



Chronicle

January-February 2009

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mark your calendar

- March 10**
SCEDC Board Meeting
- April 14**
SCEDC Board Meeting
- May 12**
WEDA Spring Conference (Chippewa Valley Area)
- May 12**
SCEDC Annual Meeting



EDC Names Top Businesses of 2008



2008 Business of the Year winners (l to r) Bill Derrick, Jr., Derrick Companies; Ben Hanke, BOH Electronics; and Mike Kasun, K-Sun Corporation

On January 14th, St. Croix EDC president Jeremy Price announced the selection of the following companies as recipients of the 2008 business of the year awards in St. Croix County, Wisconsin:

BOH Electronics, Inc. (*North Hudson*)
2008 Emerging Business of the Year
(based in St. Croix County and in business for 5 or fewer years)

K-Sun Corporation (*Somerset*)
2008 Small Business of the Year
(29 or fewer employees)

Derrick Companies (*New Richmond*)
2008 Business of the Year
(30 or more employees)

The companies were honored at an awards banquet on Thursday, February 19th at R&D Banquet Hall, New Richmond, Wisconsin. The banquet was sponsored by First Bank of Baldwin, First National Community Bank, WESTconsin Credit Union, and Wisconsin Business Development Finance Corporation.

Each of the winners received a plaque from the EDC as well as a Legislative Citation from Madison and congratulatory letters from U.S. Rep. Ron Kind and U.S. Senators Herb Kohl and Russ Feingold.

BOH Electronics (www.bohelectronics.com) was formed in June 2005 by Ben Hanke. The company manufactures wire harnesses and provides custom cable and wire harness assembly to a variety of customers in technology-based industries, including medical, automotive, industrial, aerospace, military and radio frequency. Integrated cable harnesses and electro-mechanical assemblies are supplied according to strict customer specifications.

BOH's services include in-house design and prototyping, testing, custom manufacturing, technical support, and custom packaging.

In 2006, following a stint in Hanke's garage, BOH leased 3,000 square feet of space in the railroad shop yard in North Hudson. An additional 3,000 square feet was leased in 2007.

See Banquet . . . page 3

Bringing Our Issues to Madison



from the president

Jeremy Price

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4th Annual Legislative Trip Makes Impact

We like to refer to the three counties of St. Croix, Pierce, and Polk as the St. Croix Valley. Residents and businesses in the region enjoy an unparalleled quality of life. It is an exceptional place to live, grow, and play. The four-hour distance to Madison has advantages and disadvantages. If we're almost 250 miles from the capitol, there's a good chance we'll be left alone. Getting our message to legislators, however, presents challenges at times. The solution? An organized trip to Madison that engages leaders from business, industry, civic, education, and government.

On February 4th, 30 volunteers traveled to Madison and delivered a series of legislative priorities to state senators, representatives, and legislative aides. This year's event was my first and I was impressed. By design, the February 4th event was abbreviated and was limited to appointments with officials that represent the 3-county region, chairs of key committees, and members of the Joint Finance committee. As an aside, EDC director Dale Jorgenson coined the event "Legislative Lite"—same great impact, but less filling. Teams of 2 and 3 people conducted 30-minute appointments from 1 to 4 p.m. Our last stop of the day was a meeting with a policy advisor in the Governor's conference room. One by one, our issues were conveyed. At the end of the day, our citizen advocates dispersed—some traveled back to the valley and others remained in Madison for a conference on economic development. On February 5th, some of the conference attendees met with Richard Leinenkugel, the Secretary of the state department of Commerce.

The EDC's first vice president, Patti Robertson, chaired the legislative event. She did a fantastic job. The EDC also created a legislative committee a few years ago. In addition to Patti, the committee is comprised of Dale Jorgenson, Nick Vivian, and Ken Kolbe. Thank you one and all for your work.

Our legislative issues revolved around three major themes – economic development, transportation, and workforce/education. Each theme contained three issues that were placed

in a high quality booklet created by Jacki Bradham, the EDC's administrative assistant. The booklet was well done and contained statistical information and maps on all three counties. The booklet can be viewed online at <http://www.unitedscv.com/pdf/09issuesbook.pdf>. It was used during each appointment to help explain each issue.

Under the theme of economic development, United St. Croix Valley supported (1) the consolidation of Commerce's tax credit programs, (2) the expansion of Act 255 (individual tax credits to angel investors), and (3) a state tax exemption for health savings accounts (HSAs) to mirror federal law.

Growing regions like the St. Croix Valley have significant transportation and infrastructure needs. We built awareness for three transportation projects, including (1) the St. Croix River Crossing, (2) West Central Freeway System (I-94 from Hudson to Eau Claire), and (3) U.S. Highway 8 upgrades.

Under workforce and education, (1) we supported a technical college initiative known as Next Generation Workforce to address critical skill shortages in each of the state's 16 districts, (2) sustainable capital projects (technical college capital building and remodeling projects), and (3) improving the State of Wisconsin's capital process (adapting modern business models to public construction projects).

Elsewhere in this newsletter there are photos that captured the activities of February 4th and 5th in Madison. The 30 volunteers and the 2009 corporate sponsors are also highlighted. It takes substantial effort to conduct successful activities like this. We appreciate the efforts of the volunteers and staff that made our time in Madison worthwhile.

I mentioned I was a rookie at this year's event. I will attend future legislative treks to Madison. I also invite our readers to become involved. Our region cannot be a rising star in the state unless legislative priorities become realities.

Onward.

UW Regents Confirm Van Galen as UW-River Falls Chancellor

On January 16th, the University of Wisconsin Board of Regents appointed Dean Van Galen as the 18th chancellor at UW-River Falls. He will assume this position on June 1, 2009. Van Galen is currently the vice president of advancement at the University of West Florida.

“It will be an honor to work collaboratively with the UW-River Falls community and the highly acclaimed UW System to advance higher education in the St. Croix Valley and beyond,” said

Van Galen. “By all accounts, including my own, UW-River Falls is an excellent university with a bright future,” he added. “There will be much to learn as a new chancellor. I look forward to conversations with UWRF’s faculty, staff, students, alumni and friends to better understand the university’s traditions, challenges, and hopes and dreams for the future.”

Van Galen earned a Bachelor of Science degree in chemistry from UW-Whitewater. He earned a Ph.D. in analytical chemistry from Kansas State

University and was a post-doctoral research associate at UC Berkeley.



Dean Van Galen,
Chancellor, UW-River Falls

Banquet . . . from page 1

In November 2008, Hanke purchased the 17,000 square foot facility at 230 Monroe Street North in North Hudson. Over the next 6-9 months, plans will be finalized to restore the historic elements of their facility.

Sales and employment continue to grow for BOH Electronics. Five new jobs were created in 2008, bringing the employment count to 15 plus several cottage industry workers involved in piecework and light assembly.

K-Sun Corporation (www.ksun.com) is a unique source of custom labeling, marking, signage, and industrial identification solutions. These are accomplished through several exclusive electronic labeling machines, software and supplies.

K-Sun Corporation celebrated its 30th year in the St. Croix Valley in 2008. The company was founded in 1978 in Stillwater, Minnesota by Mike Kasun. In the early years, the company was a supplier of replacement cards for the Kroy labeling machine. The company moved to Somerset, Wisconsin in 1997 following the construction of a new facility in the Somerset Industrial Park. Over time, K-Sun has transformed into a manufacturer and supplier of computer-compatible and stand-alone portable and desktop electronic labeling printers, as well as a developer of industrial signage software and manufacturer of specialty coated supplies for various printers.

The company introduced several new products during its last fiscal year, ending October 31, 2008. They include the K-Sun LABELShop® BEE3®, a portable 3-in-1 heat shrink tube, bar code and adhesive label thermal transfer printer. The newest printer, the K-Sun LABELShop BEE3+ “Terminator”, with wider heat-shrink tube capabilities, was introduced in October 2008. In addition, Windows Vista® operating compatible updates of K-Sun’s MaxiSoft® V.2 award-winning safety sign software and PipeMarker V.2 pipe-marking software were introduced in late 2008.

The BEE3 is designed to be an environmentally friendly product, using non-PVC parts. It also meets the RoHS directive, a law enacted in the European Union, which requires that products do not use parts made of hazardous materials. K-Sun also recycles all of its waste electronics with eCycling, located in Hudson, Wisconsin.

Key business strategies for K-Sun are agility, adaptability and rapid response when market demands and opportunities arise.

Derrick Companies (www.derrickbuilt.com) was started by William H. (Bill) and Mary Ann Derrick in 1967 as Derrick Construction in the basement of their rural New Richmond, Wisconsin home. A remodeling job and a new home built by Bill and three employees were among the company’s initial projects during the first year of operation.

Today, Derrick Companies and its development affiliates build approximately 100 projects annually in over 20 communities and 2 states within 100 miles of its corporate offices in New Richmond. In 1990 Bill “retired” to become Chairman of the Board and his sons William M., Ron and Tom, and partner Mike Stevens took over active operation of the business. In January 2003 the company restructured into Derrick Companies, a family of companies involved in land development, residential building, and commercial/industrial general contracting.

Bill and Mary Ann are still active in the business and serve on the company’s management team.

EDC president Jeremy Price presided over the banquet, which included a special recognition of previous winners going back to 1994. Certificates were awarded to public and private sector members in appreciation of their financial support over the last ten consecutive years.

The keynote speaker was Richard Leinenkugel, Wisconsin’s Secretary of Commerce. Governor Jim Doyle appointed Leinenkugel to the cabinet post last fall. The Department of Commerce is the state’s lead economic development agency. It provides development assistance in areas such as marketing, business and community finance, exporting, and small business advocacy.

BOH Electronics: *A Rising Star in a Historic Business District*



(l - r): Luke Hanke, quality manager, Wayne Thao, production manager. Standing, (l - r): Niki Hanke, office manager, Ben Hanke, president/owner, Joel Hanke, account manager.

Photo by Brenda Bredahl

By Brenda Bredahl

A North Hudson cable and wire harness manufacturer is taking the lead in becoming the first business to restore a historic building in North Hudson’s landmark railroad “car shops,” built in the late 1800s. And it’s getting accolades and aiming for historic preservation tax credits as well as tech zone credits for its efforts.

BOH Electronics, named the 2008 St. Croix Economic Development Corporation’s emerging business of the year, is working with the State Historical Society of Wisconsin’s Division of Historic Preservation and Public History on restoration of the former storehouse in the industrial area once known as Chicago, St. Paul, Minneapolis and Omaha Railroad car repair shops. Built in 1890-91, the storehouse had offices on the second floor for the master rail car builder.

It’s the first time in more than a century that one of the unique historic business district’s buildings will get much-needed preservation attention.

“We plan on restoring the exterior of the building to be the centerpiece of these historic railroad car shops in North

Hudson,” says Ben Hanke, president of BOH. “We will be doing a complete renovation to the interior of the building, keeping all of the architectural features intact. This has been a really neat project that we are working on with Elliot Architects, and it will hopefully spark a trend in this well-hidden historic district.”

A Forgotten Past

Hanke grew up in North Hudson and was familiar with the neglected industrial district harboring a somewhat checkered past. For many years the stately, enormous brick buildings were largely unused and the windows were covered in plywood in an attempt to prevent vandalism and trespassing.

According to “Buildings from the Past, An Architectural Survey of Hudson and North Hudson,” the railroad car shops at their peak employed 400 workers, including many Italian immigrants at the turn of the century who settled in the village of North Hudson. In 1956, the railroad abandoned the district’s use for railroad purchases.

In 1977, St. Croix Ventures and John Schommer, an insurance agent who had

served as Hudson mayor and a police officer, purchased the property and operated a storage business on the site and leased the other buildings. Over the years, a number of small businesses have come and gone.

In the early 1980s, however, it was discovered that JCI Jones Chemical had contaminated soil and groundwater on the site. That discovery resulted in designation as a Superfund Site by the Environmental Protection Agency. Some of the contamination was on the property owned by the Thompson Casket Co., which manufactured burial equipment in the former railroad shophouse until the late 1990s. The Superfund Amendments and Reauthorization Act of 1986 deemed Jones Chemical, the previous owner that had occupied the site from 1960 to 1989, as responsible. In 2007 the case was given a conditional closure as contamination was deemed stable, and in 2008 the case was archived by the Wisconsin Department of Natural Resources.

Bringing Business Back Home

In 2005, Hanke founded BOH Electronics in Vadnais Heights, Minn. He bought out his partner in June 2006 and

moved the business into his North Hudson garage while looking for local space to lease.

Within a month, Hanke found 3,000 square feet to lease in the old shophouse, owned by the estate of Thomas Stassen, the owner of Thompson Casket. Hanke immediately began to renovate the second floor, replacing everything including the subfloor.

“There was some strange machinery—a big lift—leftover from the Thompson Casket Co., which had closed in the late 1990s,” says Hanke. “And then we found evidence upstairs of some activity by trespassers.”

Ben’s wife, Niki, said that despite the challenges they faced, it was love at first sight. “We just fell in love with the place and saw so much potential,” says Niki, who left her job as assistant to the Engrossing Secretary in the Minnesota Senate to become the HR, accounting and office manager for BOH.

The company leased an additional 3,000 square feet in the building in 2007, and in late 2008 was able to purchase the entire 17,000 square foot building from the Stassen estate.

Hanke said he is very proud to become the first business to preserve one of the buildings in such an important historical district that has been largely untouched. He immediately began planning with Elliot Architects of Hudson.

The district received much media attention in December 2008, when a fire destroyed a historic building occupied by St. Croix Storage.

“It was very sad and ironic that one of these other beautiful historic buildings burned just when we started preservation efforts on our building,” said Hanke. “These buildings are beautiful, and some of them are not well-maintained and are deteriorating. We are hoping to spark an interest in the building owners down here to look at preservation projects as well.”

Hanke said he has heard there are no

plans to rebuild to match the character of the district. “They want to rebuild the building that burned, but they want to put up a steel building. When people start doing that to an area like this, it’s just going to take the whole façade away from it. I don’t want to be the bad neighbor, but I want to preserve the feeling. Right now when you stand and look down the street, it feels like you are years back in time.”

BOH’s plans include a 3,000 square foot office area within the 17,000 square foot building, which will be used for assembly, warehouse and shipping space.

Historic Growth

BOH has experienced stellar growth since its founding in 2005. “We were projecting \$1.25 million for this fiscal year but are at upwards of \$1.6 million,” said Hanke.

In 2006, BOH finished the year with two employees and gross sales of \$400,000. In 2007 after doubling operation capabilities by leasing more square feet, the company finished the year with gross sales of \$800,000. Several more full-time employees were added as well as several at-home cottage workers.

The company serves original equipment manufacturers and providers harness assembly and sub-assemblies. The company makes custom-designed cables and sub-assemblies to customer specifications and industry standards, including RoHS, a European law that bans the use of substances thought to be hazardous to humans and animals. BOH also offers services from prototyping and engineering short runs to high volume production runs.

Products include ribbon cable assemblies; coaxial, triaxial and multi-conductor cables; LCD/LVDS, D-Sub and discrete wire assemblies; plus cords, cables and harnesses for phones, power, audio/video, automotive, telecommunication, networking, computers, military, instrumentation and medical equipment, as well as consumer electronics and other products.

In addition, the company provides prototype services, full service testing, just-in-time delivery and custom packaging.

“What sets us apart is our on-time delivery and customer service model,” says Hanke. “As a small company we are very able to support customer needs to the fullest.”

‘Connections to Last a Lifetime’

The company’s commitment to quality is reflected in its slogan, “Connections that last a lifetime.” Hanke says that he and his management staff, which includes Wayne Thao, operations manager and Hanke’s brothers Luke, who is quality manager, and Joel, who is sales manager, are pleased to have found a home for BOH electronics in Hanke’s hometown. Hanke’s wife, Niki, who graduated from UW-River Falls with a major in political science and a minor in professional writing, grew up nearby in Hugo, Minn.

“Niki and I are proud parents of seven children,” said Hanke. “We have made valiant efforts to serve the community through coaching youth sports and volunteering at the North Hudson Elementary School.”

Brenda Bredahl is a writer, editor and content specialist who lives in Hudson. She can be reached at 715-386-9130 or bbredahl@pressenter.com.

just the facts

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13 full-time employees;

3 part-time employees

10 at-home cottage industry
employees

Founded 2005; moved to
North Hudson in 2006

United St. Croix Valley Brings Issues to Madison

Sponsors Underwrite 2009 Legislative Event

Sixteen sponsors from the 3-county region helped make the February 4th legislative event successful, according to Patti Robertson, committee chair. “The sponsors’ financial support and in-kind donations allow us to undertake promotional and advocacy events like this,” said Robertson.

Below is a complete list of sponsors.



State Representative Kitty Rhoades met with a team of citizen advocates as part of the 3-county United St. Croix Valley legislative event on February 4, 2009. (l to r): Trudy Popenhagen, Xcel Energy; Representative Kitty Rhoades; Roger Humphrey, Humphrey Engineering; and Randy Hulke, Stout Technology Transfer Institute.



A large group from United St. Croix Valley met in the Governor’s conference room with a policy advisor to wrap-up the activities of the February 4th legislative event in the capitol.



Wisconsin’s Secretary of Commerce, Richard Leinenkugel, hosted a meeting with a group from United St. Croix Valley on February 5th during the WEDA Conference on economic development. (l - r): Bill Rubin, St. Croix EDC; Jim Zeller, Greystone Commercial; Commerce Secretary Richard Leinenkugel; Patti Robertson, WESTconsin Credit Union; Char Gurney, Regional Business Fund, Inc.; Beth Waldhart, Regional Business Fund, Inc.; Ryan Sicard, Village of Somerset; Linda Clark, Xcel Energy; and Frank Borg, NWMOC.

St. Croix: WI's Fastest-Growing County to 2035

Towns, Villages, & Cities Poised for Growth, Too

According to new population projections released by the Wisconsin Department of Administration (DOA) last fall, St. Croix County will be the state's fastest-growing county between the years 2000 and 2035. DOA projects St. Croix's population will grow from the 2000 census estimate of 63,155 to 148,043 in 2035, for a numeric increase of 84,888. This equates to a growth rate of nearly 135% and easily outpaces the second fastest growing county, Calumet, at 75%. The gain of nearly 85,000 people moves St. Croix from the 23rd most populous county in the state to the 12th most populous (2000 to 2035).

In January 2004, DOA released population forecasts to 2030. DOA projected St. Croix's population at 106,026 or an increase of nearly 68% compared to the 2000 census estimate.

These latest forecasts come at a time when the housing industry is struggling and the nation's economy is mired in a deep recession.

Towns, villages, and cities in St. Croix County will also enjoy population gains. DOA released population forecasts for these units of government to the year 2020 instead of 2035 as it did for counties. Fastest-growing towns include the Towns of Hammond (+264.6%), Richmond (+247.1%), Hudson (+154.6%), Somerset (+128.7%), and Troy (+115.5%). The top numeric gainers are the Towns of Hudson (+9,046), Troy (+4,228), Richmond (+3,845), Somerset (+3,404), and Star Prairie (+3,241).

County	2000 Census	2035 Projection	Percent Increase	Numeric Increase
Barron	44,963	54,463	+21.13%	+9,500
Chippewa	55,195	76,910	+39.34%	+21,715
Clark	33,557	41,945	+25.00%	+8,388
Dunn	39,858	56,073	+40.68%	+16,215
Eau Claire	93,142	122,486	+31.50%	+29,344
Pepin	7,213	9,086	+25.97%	+1,873
Pierce	36,804	54,094	+46.98%	+17,290
Polk	41,319	60,640	+46.76%	+19,321
Rusk	15,347	15,350	0.00%	+ 3
St. Croix	63,155	148,043	+134.41%	+84,888
Total	430,553	639,090	+48.43%	+208,537
State of Wisconsin	5,363,715	6,653,951	+24.05%	+1,290,236

Note: The 10 counties of western, west central, and northwest Wisconsin comprise Momentum West, a regional economic development and marketing organization.

Source: Wisconsin Department of Administration and St. Croix Economic Development Corp.

The projected fastest-growing villages in St. Croix include the Villages of Somerset (+212.3%), Hammond (189.4%), Roberts (+171.5%), Baldwin (+155.9%), and Woodville (+98.5%). Projected numeric gainers are the Villages of Baldwin (+4,157), Somerset (+3,304), Hammond (+2,184), North Hudson (+1,969), and Roberts (+1,662).

The projected fastest-growing cities in St. Croix include Hudson (+161.7%), New Richmond (+116.2%), and River Falls (+79.8%). By combining the population of River Falls in both St. Croix and Pierce counties, the projected population is a 54.1% increase.

DOA says Wisconsin's population is relatively stable and growing moderately in comparison to other states. Wisconsin is not subject to the heavy population growth of the southern and western Sunbelt states, nor is Wisconsin heavily dependent on industries that cause booms and busts in migration. DOA projects Wisconsin's 2035 population at 6,653,951 people, nearly 1.3 million more than in 2000 (+24.05%).

DOA's study also said that 70 of the state's 72 counties would grow from 2000-2035. Milwaukee County (-8%) and Menominee County (-20%) are projected to lose population.

DOA also said that the 10 fastest-growing counties during the 35-year period—Calumet, Dane, Oconto, Kenosha, Pierce, Polk, St. Croix, Walworth, and Washington—are each located within or adjacent to a major metropolitan area. Their numeric growth is projected to account for 45% of the state's increase from 2000-2035.

Dane County is projected to gain 227,350 residents from 2000-2035 (+53%), and is the largest numeric increase among all counties. If forecasts hold true, Milwaukee County will lose 76,956 residents (-8%), but will remain Wisconsin's most populous county with 863,208 in 2035.

The 10-county region of western, west central and northwest Wisconsin will grow rapidly, too.

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