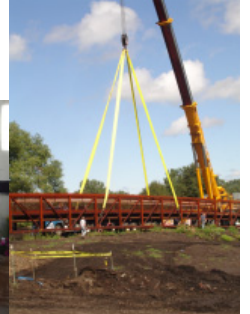
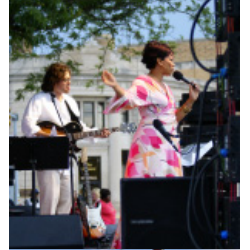
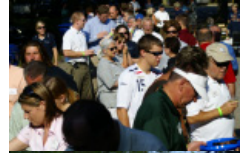
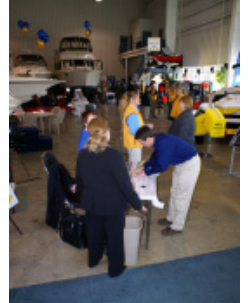




2008

Accomplishments

MICHIGAN'S *Great* SOUTHWEST
into the business of life.



2008 Accomplishments of Cornerstone Alliance and its affiliate organizations

Following is a listing of some of the many accomplishments achieved by Cornerstone Alliance & its affiliate organizations in 2008. None of the accomplishments shared with you on these pages would have been possible if it were not for a willingness to work together. Our thanks to the many partners, investors, and believers in Cornerstone Alliance. Working together we are creating a world-class community.



Harbor Shores

All of the federal, state, and local permits needed to construct the golf course have been obtained.

Jack Nicklaus Signature Golf Course is under construction. Over 70% of the course complete today.



New 12.2 linear trail system approved as a part of lease to use Jean Klock Park for three holes of a public golf course.

Opening of two information centers on the project.



The Discovery Center in St. Joseph.

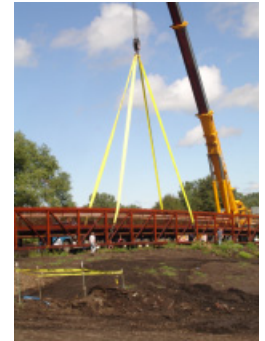
The Transformation Center in Benton Harbor.



A 190 Plank Bridge is now in place connecting Benton Harbor and St. Joseph over the Paw Paw River.

Local Business Consortium
Received two \$40,000 Rural Enterprise Grants to aid in funding two separate studies on the potential impact of the project.

Environmental Impact • Resulting in 117,000 tons of debris removed from the site to date.



Strategic Development Services of Powell, Ohio conducted a feasibility and market analysis of the region to determine the viability of a small business incubator in the

Benton Harbor area. The study is now concluded and staff is reviewing the draft report.

Development Strategies from St. Louis is nearing the completion of their Harbor Shores Economic Impact Study. The study will provide strategies to maximize the economic impact of Harbor Shores upon local area businesses and employment. The final report will be completed and ready for presentation in early 2009.

Communications Strategies

Developed and implemented a comprehensive Communications Plan to share information on the project internally within the community. Over \$80,000 expended toward bringing positive public perception of the project and the use of Jean Klock Park.

Provided tours of the Harbor Shores site. • 2,335 area residents and interested parties have attended.



A self guided driving tour of the project has been put in place. • 21 signs erected throughout project site.

Website developed to share information on the project. www.harborshoresdevelopment.org

Several videos highlighting the potential impact of the project have been developed and released to the public. • Continuous loop on Benton Harbor's Public Access Channel 98.

Existing Business Retention & Expansion

Activities & Trends

Business Retention & Expansion and Business Blitz Economic Snapshot • Made calls on 110 companies during 2008 and completed our second annual Business Blitz Economic Snapshot Report.

Retention & Expansion Projects

Assisted in the acquisition of Industrial Facilities Tax Abatements for two local businesses. Approximately 160 jobs retained.

Sold three acres of land in the Cornerstone Industrial Park to Highland Machinery to allow their business to grow.

Talent Recruitment

First Choice Community, Assimilation and Rental Assistance Tours • 547 total tours hosted through October 31, 2008.

First Choice Group Tours • 8 group tours hosted for 153 Whirlpool University Relations classes through October 31, 2008 • Three AEP presentations to 22 Senior Engineering Students.

Expansion of First Choice Program • 25 companies currently under a Service Agreement.

Program Surveys & Assessments • An electronic survey customized to the First Choice Program as it relates to the candidate's specific tour continues to be sent to all candidates and enjoys a 25% return rate.

Independent Contractors • Currently 18 tour guides serve the First Choice Program.

Tour Information and Materials • Expanded community tour coverage that now includes Niles, Buchanan, and South Bend. Additional inserts based on special community events to accompany Community Information Book.

Mynewrental.com • Over 75,000 visits to website through October 31, 2008. Working with local business for advertising opportunities.

Dual Career Network • 12 referrals from First Choice to Dual Career Network; 6 placements to date.

New Business Recruitment & Development

Job Creation

Western Promotions • Approximately 35 jobs created.

Jimmy's Bar & Grill • Approximately 50 jobs to be created in 2009.

Courted a major prospective company for over a year that ultimately chose a location in the region. • Resulted in local companies receiving additional contracts, valued at over \$1 million.

41 new jobs created as a result of new businesses launched by clients of Small Business Services.



Physical Development

Commercial Development

174 West Main • Secured resale store as new tenant for the building while securing \$20,000 worth of improvements to the facility at no cost to the organization. Project resulted in the creation of three new jobs.



88 West Main • Developed designs and build out of new Harbor Shores Transformation Center in Benton Harbor.

215 Colfax • Partnered with Whirlpool Corporation to establish site as new historic document and appliance center filling another vacant storefront in the community.

Riverview Drive Building • Facilitated agreement between Harbor Shores and the Benton Harbor Fruit Market to open a new grocery store centered on locally produced products in the former Volkswagon Dealership. Build out on the facility is underway and the store is slated to open in the Spring of 2009 bringing a new food service outlet to the community while creating a projected ten new jobs.



Housing
HOPE VI - Harbor Bluffs • Completed predevelopment planning for the next phase of the HOPE VI project known as Harbor Bluffs, a 55 home development to be constructed on the former Whitfield I site overlooking Hull

Park. Secured over \$8 million in Low Income Housing Tax Credits through a highly competitive process to ensure financing of the project. Construction slated to begin in 2009.

HOPE VI - Scattered Site • The first full year of operation of the project was successful with occupancy remaining high and the project beating projected net revenue by \$100,000. All funding close-outs were completed and the \$10 million in bonds fully repaid.

Harbor Town • 2008 saw the completion of two homes as well as the approval of plans for two additional homes which are expected to start construction in 2009.

Columbus School • Staff completed predevelopment work during 2008 including reworking the project and its scope to fit within budget constraints. When completed, the project will create nine apartments for the chronically homeless and change a blighted building in a core neighborhood into a community asset.

5th Street Lofts • During 2008, staff completed site acquisition and design work of the 5th Street lofts project which is expected



to contain 18 residential units and 8,000 sq. ft. of commercial space in a four story building designed by professors from the University of Notre Dame. If the rest of the project proceeds as expected, ground could be broken in 2009.

Infrastructure and Planning

Arts District • In July, completed the second phase of the Benton Harbor Arts District Infrastructure Redevelopment Project. The \$2.3 million project has had a huge impact on the downtown area. The work was made possible through financing from the City of Benton Harbor, Cornerstone Alliance, the Michigan Department of Transportation, and U.S. EPA funding secured through the efforts of Congressman Fred Upton's office.



University of Notre Dame • Cornerstone Alliance and the University of Notre Dame partnered to undertake a design project through the University's Center for Building Communities. The project focused on potential development projects and urban planning focused on filling in the vacant parcels in the central business district of Benton Harbor.

Miscellaneous Physical Development Projects

Rental Housing Study • Completed study of rental market conditions and opportunities demonstrating the need and market for additional market-rate rental units in the area.

Benton Harbor Youth Works • Partnered with Michigan Works! to have crew of six Youth Works participants that undertook numerous projects including repainting a commercial building, developing park space in the Arts District, and undertaking several downtown clean-up projects.

Benton Harbor City Market • Successfully operated the Benton Harbor City Market for the 4th year. The market provides an additional outlet for local farmers to sell produce and creates opportunities for local residents to access fresh food at reasonable prices.



**Small Business Services/
Women's Business Center**
Technical Assistance • Over 340 business owners and entrepreneurs counseled.

Professional Development •

39 Training Sessions Conducted serving 520 Clients.

CORE FOUR Business Planning Course • March – 21 participants and Oct – 15 participants • 36 Graduates

Orientations – Small Business Services Products and Services. • Sessions were held in Benton Harbor, Union Pier and Dowagiac Michigan. • 43 Participants

FranNet Franchising Seminars "How to Investigate and Buy a Franchise" April 22, 2008 • 5 Participants

Spanish Orientation – our bilingual Resource Development Coordinator was the facilitator for this session. April 19, 2008 in Paw Paw, Michigan at Michigan Works!
• 7 Participants



Preparing Quality Proposals - Businesses interested in selling to the State of Michigan were invited to attend this workshop. • 19 Participants learned the do's and don'ts of preparing proposals to submit to the state of Michigan.

Insurance and Bonding – The Governor's Emerging Business Leaders and Harbor Shores Local Business Consortium. 4 Participants learned from professionals (financial, legal and insurance) across the state how to solve insurance and bonding problems.

Introduction to QuickBooks – Five seminars were held at Cornerstone Alliance in Benton Harbor, His Place Learning Center in Hartford, Michigan and New Buffalo High School in New Buffalo, Michigan. • 42 Number of Participants

Advanced QuickBooks – Two seminars were held at the Cornerstone Alliance Office located in Benton Harbor, Michigan. • 17 Number of Participants



The Benton Harbor Façade program saw unprecedented activity in 2008. Three grant applications were approved in the spring session. A record twelve applications were reviewed for the

fall program with an additional 5 awards granted, making use of the entire annual budget of \$60,000. • Many significant properties were targeted for renovation during the program, particularly along Main Street in apparent anticipation of the 2009 MDOT renovation and Harbor Shores.

WBC Roundtable focused on the Do's and Don'ts of Website Design • 7 Participants

Incubator Focus Group – Benton Harbor, MI. Sept. 17, 2008 • 14 Participants

Community Messaging

Michigan's Great Southwest brand placed on the new water towers in Royalton Township and Lincoln Township.



Continued the Michigan's Great Southwest Radio Campaign • 9,516 messages across all of our 6 stations.

Media Relations • Staff continues to work with the media to share the story of the community. The organization and community received positive coverage throughout 2008 including an AP story that ran throughout the Midwest.

The *Cornerstone* quarterly publication • Shares the message of Cornerstone activities. Published by *The Herald-Palladium*.



2008 Joint Annual Reception and Salute to Business Awards • 650 in attendance.

Organizational Sustainability

Fundraising Systems • Transitioned our Investor Relations database to a web-based system which captures a greater level of detail and summarizes historical information.

Community Stakeholder Lunches • Held 4 Community Stakeholder Lunches with 30 community business leaders in attendance. These lunches were attended by both investors/non-investors and were an opportunity for two-way dialogue on current happenings.

Integration with Community Development

Council for World-Class Communities and Cornerstone Alliance recognized as Community Developers of the Year by the Community Economic Development Association of Michigan.

The Community Partnership for Lifelong Learning enrolled 275 students in the Family Literacy Center program, 125 GED tests have been passed, and 3 students received their High School Diploma and all 275 students have participated in at least one life skills class.

Assist with preparation for a special visit to the Community by Governor Granholm • Governor's visit resulted in numerous press stories, locally and regionally.



**CORNERSTONE
CHAMBER
of COMMERCE**

Lake, Life & the Pursuit of Business

Cornerstone Chamber of Commerce

Customer Service Training – Ritz Carlton – Back-To-Basics and Legendary Service • 300 people attended 3 half-day sessions.

Customer Service web-based Citation Initiative • 39 citations received – 23 negative – 16 positive

Customer Service Academy • Graduated 15 students from the inaugural program – Expanding to two semesters per year.

Customer Service Billboard Campaign • Launched to bring awareness to the HelpRaiseTheBar.com customer citation initiative – in partnership with Adams Outdoor Advertising.



LMC Leadership Academy • Continued major sponsorship of the Academy and provided one full scholarship.

Interactive Chamber web site • www.cornerstonechamber.com • 20,811 total visits • 68,764 page views through 11-30-08 • Also added capability for members to pay annual dues online.

Ongoing efforts to collaborate with regional chambers • Partnered with the following chambers: Berrien Springs/Eau Claire Chamber of Commerce, Bridgman Chamber of Commerce, Lakeshore Chamber of Commerce, Coloma-Watervliet Chamber of Commerce, and Harbor Country Chamber of Commerce.

Combined Annual Reception • 30 business awards presented.

48th Annual Golf, Horseshoe and Steak Fry • 380 in attendance.

2008 Fall Trade Fair • 80 member exhibitors – 2,500 in attendance.

Business After Hours • 15 events with 1,960 in attendance.



Ribbon Cuttings/Open Houses/
Ground Breaking Ceremonies
• 11 events

Various Seminars • 334 in
attendance

Eye Opener Breakfast • 36
members attended April event.

Business Advocacy • Tracked every
piece of legislation introduced in

the Michigan legislature, advocated for creation of a part
time legislature, phase out and repeal of MBT, and for
Harbor Shores Development.

Chief Elected Officials • Conducted 12 monthly CEO
roundtable discussions,
keeping dialogue going among
local governmental units.

Special Session with State &
Federal Legislators • Fred
Upton, John Proos and Ron
Jelinek hold dialogue with the
full Chamber Board at August
Board meeting.



New Members • 62 new members through 11/30/08

Ambassador Corps • Recognized Joan Walters as 2007
Ambassador of the year.

Membership Newsletter • Published 52 weekly full-color, one-
page electronic newsletters, *The Cornerstone Chamber Insider*,
and dispatched to full membership.

Branding Campaign • New logo & branding statement
launched – August 2008.

Renaissance Development Fund

10 loans with the original value of \$ 713,782 were repaid this
past year. • Delinquency rates were significantly reduced
during the year. Delinquency rate for 2007 as 1.7%, a very
positive rate. For 2008 it has been cut to 1.0%. This is for 120
days past due in both cases.

4 new SBA Microloans were granted this past year at a value
of \$10,390. • Interest in the loan program was consistently
strong throughout the year, but many various factors were
involved in the low number of completed loans, reflecting
the nationwide trends.

Community loan funds issued 3 new loans totaling \$59,630.

One new loan in Stevensville, one in Coloma, and one in St.
Joseph. The three St. Joseph Development Fund loans to
Great Lakes Furnishings were consolidated into a single loan.
The St. Joseph Development Fund elected to utilize their
funds in other ways and will no longer issue loans. The
Renaissance Development Fund will continue to administer
loans to this target sector through other active loans in the
portfolio.

The Renaissance Development Fund issued a \$30,000 loan
to the Edgewater Deli to facilitate its relocation to the former
Tackle Haven and expansion of its services to include the
grocery and carry out liquor operations. The Renaissance
Development Fund was asked to assume control of a
\$40,000 RBEG loan fund from the North Berrien Commu-
nity Development Corporation (NBCDC.) The NBCDC
has revised their mission and to focus more on community
development.

Other/Miscellaneous/Special Projects

Stewards of Michigan’s Great Southwest • Membership
driven group of Community Leaders who meet quarterly.
2008 topics: Tourism, Smarter Ways to Do Business, a
Harbor Shores session and “Brandywine Creek Session” with
guest speaker Congressman Fred Upton.

2008 Chairman’s Advisory Council • Community minded
investors who act as a sounding board for the Cornerstone
Alliance economic growth projects.



Gene Harris Coming Home
Coming Together Concert – 10th
Annual event • Attended by
1,000 with the purpose of
reaching out to the community
with a diverse free event held in
a non-threatening environment
that is fun and safe for the entire
family to attend.

Partnering with the City of Benton Harbor to conduct an
Economic Development Summit with City businesses. •
Focus on continued dialogue with Benton Harbor business
and City officials.

Hosted Regional Marketing Initiative Group comprised of
representatives of southwest Michigan and northern Indiana
for a tour of the Harbor Shores project and regular session of
the group. • Fostering regional thinking.

Completed 2008-2012 Strategic Plan for the organization. •
Complete with 5-year performance indicators.