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## War of words growing ugly

*Competitive battle between Cliffs, Essar intensifies*

By RON BROCHU

As Essar Steel Minnesota inches closer to opening a mine and iron ore processing plant, a dispute between the Nashwauk firm and a regional competitor grows increasingly contentious.

In recent months, Cliffs Natural Resources has vocally criticized Essar, contending the firm has received unfair financial aid from the state of Minnesota while ignoring terms of the state's \$66 million agreement. Minnesota officials have been renegotiating that accord but, when October ended, had not released any information about its status.

Cliffs' Chairman, President and CEO Lourenco Goncalves has been an outspo-

ken critic of the state aid, Essar's failure to meet construction deadlines and its decision not to build a steel mill as required in the original agreement. Participants in a 2008 groundbreaking said the plant would open within two years. Most recently, Essar executives said it would open as early as mid-2016.

In Cliffs' Oct. 29 conference call with investment analysts, Goncalves expressed doubt Essar will be producing marketable pellets by the end of next year.

"Until they produce pellets, they are nothing more than a construction site," he said.

Financial factors play a role in his angst. Once the modern new plant begins production, it likely will produce and sell pellets more inexpensively than other area facilities, giving it a competitive advantage. Iron Range lawmakers, who contend the state's original intent was to bring steel production to the area, have lamented providing financial aid only to create a public-subsidized mine that will compete against long-time operators.



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Part of the Cliffs-Essar battle involves Essar Steel Minnesota. The other element involves their relationship at Essar Steel Algoma in Sault Ste. Marie, Ontario.

For Cliffs, the disagreement extends beyond Minnesota's Iron Range. Earlier in October, it ended its taconite supply

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## New shopper launches in Itasca County

By BETH BILY

Anyone who has followed the print media industry in recent years knows that many titles have struggled in the age of the Internet. So why would two business partners in Grand Rapids launch a new shopper in a market that already has two? Because, they say, they're offering a product that's unlike the competition.

The newly published shopper, named Mines and Pines, debuted in Itasca County on Aug. 20. Launched by Steve Saxton and Jeff Kaiser, the new publication is taking aim at advertisers who want to combine traditional print advertising with digital platforms in order to reach a broader audience.

Saxton calls the approach "printer-active" because the ads are print with several interactive components. The interactive nature of the advertising allows for better impact.

"It doesn't matter if the reader is 23 or 73, we reach them," he said.

The approach seems to be taking off with at least some groups of advertisers - including car dealerships and real estate brokers, who are among the publication's steady advertisers. Management uses direct mail delivery for its distribution to approximately 21,000 households and businesses in Itasca County. They also bundle drop their publication at each post office in the county to ensure faster delivery.

The partners aren't new to the technology that they're using. They developed software for the real estate industry and sold it to newspapers. Their customers can be found throughout 17 states.

Their company, Community Delivered LLC, launched in the middle of the Great Recession, which both

SHOPPER continues on page 24

## Ashland County tourism season is lasting longer, becoming broader

By PAUL NICOLAUS

Tourism is alive and well in Ashland County. Direct visitor spending hit \$33.9 million in 2014, an increase of 7.9 percent over 2013. Although 2015 figures won't be out until May of 2016, Mary McPhetridge, executive director of the Ashland Area Chamber of Commerce, says she anticipates another solid year that will likely exceed 2014 figures.

The good weather in the late spring and summer didn't hurt this year and the same goes for the lingering fall colors, but the growth can also be attributed to a variety of initiatives and unique circumstances that have helped boost tourism in recent years. In 2014, for example, the Apostle Island ice caves froze over and allowed visitors to observe this natural



A variety of factors have helped extend the tourism season into later months in Ashland County.

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