

**Senator Fischbach introduced—**

**S.F. No. 2526:** Referred to the Committee on Finance.

1.1 A bill for an act  
1.2 relating to the environment; appropriating money for a grant to the city of Avon  
to conduct an air quality study relating to xylene.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. AIR QUALITY GRANT; CITY OF AVON.

1.6 \$6,000 in fiscal year 2006 is appropriated from the general fund to the commissioner  
1.7 of the Pollution Control Agency for a grant to the city of Avon for an air quality study  
1.8 to determine the sources of emissions and ambient levels of xylene in the city. This  
1.9 appropriation is available until June 30, 2007.

CITY OF



March 15, 2006

Senator Michelle Fischbach  
100 Rev. Dr. Martin Luther King Jr. Blvd., Room G-15  
St. Paul, MN 55155-1206

Dear Senator Fischbach,

It has been brought to the attention of the Avon City Council that there will be a hearing held tomorrow, March 16<sup>th</sup>, 2006 to discuss the possibility of appropriating \$6,000 in funds to assist in conducting an air quality study in the City of Avon.

The Mayor and City Council of Avon wish to express their utmost support for this initiative. Over the past year or so the City Council has been involved in attempts to mediate complaints about the quality of air in Avon on a number of occasions. There have been reports of concern for potentially increased levels of Volatile Organic Compounds (VOC's) and Hazardous Air Pollutants (HAP's) in the City of Avon. These substances are apparently known to cause asthma, allergies, headaches, nausea, and cancer. The MPCA has confirmed that these types of pollutants are not likely dispersed as quickly into the atmosphere due to the surrounding hills of the Avon Area. At this point city leaders cannot say with certainty where the alleged pollutants might be originating, nor can they say with certainty if the amount of VOC's and HAP's in the air is at levels that could potentially be detrimental to the health to our citizens. An air quality study is of critical importance to ensure that the air we breathe in our community is not harming the people who live and work here each day.

We thank Senator Fischbach and the State of Minnesota for considering this bill to appropriate funds to assist in financing an air quality study and for collaborating with the City of Avon in working toward cleaner air in our community.

Sincerely,

di Austing-Traut  
City Clerk/Administrator  
City of Avon

Margie Evens  
Mayor  
City of Avon

### Concerned Citizens of Avon for Clean Air

The odors and emissions from PSI have caused a group of affected and concerned citizens of Avon to initiate the process of the Environmental Quality Board, Minnesota Pollution Control Agency and the Minnesota Department of Health to contest their application for a capped permit.

Our hope and intent is continued business by PSI in a responsible manner that does not adversely affect the environment or health of Avon residents, nor further impact the attractiveness and viability of Avon.

The purpose and mission of the Concerned Citizens of Avon for Clean Air is to:

- Promote business and environmental responsibility
- Educate the public on significant environmental effects related to air quality
- Protect and safeguard our health and quality of life
- Collect accurate data on the VOC's and HAP's emitted from PSI
- Obtain facts on the health risk exposure that PSI air emissions have on the Avon community
- Conduct a health risk assessment by the Environmental Quality Board, Minnesota Department of Health and the Minnesota Pollution Control Agency on PSI air emissions
- Assure elected state officials will take this environmental platform to Governor Pawlenty to advocate for stricter air emission laws
- Hold MPCA accountable to their mission statement
- Educate Avon City Council members on above issues

MPCA Mission statement:

"... to protect Minnesota's environment to secure the quality of life of its citizens. To accomplish this mission the agency works to provide: clean and clear air, fishable and swimmable lakes and rivers, uncontaminated ground water and land and sustainable ecosystems."

MPCA webpage 7007.1700 Permit Revocation By Agency

d. the agency finds that the permitted facility or activity endangers human health or the environment and that the danger cannot be removed by an amendment to the permit.

Minnesota Statute 2005,116B.01 Purpose

The legislature finds and declares that each person is entitled by right to the protection, preservation, and enhancement of air, water, land, and other natural resources located within the state and that each person has the responsibility to contribute to the protection, preservation and enhancement thereof. The legislature further declares policy to create and maintain within the state conditions upon which humans beings and nature can exist in productive harmony and order that present and future generations may enjoy clean air and water, productive land, and other natural resources with which this state has been endowed. Accordingly, it is in the public interest to provide an adequate civil remedy to protect air, water and land and other natural resources located within the state from pollution, impairment or destruction.

*Sen. Stumpf*

1.1 A bill for an act  
1.2 relating to finance; flood mitigation and repairs; appropriating money for damage  
1.3 to property in Marshall County.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **APPROPRIATION.**

1.6 \$25,000 is appropriated from the general fund to the commissioner of employment  
1.7 and economic development for a grant to the city of Oslo in Marshall County to repair  
1.8 and rehabilitate property damage by flooding, including river erosion in or near city  
1.9 jurisdiction lines.

1.10 Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective July 1, 2006.

1.1 To: Senator Cohen, Chair  
 1.2 Committee on Finance  
 Senator Sams,

1.4 Chair of the Environment, Agriculture and Economic Development Budget  
 1.5 Division, to which was referred

1.6 **S.F. No. 2697:** A bill for an act relating to economic development; providing a grant  
 1.7 to the city of Hallock; appropriating money.

1.8 Reports the same back with the recommendation that the bill be amended as follows:

1.9 Delete everything after the enacting clause and insert:

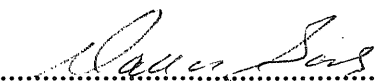
1.10 "Section 1. **QUALIFIED BUSINESS; SMALL DECLINING POPULATION**  
 1.11 **COUNTY.**

1.12 Notwithstanding Minnesota Statutes, section 469.310, subdivision 11, paragraph  
 1.13 (f), a qualified business for purposes of Minnesota Statutes, section 469.310, subdivision  
11, includes a food service business if the business is located solely in a qualified county,  
 1.15 and if the business began operations in January 2004, with employment of between 15  
 1.16 and 20 part-time and full-time employees. For the purpose of this section, a "qualified  
 1.17 county" is a county having an estimated population of less than 5,000 in 2004 and that  
 1.18 experienced a reduction in population of at least 7.5 percent between 2000 and 2004,  
 1.19 according to the state demographer.

1.20 **EFFECTIVE DATE.** This section is effective the day following final enactment."

1.21 Amend the title accordingly

1.22 And when so amended that the bill be recommended to pass and be referred to  
 1.23 the full committee.

1.24   
 1.25 (Division Chair)

1.26 March 16, 2006 <sup>3/20/06</sup>  
 1.27 (Date of Division recommendation)

*Adopted*

1.1 Senator ..... moves to amend S.F. No. 2697 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. QUALIFIED BUSINESS; SMALL DECLINING POPULATION COUNTY.

1.5 Notwithstanding Minnesota Statutes, section 469.310, subdivision 11, paragraph  
1.6 (f), a qualified business for purposes of Minnesota Statutes, section 469.310, subdivision  
1.7 11, includes a food service business if the business is located solely in a qualified county,  
1.8 and if the business began operations in January 2004, with employment of between 15  
1.9 and 20 part-time and full-time employees. For the purpose of this section, a "qualified  
1.10 county" is a county having an estimated population of less than 5,000 in 2004 and that  
1.11 experienced a reduction in population of at least 7.5 percent between 2000 and 2004,  
1.12 according to the state demographer.

1.13 EFFECTIVE DATE. This section is effective the day following final enactment."

Amend the title accordingly

Senator Stumpf introduced-

S.F. No. 2697: Referred to the Committee on Finance.

1.1 A bill for an act  
1 relating to economic development; providing a grant to the city of Hallock;  
1.1 appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. ECONOMIC DEVELOPMENT GRANT; CITY OF HALLOCK.

1.6 \$..... is appropriated from the general fund to the commissioner of employment and  
1.7 economic development for a grant to the city of Hallock for the purpose of stimulating  
1.8 economic development in the city of Hallock. The city must use the grant for a grant to a  
1.9 business in Hallock that employs on a part-time or full-time basis 15 or more employees  
1.10 and that began business on or after January 1, 2004, and before June 30, 2004. The  
1.11 business must use the grant for purposes directly related to its business operations in  
Hallock. The grant must be returned to the commissioner by the city of Hallock if the city  
1.13 does not make a grant by January 1, 2007. The commissioner must deposit a returned  
1.14 grant into the general fund.

*Adopted*

1.1 Senator ..... moves to amend S.F. No. 2697 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. QUALIFIED BUSINESS; SMALL DECLINING POPULATION COUNTY.

1.5 Notwithstanding Minnesota Statutes, section 469.310, subdivision 11, paragraph  
1.6 (f), a qualified business for purposes of Minnesota Statutes, section 469.310, subdivision  
1.7 11, includes a food service business if the business is located solely in a qualified county,  
1.8 and if the business began operations in January 2004, with employment of between 15  
1.9 and 20 part-time and full-time employees. For the purpose of this section, a "qualified  
1.10 county" is a county having an estimated population of less than 5,000 in 2004 and that  
1.11 experienced a reduction in population of at least 7.5 percent between 2000 and 2004,  
1.12 according to the state demographer.

1.13 EFFECTIVE DATE. This section is effective the day following final enactment."

Amend the title accordingly



Senator Stumpf introduced—

S.F. No. 2697: Referred to the Committee on Finance.

1.1 A bill for an act

1.1 relating to economic development; providing a grant to the city of Hallock;  
1.1 appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **ECONOMIC DEVELOPMENT GRANT; CITY OF HALLOCK.**

1.6 \$..... is appropriated from the general fund to the commissioner of employment and  
1.7 economic development for a grant to the city of Hallock for the purpose of stimulating  
1.8 economic development in the city of Hallock. The city must use the grant for a grant to a  
1.9 business in Hallock that employs on a part-time or full-time basis 15 or more employees  
1.10 and that began business on or after January 1, 2004, and before June 30, 2004. The  
1.11 business must use the grant for purposes directly related to its business operations in  
Hallock. The grant must be returned to the commissioner by the city of Hallock if the city  
1.13 does not make a grant by January 1, 2007. The commissioner must deposit a returned  
1.14 grant into the general fund.

Senator Dille introduced—

S.F. No. 2942: Referred to the Committee on Finance.

*replaces SF 2501*

A bill for an act

relating to capital improvements; natural resources; appropriating money for paving the Luce Line Trail; authorizing issuance and sale of state bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. LUCE LINE TRAIL.

Subdivision 1. Appropriation. (a) \$1,700,000 is appropriated from the bond proceeds fund to the commissioner of natural resources for paving the Luce Line Trail and developing a parallel horse trail between Zebra Avenue in the city of Winsted and Arch Street in the city of Hutchinson. The trail between Zebra Avenue in the city of Winsted and Arch Street in the city of Hutchinson shall be available for multiple uses, including hiking, biking, horseback riding, snowmobiling, cross-country skiing, and inline skating.

(b) Notwithstanding Minnesota Statutes, section 84.8712, subdivision 1, snowmobiles with metal traction devices may be used on the portion of the Luce Line Trail paved with the appropriation in paragraph (a).

(c) The commissioner of natural resources shall ensure that all drainage tile passing under the Luce Line Trail can be maintained and provide for adequate crossing locations for farmers with construction standards that allow for large machinery to cross the trail.

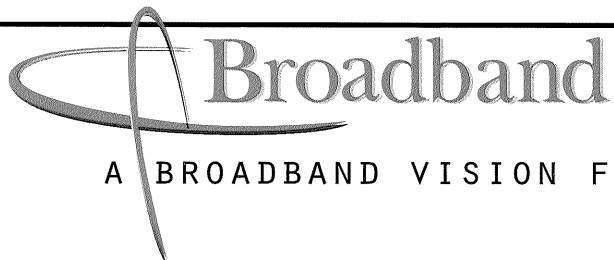
Subd. 2. Bond sale. To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,700,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 2. EFFECTIVE DATE.

LIVE AT  
THE  
SPEED  
OF

LIGHT

UPDATED MARCH 2006



A BROADBAND VISION FOR MINNESOTA

## **Broadband Initiative Strategy Board**

**Danna Asche**

Director of Information Systems, Cook County

**Janice Aune**

President and CEO, Onvoy

**Kevin Beyer**

General Manager, Federated Telephone Co-op

**John DeCramer**

Vice President of Engineering, BH Electronics

**John Duffy**

President, Hickory Tech

**Mark Erickson**

Telecom Consultant

**Gary Evans**

President and CEO, Hiawatha Broadband Communications

**Bob Gunther**

MN House of Representatives

**Burl Haar**

Executive Secretary, Minnesota Public Utilities Commission

**Stephen Kerr**

President & CEO, Powerain Systems, Inc

**Matt Kramer**

Commissioner, MN Dept of Employment & Economic Development

**Jon Linnell**

Executive Director, North Region Health Alliance

**Dennis Miller**

President, Midwest Wireless Holdings

**Richard Nordvold**

Director, IT Programs, Iron Range Resources

**Jane Robbins**

Mayor, Pine City

**Dallas Sams**

Minnesota State Senate

**Dick Sjoberg**

President, Sjoberg Cable Company

**Greg Vandal**

Superintendent, Sauk Rapids School District

## Live at the speed of light

The Blandin Broadband Initiative is designed to catalyze broadband investment and use, raise awareness about the value of broadband and encourage public and private investment in rural broadband capacity. Expanding the use of broadband technology increases the potential to retain jobs in rural areas, grows new markets for business, strengthens health care, enhances educational access and improves the quality-of-life.

The Blandin Broadband Initiative began its efforts in 2003 with a review of the level of broadband utilization and deployment in Minnesota's rural communities. The Initiative's Strategy Board identified the need to increase broadband use as our most urgent goal. In response, the Foundation launched the *Get Broadband* community grant program, which supports locally led education and outreach efforts aimed at bringing the benefits of broadband to rural households and businesses. As of January 2006, 20 communities are participating in the program.

With the *Get Broadband* community grant program well underway, the Blandin Broadband Initiative has turned to promoting a vision for Minnesota's broadband future. Our goal is to take this vision to citizens and leaders across the state to help ensure that Minnesota will have the telecommunications skills and infrastructure necessary to be a global competitor.

## Fast Facts

Since its inception, the Blandin Broadband Initiative has:

- Formed a strategy board of 18 public and private leaders (including the CEO's of six Internet service providers) to guide the Initiative.
- Published the *Community Guide to Broadband Development*\* to help local leaders across Minnesota learn more about broadband and explore their options for increasing local availability and use.
- Designed and implemented *Get Broadband*\*\* , a community-based broadband utilization program, that, as of January 2006, includes 20 communities from around the state.
- Dedicated \$250,000 to support the *Get Broadband* program in local communities and raised additional public and private sector support.
- Received \$250,000 from the state of Minnesota to further the reach of the *Get Broadband* program.

\* To order, email [broadband@blandinfoundation.org](mailto:broadband@blandinfoundation.org) or download at [www.blandinfoundation.org/html/public\\_bb\\_guide.cfm](http://www.blandinfoundation.org/html/public_bb_guide.cfm)

\*\* For more information, see [www.blandinfoundation.org](http://www.blandinfoundation.org)

### Our Vision

To ensure a high quality of life and a globally competitive future for its citizens, businesses and communities, Minnesota is committed to making the necessary investment to become a world leader in the universal deployment and use of ultra high-speed next generation broadband.

### Our Principles

- Ubiquity      Ultra high-speed broadband needs to be available to everyone in Minnesota, including businesses, institutions and individuals. *While ultimately all Minnesotans will need this service, this goal will necessarily be achieved in stages.*
- Symmetry      Ultra high-speed broadband needs to provide symmetric speeds and facilitate source-to-source communication. *More communication in the future will be "two-way" as we work more from our homes.*
- Affordable      Ultra high-speed broadband needs to be available at rates people can afford.
- Competition      Competition among service providers should be encouraged. *Competition increases customer choice and promotes innovation.*
- World Class      We must achieve world class state-of-the-art service based on global standards. *We cannot afford just to be better than our neighboring states.*
- Collaboration      The deployment and utilization of ultra high-speed broadband is a challenging goal that can benefit from public and private entities working together.
- Neutrality      Ultra high-speed broadband policy should be promoted regardless of the technology platform that delivers it. *The best technology for delivering ultra high-speed broadband may not have been invented yet.*
- Interoperability      Regardless of the technology used for ultra high-speed delivery, all systems must seamlessly interoperate with all other technologies.

### Imagine... living at the speed of light, Imagine...

- Communicating visually with clients and colleagues from your rural home office.
- Getting diagnostic test results, including a video explanation, back from your doctor or a specialist on your own computer. You call back, see and speak to her directly with your questions.
- Participating in live group discussions and demonstrations with your professor and fellow classmates via your computer for the class you are taking for your advanced degree, and seeing your professor and classmates on your screen.
- Talking to a product designer and a customer at the same time via videophone, marking up schematics and drawings together.
- Talking to multiple members of your family via videophones.
- Creating videos, music, drawings or any sophisticated product, and sending them anywhere in the world, instantly.
- Checking-in on your elderly parents or children via remote video monitoring.
- As a paramedic, arriving at a medical emergency with a current medical history of the patient that was downloaded en route.
- As a firefighter, arriving at a fire having seen the layout of the burning building on a screen in your vehicle.
- Turning on your high definition television and instantly watching any program ever produced.

Imagine living in rural Minnesota and having the technology that allows you to be competitive with the rest of the world! You don't need to imagine, the technology to provide all of these services is available today... if you have ultra high-speed broadband.

### Why this? Why now? What's at stake?

Today, we live in a dynamic world with a challenging global economy. Good paying jobs in manufacturing, information processing and product design are being exported to China, India and the Pacific Rim at a record pace. Why? In part, because of the ease and speed at which information can be exchanged with these countries over ultra high-speed networks.

Communities that embrace and support broadband development will prosper. In their March 2005 white paper, *"Providing Ubiquitous Gigabit Networks in the United States,"* the prestigious Institute for Electrical and Electronics Engineers (IEEE) advocates "widespread deployment of wired and wireless gigabit networks as a national priority..." and warns that inaction will "relegate the U.S. telecommunications infrastructure to an inferior competitive position, thus undermining the future of our country's economy."

## What's the Broadband difference?

Digital data rates, or speeds, are typically expressed as megabits per second (Mb/s) or gigabits per second (Gb/s). A megabit is one million bits; a gigabit is one billion bits. Current broadband networks,

*"Measuring Broadband's Economic Impact," a 2005 study conducted by MIT and Carnegie Mellon University concluded, "...broadband enhances economic activity, helping to promote job creation both in terms of the total number of jobs and the number of establishments in communities with broadband...the assumed (and oft-touted) economic impacts of broadband are real and measurable."*

such as DSL or cable modems, typically have an asymmetric speed (upload rates lag behind download rates) of about 2 Mb/s. Fiber optic and cable-delivered networks are capable of symmetric digital rates 50 to 500 times as fast.

**Ultra high-speed broadband is not just about speed or increased bandwidth.** It's about the capabilities that ultra high-speed broadband brings – capabilities that ensure a high quality-of-life and a globally competitive future for all Minnesotans.

*"Broadband is as important to future economic development as electricity was some years ago."*

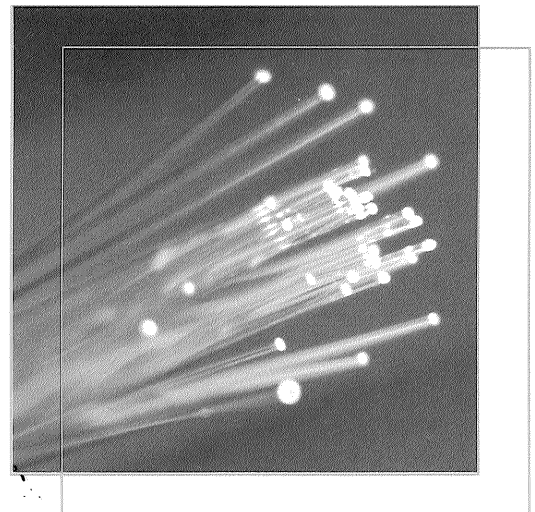
*Minnesota Governor, Tim Pawlenty, 2005 Growing with Gigabits Conference, St. Cloud MN*

Today, ultra high-speed broadband can be delivered primarily over fiber optic cable. Emerging technologies such as wireless broadband, coaxial cable and broadband over power lines (BPL) also are showing new promise.

**Ultra high-speed broadband has arrived.** The question is, "When do we want it to arrive in our communities?" Five years from now? Ten years? Will we play catch up, or act today?

*"There may be no single thing more important in a community's efforts to achieve economic well-being than to grasp the role that telecommunications plays in creating meaningful jobs, enhanced education and world class healthcare."*

*Doris J. Kelley, Black & Veatch*





## What Can Ultra High-Speed Broadband Do For Us?

Type of Service/ Connection	Rated Service/ Connection Speed	Task, File Size and Download Time			
		E-mail w/ Attachment 2 MB	X-ray Photo 8 MB	Instructional Video 600 MB	DVD Movie 4.7 GB
Dial-Up	56Kbps	7.11 min	28.43 min	1.48 days	11.60 days
DSL Lite	416 Kbps	50 sec	3.33 min	4.17 hrs	1.63 days
DSL	2 Mbps	9.50 sec	38.01 sec	47.51 min	6.20 hrs
Fiber	10 Mbps	2.13 sec	8.53 sec	10.67 min	1.39 hrs
Fiber	100 Mbps	.21 sec	.85 sec	1.07 min	8.36 min
Fiber	1 Gbps	.02 sec	.09 sec	6.40 sec	50.10 sec

Source: M&I Partners Speed Test Kbps=Kilobits per second Mbps=Megabits per second Gbps=Gigabits per second MB=Megabyte GB=Gigabit

## Are we competitive now?

**No, we're not.** Compared to the rest of the country, Minnesota is slightly above average in broadband connectivity. But it's no longer about comparing ourselves to Wisconsin or Iowa. Our competitors are worldwide, and in this context the picture isn't pretty. In 2004 the U.S., which led the world 20 years ago in telecommunications infrastructure, slipped from 13<sup>th</sup> to 16<sup>th</sup> place worldwide. While our lead is slipping, countries like Korea and Japan are deploying advanced, robust ultra high-speed broadband networks.

The broadband networks that crisscross the globe can export jobs as easily as they can information. Many of the countries with which we compete have lower labor costs, natural resource costs and environmental and regulatory costs. We can not succeed only by working harder - we have to work smarter. And that means embracing ultra high-speed broadband as a critical 21st century infrastructure.

Imagine if you had to compete without:

- Telephones
- Calculators
- Paved roads
- Clean water
- Computers
- Mail service
- Airports
- Electricity

More and more companies are adding ultra high-speed broadband to this list.

"By dislodging the United States from the lead it commanded not so long ago, Japan and its neighbors have positioned themselves to be the first states to reap the benefits of the broadband era: economic growth, increased productivity, technological innovation, and an improved quality of life."

*Down to the Wire*

*by Thomas Bleha*

*Foreign Affairs, May/June 2005*

The only way we can stay competitive is by being more productive; by being smarter, faster and more efficient. Ultra high-speed broadband can help us do that. New York Times columnist Thomas Friedman recounts how his mother used to tell him, "Clean your plate! Children are starving in India." Today, he tells his children, "Do your homework; there is someone in India or China who wants your job!"

"Just as with the roads of old, if broadband bypasses you, you become a ghost town."

*Dianah Neff*

*Philadelphia's chief information technology officer*

### Why us?

**If not us, then who?** Sad to say, the United States has no federal broadband policy. The Federal Communications Commission still defines broadband as anything faster than 200 kilobits per second. This bandwidth can't even support some of the least demanding applications now available on the Internet. We have no national broadband vision to address our future needs. While some countries such as Japan and Korea have ambitious broadband policies and even subsidize the development of ultra high-speed broadband service, the only visible U.S. federal involvement is through the USDA Rural Utility Service, which helps support basic broadband to areas that have no service at all.

"I think we may be probably the only industrial country on the face of God's green earth that doesn't have a national plan for broadband deployment."

*Michael Copp, FCC Commissioner, February 28, 2005*

**How about private service providers?** Providers can help create the vision for a technologically competitive future, but they cannot achieve it alone. Private industry simply doesn't have deep enough pockets. Many broadband providers have made large investments in infrastructure that cannot meet the needs of the future, and it will be difficult for them to abandon these existing investments. Some of the largest service providers have announced their intent to provide fiber-to-the-home service in major metropolitan areas, but rural areas tend to be left behind.

**That leaves us.** Minnesotans. Individuals. Community leaders. Other states are taking the initiative and creating their own broadband vision. California has launched the "One Gigabit or Bust" Initiative to bring one gigabit service to all Californians by 2010. Illinois, Kentucky and North Carolina are moving initiatives forward and twelve communities in Utah have banded together to create the Utah Telecommunications Open Infrastructure Agency (UTOPIA) that is bringing fiber-optic cable-delivered broadband to over 140,000 homes and businesses in Utah at world-competitive prices. What about us "above average" Minnesotans?

## How do we get there?

By committing to a telecommunications infrastructure that allows us to compete with anyone in the world and showing people how to use it!

We get there with Vision, shared Leadership and Commitment.

### Vision

Agreeing on a *Vision* is the first step. Here's one we think is worthy of Minnesotans:

*To ensure a high quality of life and a globally competitive future for its citizens, businesses and communities, Minnesota is committed to making the necessary investment to become a world leader in the universal deployment and use of ultra high-speed next generation broadband.*

### Leadership

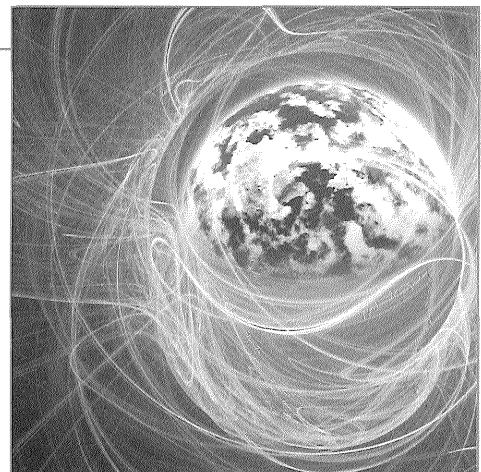
*Leadership* is tougher. Gartner Consulting, a world renowned IT consulting organization, has identified "the lack of leadership as the largest roadblock on the path to ubiquitous next generation broadband."

Business leaders, government officials, hospital administrators, school district superintendents and media all need to support this vision as critical to our economic futures. Everyone will benefit from the future expansion of ultra high-speed broadband.

### Commitment

*Commitment* is tougher still. If history tells us anything, it is that there will be resistance to new technology. Why do I need electricity... a telephone... a horseless carriage... e-mail? But we've shown what we can do in Minnesota when we make the commitment. When Minnesota committed to excellence in public and higher education years ago we laid the groundwork for a vibrant economy. When Minnesota committed to protecting its lakes and streams we preserved a quality of life that is unmatched.

Ensuring ubiquitous ultra high-speed broadband to all of Minnesota will require a major commitment from public and private sector leaders. We will be competing with other vital public needs for scarce public resources. Private companies that provide outdated services may feel threatened by ultra high-speed broadband investment. Every ultra high-speed broadband initiative has had to persevere through competing interests like these.



### Others are showing us the way!

Clearly, it is unrealistic to expect the private sector alone to bring ultra high-speed broadband to every home and business in Minnesota; public and private entities must work together to create a more realistic and cost-effective way forward.

Fortunately, other pioneering states offer several models to look at:

**California.** California created a called the "One Gigabit or Bust Initiative. "This compelling analysis lays out the challenges and benefits of bringing gigabit broadband to all Californians by 2010.

**Illinois.** In 2005, Governor Blagojevich created the Broadband Deployment Council to improve high-speed Internet access for all Illinois residents.

**North Carolina.** North Carolina created the e-NC authority to launch a number of broadband initiatives, including telecommunication planning grants and the e-Champions program.

**Utah.** Twelve communities in Utah have banded together to form UTOPIA, the Utah Telecommunications Open Infrastructure Agency. This public consortium is installing fiber-optic cable in 140,000 homes and businesses across the state. By 2008, every business will have one gigabit service and every home will have 100 megabit service at world competitive prices. Private retail companies are providing voice, video and data services using this fiber network.

**Loma Linda.** This California community started out by requiring all new housing developments to have fiber-optic connectivity and later progressed to install fiber-optic cable to the entire city. Private companies provide the voice, video and data services and the city provides a data service to residents and also uses the network for its municipal operations.

In all, as of 2005 some 653 American communities have deployed some sort of ultra high-speed broadband service.

### What can we do?

**Begin the conversation.** Every successful ultra high-speed broadband project began thanks to a local champion. If the conversation hasn't already started in your community, convene local leaders from the business, health care, education and governmental sectors to create a local vision for your community's technology future. Ensure your community's comprehensive plan includes a technology component.

**Talk to local service providers.** They can be essential partners. But provider interests do not always coincide with a community based-vision. If local providers are not willing to provide ultra high-speed broadband, you must be prepared to move on without them.

**Educate others.** Help sponsor local educational programs that show people what they can do with broadband today, and what is coming with ultra high-speed. The Blandin *Get Broadband* program can help you do this.

**Talk to state officials.** Minnesota state government has an important role to play in facilitating deployment of ultra high-speed broadband through education and investment. And we must make

sure that the state government does not put up roadblocks to ultra high-speed broadband development as other state legislatures have done in response to lobbying from incumbent providers.

**Make ultra high-speed broadband a requirement for new housing.** Establish guidelines for ultra high-speed broadband deployment in new residential housing.

### Still not convinced?

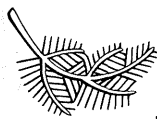
Are you still unsure that Minnesota really needs the increased capabilities that broadband promises? Here are a few quotes from some famous skeptics:

- "640K ought to be enough for anybody"  
*Bill Gates, Co-founder of Microsoft Corp., 1981*
- "There is no reason anyone would want a computer in the home."  
*Ken Olson, chairman and founder, Digital Equipment Corp., 1977*
- "Who the hell wants to hear actors talk?"  
*H.M. Warner, Warner Brothers, 1927*
- "I think there is a world market for maybe five computers."  
*Thomas J. Watson, chairman of the board, IBM, 1943*
- "While theoretically and technically, television may be feasible, commercially and financially it is an impossibility"  
*Dr. Lee DeForest, inventor of the vacuum tube and "father" of television*
- "If I wanted to give people what they wanted, I would have built a faster horse."  
*Henry Ford*

### To learn more

- Blandin Broadband Initiative ..... [www.blandinfoundation.org/html/public\\_broadband.cfm](http://www.blandinfoundation.org/html/public_broadband.cfm)
- Fiber To the Home Council ..... [www.ftthcouncil.org](http://www.ftthcouncil.org)
- Measuring Broadband's Economic Impact ..... [www.broadbandproperties.com](http://www.broadbandproperties.com)
- One Gigabit or Bust Initiative ..... [www.cenic.org/gb](http://www.cenic.org/gb)
- Utah Telecommunications Open Infrastructure Agency ..... [www.utopianet.org](http://www.utopianet.org)
- Providing Ubiquitous Gigabit Networks  
in the United States ..... [www.ieeeusa.org/policy/policy/2005/042605.asp](http://www.ieeeusa.org/policy/policy/2005/042605.asp)

Watertown and Cedar Falls Iowa: A Tale of Two Cities  
[www.iprovo.net/projectInfoDocs/economicAndCommunityBenefitsStudy.pdf](http://www.iprovo.net/projectInfoDocs/economicAndCommunityBenefitsStudy.pdf)



---

**BLANDIN FOUNDATION™**

---


PUBLIC POLICY & ENGAGEMENT

For more information about the Blandin Broadband Initiative contact:

Bernadine Joselyn  
Director, Public Policy and Engagement  
[broadband@blandinfoundation.org](mailto:broadband@blandinfoundation.org)  
218.327.8728

# Pesticide Regulation

**OLA** Office of the Legislative Auditor  
State of Minnesota



**Pesticide Regulation**  
March 16, 2006

### Overall Conclusion

- Minnesota Department of Agriculture does a good job but improvements are needed in certain key areas

2

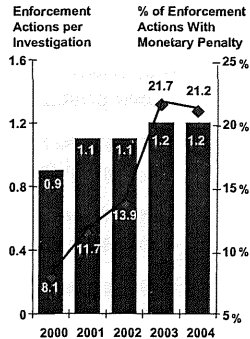
### Improvements Are Needed

- Enforcement actions
- Investigations
- Pesticide application information
- Waste pesticide collection
- Monitoring use and effects of pesticides
- Best management practices

3

### Enforcement Actions Imposed for Pesticide Violations

- Substantial number of actions
- Third highest among 11 states
- Enforcement actions are serious
- Monetary penalties have increased



Year	Enforcement Actions per Investigation	% of Enforcement Actions With Monetary Penalty
2000	0.9	8.1%
2001	1.1	11.7%
2002	1.1	13.9%
2003	1.2	21.7%
2004	1.2	21.2%

4

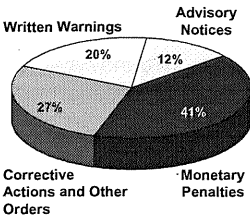
### Enforcement Actions Not Fully Evaluated

- Department takes steps to impose monetary penalties consistently
- Consistency and effectiveness should be evaluated

5

### Reasonable Investigations of Human or Animal Exposure to Pesticides

- 94 cases over five years
- Generally timely
- Substantiated violations in 50% of cases
- Monetary penalties were imposed



Category	Percentage
Corrective Actions and Other Orders	27%
Written Warnings	20%
Monetary Penalties	41%
Advisory Notices	12%

6

# Pesticide Regulation

## Certain Records Not Reviewed in Person

- Methods to collect records were not always thorough
- Department should change procedures

7

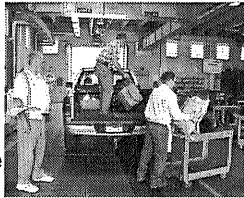
## Pesticide Application Information Not Sufficiently Available

- Access to information for those who might be affected is limited
- Some similar states require more
- Court decision applies to those using pesticides toxic to bees
- Legislature should require land managers to provide advance notice to nearby beekeepers who request it

8

## Not Meeting Statutory Requirements for Collecting Waste Pesticides

- Statutory responsibility for waste pesticides
- Changes to the program in 2004
- One-third of counties declined to participate
- Make collection available statewide



9

## Adequately Measures Rural But Not Urban Pesticide Use

- Good job measuring rural pesticide use
- No systematic approach for measuring urban use
- Develop and implement a consistent approach to monitor urban pesticide use

10

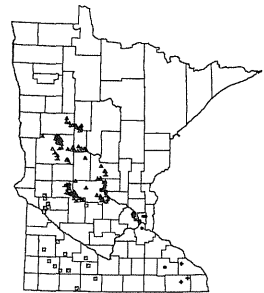
## Monitoring Environmental Effects

- Normal use should not have an "unreasonable adverse effect" on the environment
- Groundwater to be free from degradation, where practicable
- Standards set by other agencies, not the Department of Agriculture

11

## Good Job Monitoring Groundwater in Rural and Urban Areas

- Recently expanded monitoring activities into additional agricultural areas
- Also expanded into urban areas
- Rigorous quality control program



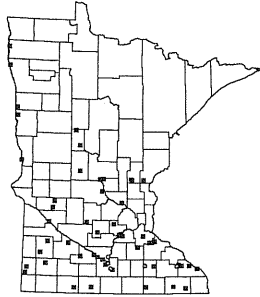
12



# Pesticide Regulation

## No Monitoring of Surface Water in Urban Areas

- Expanded monitoring into additional, largely agricultural, areas
- Should include urban sites and test samples for urban pesticides



13

## Certain Pesticides Frequently Detected in Water But Concentration Levels Vary

- Five pesticides frequently found in groundwater
- But groundwater concentration levels rarely exceeded standards
- Three pesticides frequently found in surface water
- Some concentration levels exceeded standards

14

## No Workplan for Evaluating Best Management Practices

- Issued three sets of best management practices covering five pesticides in early 2004
- Aggressive in identifying pesticides needing best management practices
- Need to evaluate their implementation and effectiveness

15

## Major Recommendations

- Evaluate consistency of enforcement actions
- Change record collection procedures
- Require advance notice in some cases
- Have waste disposal options statewide
- Monitor urban pesticide use biennially
- Expand surface water monitoring
- Evaluate best management practices

16

## ***Pesticide Regulation***

is available at:

**[www.auditor.leg.state.mn.us/  
ped/2006/pesticide.htm](http://www.auditor.leg.state.mn.us/ped/2006/pesticide.htm)**

17



# Pesticide Regulation

March 2006

## Major Findings:

- Like most states, Minnesota relies on the federal pesticide registration process to help ensure that pesticide use will not have unreasonable adverse effects.
- The Minnesota Department of Agriculture's licensing of pesticide applicators and dealers and regulation of pesticide storage facilities meet or exceed federal and state laws.
- The department imposes numerous enforcement actions, including monetary penalties, for law violations, but it does not fully evaluate their consistency or effectiveness.
- Pesticide application information in Minnesota is not sufficiently available to all people who could be affected by pesticide applications.
- The department has a reasonable process for investigating cases alleging human or animal exposure to pesticides, but methods for collecting pesticide application records are not always thorough.
- The department has a program to collect waste pesticides, but it only partially fulfills its statutory obligation.
- The department has done a good job monitoring the use of agricultural

pesticides and their effects on groundwater and surface water, but it has not done enough to monitor the use and effects of nonagricultural pesticides in urban areas.

## Key Recommendations:

- The Department of Agriculture should evaluate the consistency and effectiveness of all of its enforcement actions.
- The Legislature should require advance notice by land managers about pesticide applications toxic to bees and require the department to evaluate the merits of extending this requirement to other similarly risky situations.
- For certain investigations, the department should examine pesticide application records in person.
- The department should ensure that waste-pesticide disposal options exist statewide.
- The department should develop and implement a consistent approach to monitor urban pesticide use biennially, as state law requires.
- The department should increase its monitoring activities to include surface water sites in sensitive urban areas and, at the least, test the samples for nonagricultural pesticides.

Overall, the Minnesota Department of Agriculture does a good job regulating and monitoring pesticides, but improvements are needed.

## Report Summary

A complex array of state and federal laws provides the framework for how Minnesota regulates pesticides. The Department of Agriculture is the state's lead agency for enforcing pesticide requirements. In fiscal year 2005, the department spent \$10.7 million to regulate pesticides—most of it coming from fees paid by the pesticide industry.

### **Minnesota Relies Heavily on the Federal Government to Impose Pesticide-Use Restrictions**

Like nearly all states, Minnesota requires that pesticide products be registered in the state prior to their distribution or sale. The Department of Agriculture relies on the federal registration process to help ensure that pesticides will not have unreasonable adverse effects on the environment or human health in Minnesota.

Although the department can request any relevant information when registering pesticide products and can impose additional use restrictions, the department did so only three times in the last 15 years. The department should develop criteria to identify when it would be appropriate to review product information in greater detail before registering products.

### **The Department Meets or Exceeds Federal and State Requirements on Licensing Pesticide Applicators**

The department tests and certifies pesticide applicators, licenses dealers, and enforces safeguards for storage facilities. Its state plan for certifying applicators sets stricter controls than federal law in several ways.

### **The Department Cannot Evaluate the Consistency or Effectiveness of All of Its Enforcement Actions**

The department imposes numerous enforcement actions for pesticide violations, ranging from relatively mild written advisories to serious monetary penalties. Over the past five years, the rate of enforcement actions per investigation and the proportion with monetary penalties increased.

The department takes certain steps to make its enforcement actions, particularly monetary penalties, consistent, but it cannot

evaluate whether its enforcement actions overall are fair and deter violators. It should determine the consistency and effectiveness of all of its enforcement actions, which will require improving its database. Department staff acknowledge the limitations of their existing information system and are in the process of replacing it.

### **Information on Certain Pesticide Applications Is Not Sufficiently Available**

Information on pesticide applications comes from records maintained by pesticide applicators and, in limited circumstances, by advance notice of a pesticide application or the posting of warning signs at application sites. Federal and state laws regulate application records, and, in Minnesota, these records are generally not available to the public. Only the department, customers, physicians, and veterinarians have legal access.

Minnesota requires that residents near application sites receive advance notice about pesticide applications only prior to mosquito or gypsy moth treatments or when other applications are made to reduce public health risks. Unlike certain other similar states, Minnesota does not require advance notice to beekeepers for the application of pesticides toxic to bees. Some beekeepers have suffered losses due to pesticide applications.

The Legislature should require land managers to provide advance notice about pesticide applications toxic to bees when nearby beekeepers formally request notification. Further, it should ask the department to evaluate the feasibility of extending the requirement to other applications that could threaten human health or pose serious economic harm.

### **Investigations Are Generally Reasonable But More Rigorous Verification of Application Records Is Sometimes Needed**

Minnesota statutes prohibit applying pesticides beyond the intended site or in a manner that endangers humans or wildlife. Since 2000, the department has investigated more than 90 cases alleging human or animal exposure to pesticides, and its process is generally reasonable. An important part of the department's

**The department should develop criteria for when it will review federally-approved pesticide products in greater detail.**

**For certain cases, department inspectors should review pesticide application records in person.**

investigations is interviewing pesticide applicators and reviewing application records. In some cases, however, inspectors asked for faxed copies of application records and did not seek the records in person. Due to the adversarial nature of some cases, this method could produce incomplete investigations.

The department should determine when its inspectors must make independent, in-person verifications of pesticide applications. This is particularly important for cases where the actual pesticide application or its date is in question.

#### **Waste Pesticide Disposal Is Not Available Statewide as Required**

Statutes require that the department operate a program to collect waste pesticides generated in the state and designate a place at least every other year for residents of each county to dispose of unused pesticides. From 1989 through 2003, the department held one-day events at which farmers and agricultural businesses could drop off unwanted pesticides.

In fiscal year 2004, the department made changes and sought cooperative agreements with county household hazardous waste programs to collect agricultural waste pesticides along with waste pesticides that counties were already collecting from households. However, one-third of Minnesota's 87 counties, many of them highly agricultural, have declined to participate. In fiscal years 2004 and 2005, the allotments for waste pesticide disposal were not fully spent.

The department should ensure that disposal options exist statewide, as required by law. It could seek to expand contracts in counties that agree to accept agricultural waste pesticides from outside their boundaries or revise its funding formula to encourage nonparticipating counties to enroll.

#### **The Department Does Not Adequately Monitor Urban Pesticide Use**

Minnesota statutes require that the Department of Agriculture monitor rural and urban pesticide use on a biennial basis. The department monitors rural pesticide use—defined as both the amount of pesticides used and the management techniques employed—in various ways.

Most importantly, in January 2005, the department released its first report on the amount and type of pesticides used on four major crops in Minnesota. In early 2006, it expects to issue its first report on the techniques that corn farmers statewide use to manage pests and pesticides.

In contrast, the department has not conducted similar statewide surveys that measure the amount of pesticides used in urban areas, nor does it have a process for doing so. With the exception of two statewide surveys of school districts in the early 2000s, most of the department's work regarding urban pesticide use has focused on isolated surveys of pest management practices in particular watersheds.

Monitoring urban pesticide use is not a simple task, and there are few if any models for the department to emulate. While a complete accounting of all urban pesticide use is impractical, the department could consider monitoring certain types of nonagricultural pesticide applications, such as those made in buildings or to lawns and gardens by hired applicators. Alternatively, it could survey school districts about the amounts and types of pesticides they use. As another option, the department could collect product sales data during the registration process in such a manner that would allow staff to estimate the amount of nonagricultural pesticides distributed in the state.

#### **The Department Recently Expanded Groundwater Monitoring Into Urban Areas**

The Department of Agriculture established its central sand plains groundwater monitoring network in 1999. It currently consists of 86 sites with 193 specialized, dedicated monitoring wells in an area of heavy agricultural use and high soil sensitivity to pesticides. At about the same time, the department also set up a natural springs monitoring network in southeastern Minnesota that now consists of six springs.

In 2004, the department began expanding its groundwater network. By late 2005, the department had installed or constructed 40 additional groundwater monitoring wells in southwestern, south central, northwestern, and west central Minnesota. The department anticipates drilling more wells in north central, east central, and northwestern Minnesota in 2006. Also, in

**While the department has good methods for measuring rural pesticide use, it needs some for pesticides in urban areas.**

**As it has for groundwater, the department should expand its activities for monitoring surface water into urban areas.**

2004 and 2005, it expanded its groundwater monitoring activities into urban areas by analyzing samples collected by the Minnesota Pollution Control Agency from the Twin Cities, Rochester, and St. Cloud areas.

#### **Surface Water Monitoring Is Still Focused on Agricultural Areas**

The department established an automated surface water monitoring network in 1990, focusing on watersheds most sensitive to agricultural pesticides. The number of sites has fluctuated over the years, largely in response to budget concerns and changing priorities. In 2005, the department maintained automated sampling stations on five rivers and streams, all located in agricultural areas in southeastern and south central Minnesota.

In 2002, the department began expanding its surface water program by manually collecting samples from other agricultural areas. By 2005, it was collecting additional samples at 51 largely agricultural sites throughout a large part of the state. Because it does not collect water samples from urban areas, the department does not analyze any of its surface water samples for pesticides commonly used in urban areas.

Given the department's limited resources, it was correct to initially focus water monitoring efforts in the most sensitive agricultural areas of the state. The department's recent decision to expand groundwater monitoring into urban areas will provide a more complete picture of groundwater and pesticides. Similar information about the condition of surface

water, however, is lacking, and we recommend that the department likewise expand its surface water monitoring activities into highly sensitive urban areas and test samples from these areas for nonagricultural pesticides.

#### **The Department Aggressively Developed Best Management Practices But Now Needs to Evaluate Them**

The department considers developing voluntary best management practices when specific pesticides are frequently detected in groundwater or when their concentrations in surface water exceed 10 to 50 percent of the appropriate water standard. In 2004, the department adopted groundwater best management practices for five agricultural pesticides, surface water best management practices for two agricultural pesticides, and one set of general herbicide best management practices. The department now needs to evaluate their effectiveness.

The full evaluation report, *Pesticide Regulation*, includes the Department of Agriculture's response and is available at 651-296-4708 or:

[www.auditor.leg.state.mn.us/ped/2006/pesticide.htm](http://www.auditor.leg.state.mn.us/ped/2006/pesticide.htm)

### **Summary of Agency Response**

*In a letter dated February 15, 2006, Agriculture Commissioner Gene Hugoson said he was gratified with the evaluation's finding that, overall, the department does a good job regulating and monitoring pesticides, and he agreed "there are opportunities for improvement as noted in the report." He wrote that the department takes very seriously its pesticide responsibilities and accepts the ten recommendations directed to it in the report. He said the department has already "taken steps to implement several" of the recommendations, while "others will take more time to implement." He noted that the eleventh recommendation, requiring advance notice for certain pesticide applications, "is likely to be controversial, as some stakeholders will question the need for and value of such a requirement. However, the MDA will work with the legislature to provide information and resources to support informed debate."*

### Concerned Citizens of Avon for Clean Air

The odors and emissions from PSI have caused a group of affected and concerned citizens of Avon to initiate the process of the Environmental Quality Board, Minnesota Pollution Control Agency and the Minnesota Department of Health to contest their application for a capped permit.

Our hope and intent is continued business by PSI is a responsible manner that does not adversely affect the environment or health of Avon residents, nor further impact the attractiveness and viability of Avon.

The purpose and mission of the Concerned Citizens of Avon for Clean Air is to:

- Promote business and environmental responsibility
- Educate the public on significant environmental effects related to air quality
- Protect and safeguard our health and quality of life
- Collect accurate data on the VOC's and HAP's emitted from PSI
- Obtain facts on the health risk exposure that PSI air emissions have on the Avon community
- Conduct a health risk assessment by the Environmental Quality Board, Minnesota Department of Health and the Minnesota Pollution Control Agency on PSI air emissions
- Assure elected state officials will take this environmental platform to Governor Pawlenty to advocate for stricter air emission laws
- Hold MPCA accountable to their mission statement
- Educate Avon City Council members on above issues

MPCA Mission statement:

“... to protect Minnesota's environment to secure the quality of life of it's citizens. To accomplish this mission the agency works to provide: clean and clear air, fishable and swimmable lakes and rivers, uncontaminated ground water and land and sustainable ecosystems.”

MPCA webpage 7007.1700 Permit Revocation By Agency

d. the agency finds that the permitted facility or activity endangers human health or the environment and that the danger cannot be removed by an amendment to the permit.

Minnesota Statute 2005,116B.01 Purpose

The legislature finds and declares that each person is entitled by right to the protection, preservation, and enhancement of air, water, land, and other natural resources located within the state and that each person has the responsibility to contribute to the protection, preservation and enhancement thereof. The legislature further declares policy to create and maintain within the state conditions upon which humans beings and nature can exist in productive harmony and order that present and future generations may enjoy clean air and water, productive land, and other natural resources with which this state has been endowed. Accordingly, it is in the public interest to provide an adequate civil remedy to protect air, water and land and other natural resources located within the state from pollution, impairment or destruction.

CITY OF



March 15, 2006

Senator Michelle Fischbach  
100 Rev. Dr. Martin Luther King Jr. Blvd., Room G-15  
St. Paul, MN 55155-1206

Dear Senator Fischbach,

It has been brought to the attention of the Avon City Council that there will be a hearing held tomorrow, March 16<sup>th</sup>, 2006 to discuss the possibility of appropriating \$6,000 in funds to assist in conducting an air quality study in the City of Avon.

The Mayor and City Council of Avon wish to express their utmost support for this initiative. Over the past year or so the City Council has been involved in attempts to mediate complaints about the quality of air in Avon on a number of occasions. There have been reports of concern for potentially increased levels of Volatile Organic Compounds (VOC's) and Hazardous Air Pollutants (HAP's) in the City of Avon. These substances are apparently known to cause asthma, allergies, headaches, nausea, and cancer. The MPCA has confirmed that these types of pollutants are not likely dispersed as quickly into the atmosphere due to the surrounding hills of the Avon Area. At this point city leaders cannot say with certainty where the alleged pollutants might be originating, nor can they say with certainty if the amount of VOC's and HAP's in the air is at levels that could potentially be detrimental to the health to our citizens. An air quality study is of critical importance to ensure that the air we breathe in our community is not harming the people who live and work here each day.

We thank Senator Fischbach and the State of Minnesota for considering this bill to appropriate funds to assist in financing an air quality study and for collaborating with the City of Avon in working toward cleaner air in our community.

Sincerely,

Di Austing-Traut  
City Clerk/Administrator  
City of Avon

Margie Evens  
Mayor  
City of Avon

positively  
Minnesota  
Department of Employment  
and Economic Development

September 6, 2005

Mr. Paul Blomquist  
C & M Ford Sales, Inc.  
PO Box 10  
Hallock, MN 56728

9/2/05  
Paul Moe

9/9/05  
Cheryl  
Klein

Sept 27<sup>th</sup>  
Matt Kramer

Dear Mr. Blomquist:

Thank you for your letter of August 25, 2005 concerning the JOBZ program and the Caribou Grill project. When the JOBZ program was created and implemented during 2003 and 2004, we worked with numerous legislators and stakeholders to craft a program that provided an incentive for investment in rural areas, was consistent with existing public policy on eligibility issues, was sensitive to estimated program costs, and would gain support from a broad spectrum of legislators from all geographic and political positions. Now in its second full year of operation, JOBZ has been highly visible, and remarkably successful in terms of participation with over 175 businesses that have entered into Business Subsidy Agreements committing to over 2,000 new jobs investing \$300 million in new buildings, additions, and equipment, all in rural Minnesota. But the program has not been without controversy, with imprecise business eligibility issues, complex tax code interpretations and concerns about the cost/benefit feature.

From the inception of JOBZ it was not the intent to have retail establishments in the zones, although the law did not specifically prohibit it. Most public financial assistance precludes retail establishments from receiving benefit; for example, the Minnesota Investment Fund and in most cases tax increment financing exclude these types of businesses from receiving assistance. These businesses could explore the U. S. Small Businesses Administration, local or regional revolving loan funds for assistance.

Because JOBZ has considerable discretion at the local level, some retail type establishments have been placed in JOBZ zones despite DEED's discouragement. As a result the legislature recently passed a provision prohibiting retail establishments from JOBZ eligibility. We are working with the Department of Revenue to provide further clarification of retail in this context.

As you pointed out, some retail type businesses are in JOBZ today, however, with the new law some of these would not be eligible and I don't think any restaurants have been placed in JOBZ. I am glad to hear you are supportive of our mission to support the economic success of individuals, businesses and communities by improving opportunities for growth. I look forward to working together to create programs and policies to help carry out this mission.

Sincerely,



Matt Kramer  
Commissioner

Department of Employment and Economic Development

1st National Bank Building • 332 Minnesota St., Suite E200 • Saint Paul, MN 55101-1351 • USA  
651-297-1291 • 888-GET JOBS (438-5627) • Fax 651-296-4772 • TTY/TDD: 651-296-3900 • www.deed.state.mn.us

An equal opportunity employer and service provider.