED), the International Renewable Energy Technology Institute (IRETI) and MSU to further Bio Business opportunities in the area.
- GMG worked with the Southern Minnesota Initiative Foundation (SMIF), AgStar and other groups across southern Minnesota to identify strategies that the region can use to differentiate itself in our evolving global economy.
- GMG completed the Preliminary Assessment for a Research/Innovation Park, which included looking at Minnesota State University, Mankato's resources and analyzing other renewable energy parks around the country.
- GMG continued to work with the Two Rivers Angel Investors Network (TRAIN), a pooled network of investors utilizing local capital and talent to attract development opportunities to the area.
- GMG created the Wellspring Investor Alliance in response to the need in the area for a non-pooled angel investor network to give accredited investors an efficient way to learn about entrepreneurial business investment opportunities in the area.
- GMG with input from its city partners created a Pipeline Report, available in the business area of greatermankato.com to provide up-to-date information on current and future building projects in Greater Mankato.
- GMG developed collateral materials (brochure and letter templates) for a proactive personalized marketing program utilizing local CEO relationships and contacts to reach out to community alumni, supply chain partners and friends to solicit business development interest in Greater Mankato, with 31 leads in the first few months and 150 expected by 3/31/09.
- GMG worked with its community partners to respond to more than 20 company inquiries about expansion in the Greater Mankato area.
- GMG enhanced greatermankato.com in October, 2008, reorganizing the already information-packed business development area to make it even more accessible and user friendly for those looking for information about doing business in Greater Mankato.
- GMG began working on a comprehensive external marketing strategic plan to attract and provide information to businesses to develop and expand in Greater Mankato. The plan will be executed in 2009.

Business Trade & Traffic

- GMG formed a collaborative partnership with the City of Mankato and City of North Mankato to create the City Center Business Association (CCBA). Asked to direct the effort, Greater Mankato Growth, in partnership with a number of dedicated community volunteers:
 - Established a governing council and four working committees, with a total of 70+ active volunteers.
 - Implemented a consistent City Center Brand
 - Launched a City Center website and held first City Center-wide shopping event
 - Engaged in member recruitment campaigns to drive membership to more than 100 by the end of the year
- GMG enabled members to update their online business directory information and Google map, access detailed information from other business members and enter online hot deals.
- GMG coordinated a variety of successful community events, including Songs on the Lawn, the Greater River Energy Bicycle Festival and the 4th of July Fireworks.
- GMG held another successful Business Showcase, which gave GMG members the opportunity to show their products and services not only to fellow GMG members, but the entire business community.
- GMG gave its members a number of exclusive advertising opportunities, including mailing lists, inserts in the quarterly PromoPack to members and Relocation Kit to potential residents, weekly eNews advertising and a discount on advertising in *Minnesota Valley Business*
- GMG worked with the Greater Mankato Convention & Visitors Bureau to help the businesses community capitalize on large events coming to town (e.g. Vikings Training Camp, along with various tournaments and conventions).
- GMG worked with the Greater Mankato Convention & Visitors Bureau to initiate plans for enhancing the Visitor & Community Information Center in the River Hills Mall and creating a new site in the City Center, with a completion goal of Q3 2009.
- GMG provided members with an opportunity to network with one another through a variety of programs, including Networking at Noon and Business at Breakfast (renamed Business Connections in 2009), the annual Greater Mankato on the Green Golf Tournament and Monthly Business After Hours, which had a 35% increase in average attendance from 2007 to 2008. Based on the popularity of Business After Hours, Greater Mankato Growth will implement a new program Business Before Hours, in 2009
- GMG Ambassadors, a volunteer group of members, helped 85 organizations mark major milestones (groundbreakings, expansions, new businesses, etc.)
- GMG Cavaliers called on 59 new GMG members.

Community Development

- GMG served as the community's coordinator for Envision 2020 (E2020) activities in 2008:
 - Grew the number E2020 task forces addressing individual goals of E2020 Key Performance Areas (KPAs) from 3 to 14 and increased the number of engaged volunteers from approximately 40 to 245.
 - Served as an overarching coordinator and convener to ensure E2020 task forces and other community groups could be most effective.
 - Published the first E2020 Annual Report and held the first E2020 Annual Meeting in May, 2008.
 - Provided monthly progress reports to key stakeholders.
- GMG developed and implemented talent development and retention strategies:
 - Created the Greater Mankato Young Professionals, a program providing professional development and networking opportunities specifically for professionals age 21-39 in July, 2008 and had 104 members by year end.
 - Worked with the five area colleges to establish the new Collegiate Leadership Academy, a program that engages high achieving college students in the Greater Mankato business community and piloted the program in October, 2008 with 23 students.
 - Developed a college welcome fair to help give new students a connection with the community.
 - Established baseline retention data to determine the number of skilled college graduates that are available as potential employees for the region, starting work with DEED to establish a comprehensive crosswalk with workforce openings in 2009.
 - Created and internship workshop with the five area colleges to let businesses know about the process for getting interns from each institution.
- GMG helped develop our region's future workforce:
 - Developed programs of study for high school students in six career areas: Business Financial Management and Accounting, Early Childhood Development and Services, Engineering and Technology, Restaurants and Food & Beverage Services, Therapeutic Services, and Web and Digital Communications.
 - Held a Career Expo, with an estimated 1,147 high school students exploring careers through hands-on activities and face-to-face discussions with representatives from local organizations.
 - Explored the U.S. work readiness curriculum and credentialing and started three students on the program.
- GMG partnered with The Free Press for a monthly Greater Mankato This Month column written by Jonathan Zierdt to let community members know about GMG programs and activities.
- GMG, as part of the October 2008 upgrade of greatermankato.com, enhanced the community area of the site, making it an information portal for anyone wanting information on life in Greater Mankato.
- GMG worked with other community organizations on the creation of an advanced community calendar called greatermankatoevents.com throughout 2008 and launched it in February, 2009.
- GMG partnered with the Greater Mankato Convention & Visitors Bureau (CVB) to merge GMG's Community Resource Guide with the CVB's Visitor Guide to create one efficient publication that works for both residents and visitors: *The Guide to Greater Mankato*
- GMG enhanced the relocation kit sent out to prospective community member to make it more effective, as well as economical.



Greater Mankato Convention and Visitors Bureau, LLC (LLC of Greater Mankato Growth)

The Greater Mankato Convention & Visitors Bureau, LLC is an LLC of Greater Mankato Growth, Inc. that focuses on marketing the region to drive visitors to the community through tourism and events.

Mission: To lead the development of the visitor economy in Greater Mankato.

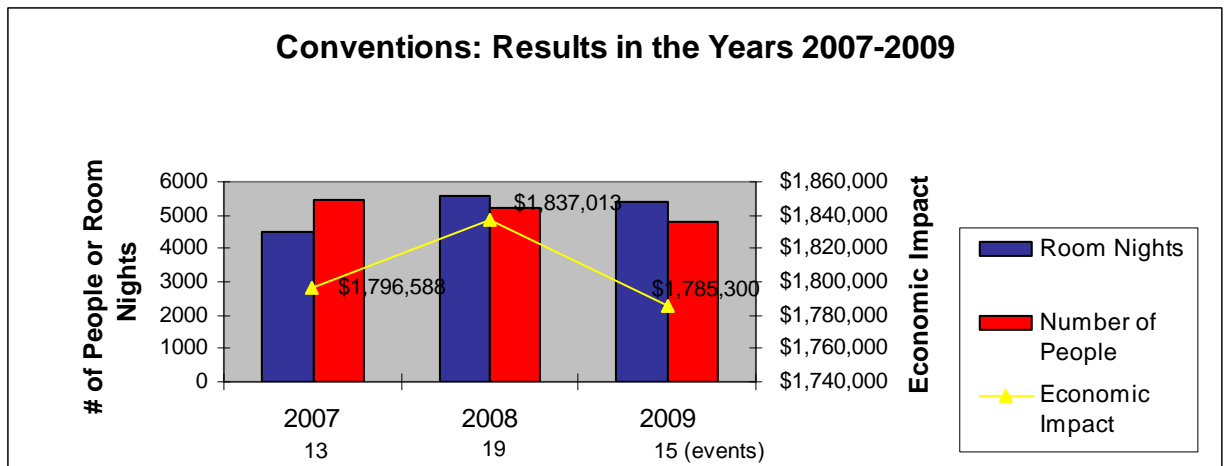
Vision: Greater Mankato will be an exceptional destination for conventions, tournaments and tourism.

Economic Impact:

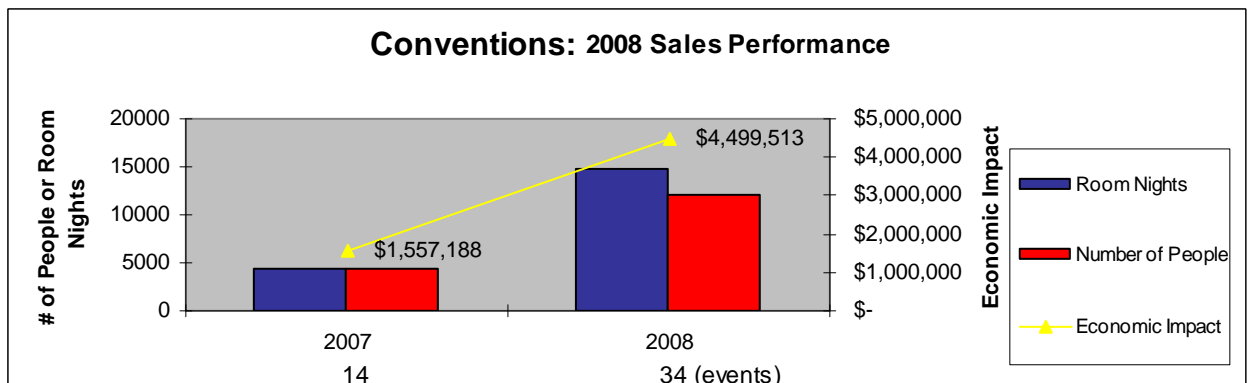
- Greater Mankato Convention & Visitors Bureau's (CVB) investment in tournament and conventions sales produced a 7% increase from 2007 to 2008 in economic impact for Greater Mankato with a total of \$8,464,208.

Conventions:

- Conventions that occurred in 2008 increased 46% from 2007 resulting in a 2% increase in economic impact and a 24% increase in room nights.
- Economic impact is expected to decline slightly from the conferences booked for 2009 due to a decrease in the number of people expected to come. This statistic is following current business travel trends.

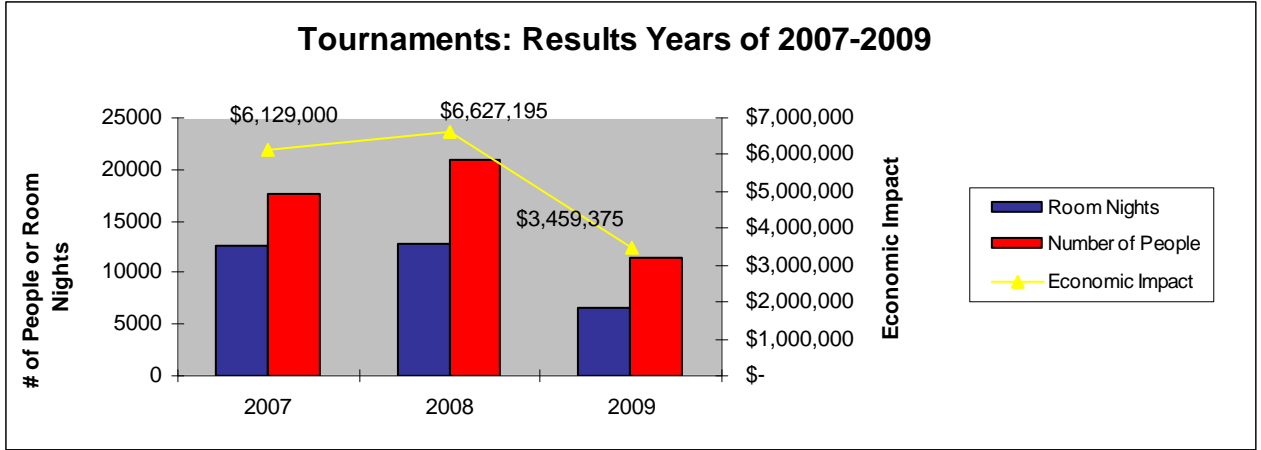


- Conventions sales increased dramatically during 2008. The chart below illustrates the 189% increase in economic impact, the 229% increase in number of room nights at hotels, and the 185% in the number of visitors from events booked in 2008.

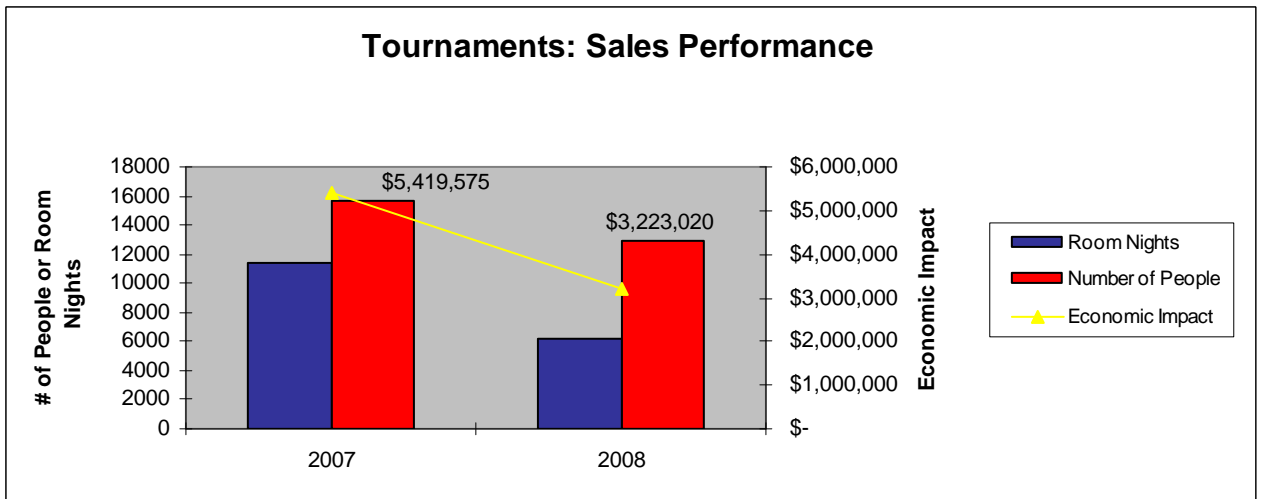


Tournaments:

- Tournaments that occurred in 2008 increased 14% from 2007 resulting in an 8% increase in economic impact and a 1% increase in room nights.
- Many tournaments are booked within the year of the event. Even though 2009's numbers are looking down, there is an expectation that those numbers will rise as the year progresses. The three year outlook in 2008 was better than it was in 2007. For example, by December 2007 there were 18 tournaments scheduled for 2008 compared to 31 events scheduled for 2009 in December 2008.

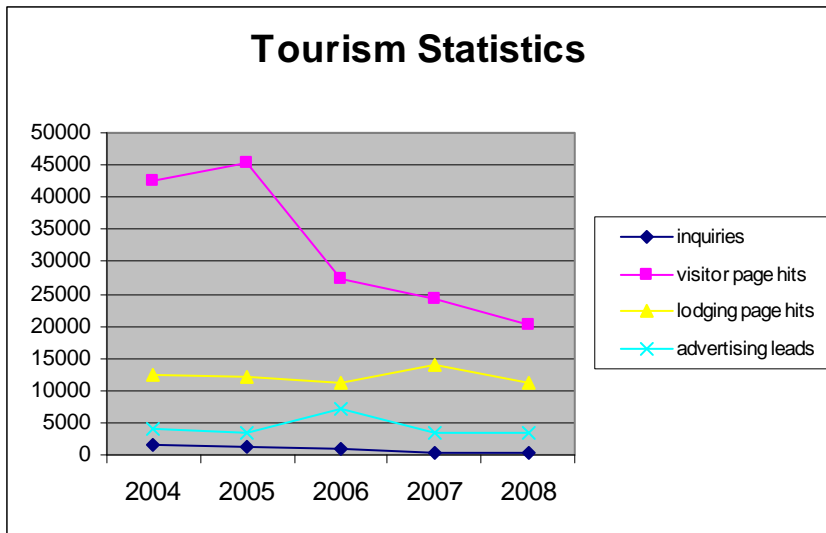


- Even though 2009 numbers are expected to increase, overall sales for a tournament in 2008, 2009, 2010 or beyond are shown to be down 24% from 2007. This is partly due to the reduction of a few locally run tournaments, less people traveling for a tournament or staying fewer nights or doubling up in the hotel rooms and more accurate tracking expectations of numbers. This translates into a 46% reduction in room nights and 41% decrease in economic impact.



Tourism

- Tracking general tourism has always been a challenge to CVBs. The best method at this point has been tracking inquiries, how many guides have been sent out and getting some feedback from local tourism related businesses. The chart below includes indicators of interest or intent to travel by potential visitors. The tourism statistics for 2008 stayed steady or slightly declined from 2007. The inquiries line represents the number of calls, emails or direct mail the CVB has received inquiring about attractions, a visitor guide, where to eat, etc. Visitor and lodging page hits are the number of hits the CVB website has received. Advertising leads are leads that are generated specifically from advertising opportunities such as the Explore MN Tourism website or 24-7 vacations.com.



- CVB worked with Greater Mankato Growth to help the business community capitalize on large events coming to Greater Mankato (Viking Training Camp, BioEnergy Days Conference, NAFA Tournament, and various other conventions and tournaments). This was often done through volunteer recruitment or notifications of upcoming events on the GMG E-news for example.
- CVB worked with Greater Mankato Growth to begin plans for enhancing the Visitor & Community Information Center, with a completion goal of Q3 2009. This center will provide a one stop shop for face to face with visitors who are seeking information concerning directions, amenities, restaurants, and more. This effort is expected to result in increases visibility, customer satisfaction and return visits.

Overview

The Greater Mankato Chamber of Commerce and the Greater Mankato Economic Development Corporation merged on October 1, 2007 to form Greater Mankato Growth, Inc., (GMG), with the Greater Mankato Convention and Visitors Bureau LLC (CVB) established as a subsidiary organization. The 2007 figures for GMG are as of 12/31/07 and the 2007 figures for the CVB are as of 9/30/07. In 2008 the financials for both organizations were based on the calendar year, with the figures below unaudited of 12/31/08.

Greater Mankato Growth, Inc.

| | 2007 | 2008 |
|-----------------------------------|--------------|--------------|
| Assets | \$ 1,628,795 | \$ 1,472,118 |
| Liabilities | \$ 375,060 | \$ 282,553 |
| Year End Members | 701 | 729 |
| New Memberships | 87 | 91 |
| Dropped Memberships* | 78 | 68 |
| Membership Retention Rate* | 89% | 91% |

*Dropped members include memberships not renewed, cancelled for non-payment and going out of business.

**Greater Mankato
Convention & Visitors Bureau, LLC
(LLC of Greater Mankato Growth, Inc.)**

| | 2007 | 2008 |
|---------------------|-------------|-------------|
| Assets: | \$ 210,561 | \$ 261,852 |
| Liabilities: | \$ 9,332 | \$ 24,163 |





2008 Greater Mankato Growth, Inc. Board of Directors

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 Vice Chair-Trade & Traffic: Todd Snell, Snell Motors
 Vice Chair-Community Development: Troy Volk, Volk Transfer, Inc.
 Secretary/Treasurer: Jennifer Pfeffer, Pathstone Living
 At-Large: Trudie Gustafson, The Occasions Group

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 Brian Duehring, Culver’s
 John Finke, HickoryTech
 Pat Hentges, City of Mankato
 Karen James, Johnson Outdoors
 Michael King, Community Bank
 Greg Kutcher, M.D., ISJ Regional Medical Center-Mayo Health System
 Todd Loosbrock, US Bank
 Jon Rippke, Bolton & Menk, Inc.
 Wendell Sande, City of North Mankato
 James Santori, The Free Press
 Phil Slingsby, Scheels All Sports,
 Keith Stover, South Central College
 Kay Wallerich, Farrish Johnson Law Office, Chtd.



2008 Greater Mankato Convention & Visitors Bureau Board of Directors

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 Arlene Herzberg, Best Western
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