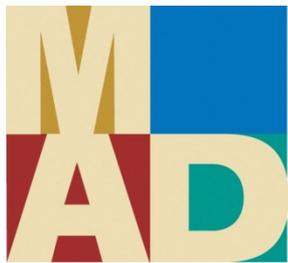


# Five Thriving Minnesota Communities: *Thief River Falls*



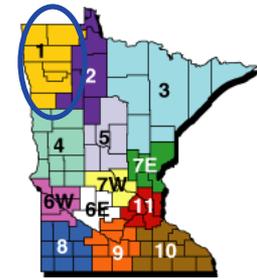
Management  
Analysis  
& Development

# Thief River Falls/TVF



# Major Industries

## Northwest Region



Sector	Firms	Jobs
Manufacturing	124	7,253
Health Care & Social Asst.	198	5,871
Wholesale Trade	177	3,877
Retail Trade	384	3,685
Educational Services	80	3,363

DEED Analysis (2011, 2010 data)

# Manufacturing:

## *Arctic Cat*



- Snowmobiles, ATVs
- Design, engineer, manufacture, market
- Network of independent dealers in US and Canada; distributors in Alaska, Europe, Middle East, Asia
- 2010 FY total net sales: \$450 million  
2011 FY total net sales: \$465 million  
2012 growth exceeding expectations

# Manufacturing HQ:

## *Central Boiler*

- Sales and dealer network (100s) in US and Canada; other international
- Staff, contractors, independent dealers
- High demand for air travel:
  - Dealer convention (700+ annually)
  - Dealer training (400+ annually)
  - Trade shows, conferences
  - Marketing, sales calls
  - Service calls



# *Digi-Key Corporation*

## **International electronics component distributor – 5<sup>th</sup> largest in North America**

ATmega2560-based microcontroller board from Arduino



- 2,559 employees (Jan. 2012)
- Annual revenue
  - 2000 \$372 million
  - 2005 \$630 million
  - 2010 \$1.5 billion
- Represents over 470 manufacturers
- 450,000 customers served/year
- 99.9% same-day shipping; superior service
- Expanding in Japan, Europe, and beyond

# Manufacturing: *Mattracks*

- Rubber-track vehicle conversion system
- All types of terrain, climates, industries;
- Designs, tests, engineers, manufactures and markets
- Designs and builds specialized production equipment
- Sold worldwide, 75 countries: North and South America, Europe, China, Middle East, Australia
- Fly sales staff, dealers, customers



# Health Care Expansion

- Sanford Health – building a \$60 million medical center and clinic in Thief River Falls
- Regional hub for medical care in NW MN – integrated and specialized medicine; clinical research facility
- **\$1 billion capital expenditures** over next five years
- Currently 540 health care employees in the community
- Doctors and staff frequent the Twin Cities; executive travel among Sanford Midwest campuses:  
34 hospitals, 116 clinics



# Northland Community & Technical College

- First US school to offer Unmanned Aerial Systems maintenance training and certification
  - UAS sales at \$7 billion in 2011; 2020 projections: \$62 - \$94 billion. Military and civilian sectors: search and rescue, agriculture, weather, natural resources and infrastructure  
***All sectors need mechanics and data analysts!***
  - \$10 million federal grants to NCTC to develop UAS programs
- Aviation Maintenance Tech and A&P certification
- Wind turbine certification under development



# Self-Employed on the Rise

- 5,765 self-employed businesses in Minnesota's Northwest region (2009)
- Pennington County gained the most, total of 860 firms
- Pennington County self-employed receipts: \$28.6 million

# Natural & Cultural Attractions



- Agassiz National Wildlife Refuge, features more than 280 species of birds, draws birders from around the country and Canada
- Year-round outdoor recreation, Red Lake and Thief Rivers
- Peder Engelstad Pioneer Village — a replica northern Minnesota pioneer town as it might have appeared a century ago
- Ralph Engelstad Arena – regional athletic tournaments
- Seven Clans Casino
- Two Fools Vineyard — the state's northernmost vineyard

# 2011 Air Services Survey

## 25 Thief River Falls-area businesses

...from the **Minneapolis St. Paul International Airport** or **any non-Thief River Falls airport** for *business* ...

How many flights, if any, have you or other employees in your business taken in CY 2011, originating from the **Thief River Falls Regional Airport** for business – counting each round-trip as one?

Business Owner 2011 Originating from TRF				
	Counts	Percents	0	100
0	9	36%		
1 - 25	14	56%		
26 - 75	2	8%		
Totals	25	100%		

Business Owner 2011 Originating from MSP				
	Counts	Percents	0	100
0	3	12%		
1 - 25	16	64%		
26 - 75	2	8%		
76 +	4	16%		
Totals	25	100%		

- Numbers are similar for CY 2010 originating airport
- Respondents included: Arctic Cat, Digi-Key, Sanford Health

# 2011 Air Services Survey

## 55 Thief River Falls-area Telecommuters, Independent Contractors, other Business Travelers

How many flights, if any, have you or other employees in your business taken in CY 2011, originating from the **Thief River Falls Regional Airport** for business – counting each round-trip as one?

...from the **Minneapolis St. Paul International Airport** or any non-Thief River Falls airport for *business* ...

Business Traveler 2011 originating from TRF			
	Counts	Percents	Percents
			0 100
None	23	42%	
1 - 5	26	47%	
6 - 24	6	11%	
25 +	0	0%	
Totals	55	100%	

Business Traveler 2011 originating from MSP			
	Counts	Percents	Percents
			0 100
None	7	13%	
1 - 5	17	31%	
6 - 12	15	27%	
13 - 24	10	18%	
25 - 36	2	4%	
37 - 52	4	7%	
53 or more	0	0%	
Totals	55	100%	

# 55 Thief River Falls-area Telecommuters, Independent Contractors, other Business Travelers, cont'd.

How many flights, if any, have you or other employees in your business taken in CY 2010, originating from the **Thief River Falls Regional Airport** for business – counting each round-trip as one?

...from the **Minneapolis St. Paul International Airport** or any **non-Thief River Falls** airport for *business* ...

Business Traveler 2010 originating from TRF				
	Counts	Percents	0	100
None	29	53%		
1 - 5	22	40%		
6 - 24	4	7%		
25 +	0	0%		
Totals	55	100%		

Business Traveler 2010 originating from MSP				
	Counts	Percents	0	100
None	13	24%		
1 - 5	13	24%		
6 - 24	23	43%		
25 +	5	9%		
Totals	54	100%		

# Demand for Business Travel



*To what extent will your business' air travel change, if at all, in CY 2012, compared to 2011?*

Air travel change	Count	Percent
More than double	7	9%
Double, or nearly double	4	5%
Increase substantially, between 50-74%	4	5%
Increase a good amount, between 25-49%	6	8%
Increase somewhat, up to 24%	15	19%
Stay about the same	37	47%
Decrease or Not sure	6	7%
<b>TOTAL</b>	<b>79</b>	<b>100%</b>

46%

Business owner and other business traveler, combined

# TVF Business travelers

- Consultants
- IT Analysts, consultants, project managers
- Marketing directors
- Engineering executives
- Research directors
- Sales supervisors
- Managers, directors, vice presidents

# Leaking to..

- Grand Forks – approx. 60 miles from Thief River Falls
- Fargo – approx. 115 miles
- Bemidji – approx. 90 miles



D Sharon Pruitt

# Why Leakage?

## Schedule, Frequency and Fares

	Always	Frequently	Somewhat frequently	Combined
More convenient departure & arrival times	39%	34%	14%	88%
Frequency (# flights/day)	29%	36%	21%	86%
Difference in airfare	23%	31%	17%	71%
Concerns about delayed arrivals & departures	17%	26%	20%	63%
Wanted to fly non-stop to final destination	21%	17%	16%	53%
The size or type of plane	13%	10%	22%	45%
On-board flight service or other comfort features	3%	6%	14%	23%

Combined Business Owners & Business Travelers, N=75+

Percentages reflect rounding differences

# General Public/Leisure

How many flights, if any, did you take in CY 2011 *for leisure*, originating from the **Thief River Falls Regional Airport** – counting each round-trip as one?

...from the **Minneapolis St. Paul International Airport** or any non-Thief River Falls airport for *leisure* ...

Leisure 2011 originating from TRF			
	Counts	Percents	Percents
			0 100
None	47	45%	
1 - 5	51	49%	
6 - 24	6	6%	
25 +	0	0%	
Totals	104	100%	

Leisure 2011 originating from MSP			
	Counts	Percents	Percents
			0 100
None	33	32%	
1 - 5	65	63%	
6 - 24	5	5%	
25 +	1	1%	
Totals	104	100%	

Almost 70 percent of respondents in this segment drive to other airports

# *Why?* Airfare! and Schedule

	Always	Frequently	Somewhat frequently	Combined
Airfare	51%	24%	8%	<b>83%</b>
More convenient departure & arrival times	32%	19%	15%	<b>66%</b>
Frequency (# flights/day)	18%	24%	17%	<b>59%</b>
Concerns about delayed arrivals & departures	15%	15%	5%	36%
Wanted to fly non-stop to final destination	7%	18%	10%	35%
The size or type of plane	6%	11%	11%	27%
On-board flight service or other comfort features	3%	4%	16%	23%

N=87-96

Percentages reflect rounding differences

# Catchment-area Population

## Occupation

	<b>2005-09 estimate</b>	<b>Percent</b>
Health care and social assistance	12,973	16%
Retail trade	11,353	14%
Manufacturing	10,110	12.5%
Educational services	9,007	11%

US Census, 2005-2009 American Community Survey

## Professional Distribution (2010)

<b>Employed population/occupation</b>	<b>Count</b>	<b>Percent</b>
White collar (management, business, financial, professional, sales, admin support)	45,672	55%
Blue collar (transportation, production, construction, farming, forestry, etc.)	19,822	24%
Services	17,096	21%

2000 Census ESRI forecasts (60 miles radius)

# Population, cont'd.

## Educational attainment

	60 miles		120 miles	
Associate degree	12.1%	12,159	11.6%	42,172
Bachelor's degree	16.5%	16,580	19.4%	70,529
Graduate/professional degrees	7.1%	7,134	7.7%	27,994
<b>TOTAL</b>	<b>35.7%</b>	<b>35,873</b>	<b>38.7%</b>	<b>140,695</b>

2000 Census ESRI forecasts

## Household Income

	2015	2010	2000
\$50K - \$74,999	28%	25.2%	19.3%
\$75K - \$99,999	13.4%	12.3%	6.8%
\$100K+	11.4%	7.8%	4.8%
<b>TOTAL</b>	<b>52.8%</b>	<b>45.3%</b>	<b>30.9%</b>

US Census (2000), ESRI forecasts  
60-mile catchment area

# Marketing Opportunities

- High demand for travel – manufacturers, vendors, staff fly nationally, internationally
- Business community can support non-stop flights to MSP on a connection-friendly schedule
- Additional opportunities to grow leisure, health-related travel to and from Thief River Falls, including the Manitoba market