

Border City Enterprise Zone

Addressing Fierce Challenges at the North Dakota Border

Moorhead, East Grand Forks, Dilworth, Breckenridge, and Ortonville



HF 2931

SF 2754

REQUEST

Funding Increase

Allocation

Increase of \$750k to \$1.5M annual appropriation

Policy Updates

Business Categories

Remove certain restrictions to reflect demands of current and future economy to allow:

- Experience-based businesses
- Restaurants operating under franchise

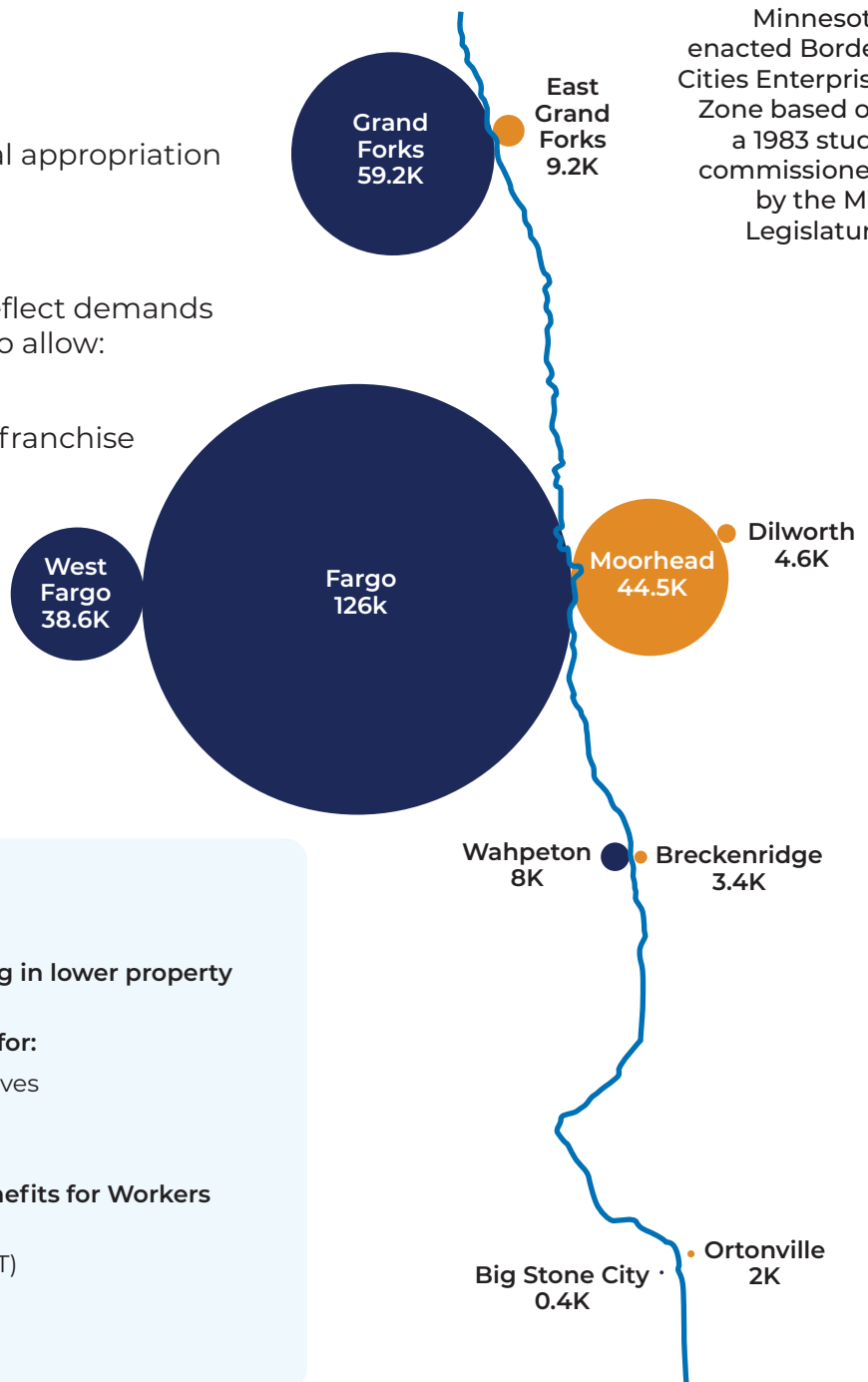
Geographic Zones

Allow assistance citywide within border cities

Employee Credits

Increase limit from \$3,000/employee to \$5,000/employee per year

Minnesota enacted Border Cities Enterprise Zone based on a 1983 study commissioned by the MN Legislature

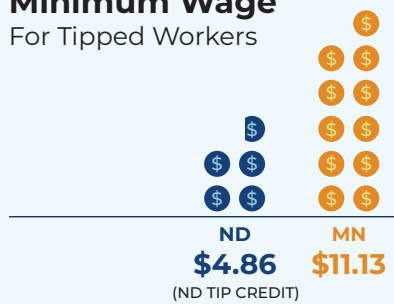


WHAT'S CHANGED?

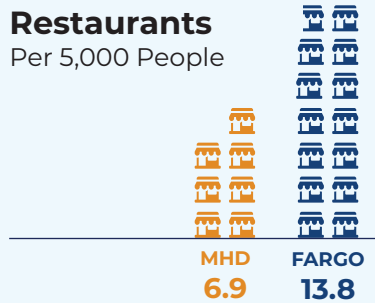
- ▶ ND increased oil revenue resulting in lower property and income taxes
- ▶ ND Border Cities Using Sales Tax for:
 - Economic Development Incentives
 - Flood Control
 - Transportation/infrastructure
- ▶ MN Implementing Additional Benefits for Workers Paid by Employers
 - Earned Sick and Safe Time (ESST)
 - Minnesota Paid Leave

BORDER CITY CHALLENGES

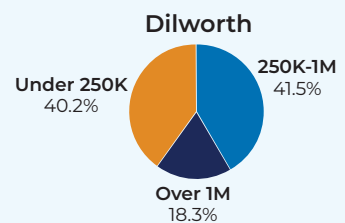
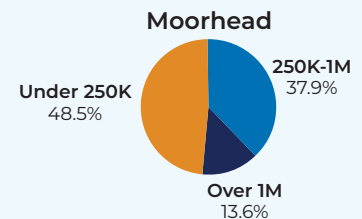
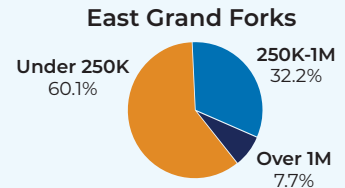
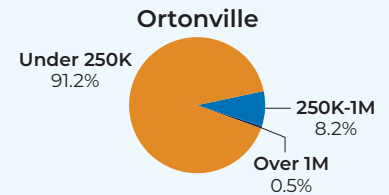
Minimum Wage For Tipped Workers



Restaurants Per 5,000 People

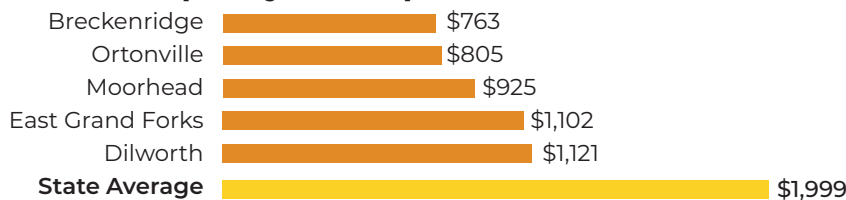


Commercial Industrial Property Value

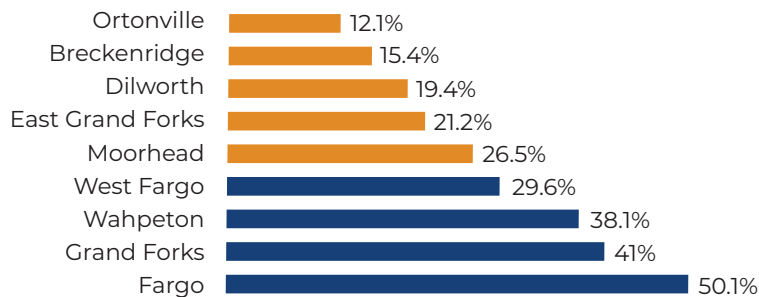


(Breckenridge data not currently available)

Net Tax Capacity Per Capita



Commercial/Industrial Estimated Market Value as Percentage of Taxable Value



2025 Top Marginal Corporate Income Tax



Source: taxfoundation.org

NEW BENEFITS For Workers
NEW EXPENSE For Employers

Earned Sick and Safe Time
1 hr for every 30 hrs worked
up to 48 hours/employee

Minnesota Paid Leave
0.44-0.88% of payroll



Shelly Carlson

Mayor,
City of Moorhead
218.299.5307
shelly.carlson@moorheadmn.gov



Lisa Bode

Governmental Affairs Director,
City of Moorhead
218.299.5372
lisa.bode@moorheadmn.gov



Reid Huttunen

City Administrator,
City of East Grand Forks
218.399.3388
rhuttunen@egf.mn



Derrick LaPointe

President/CEO,
Downtown Moorhead Inc.
218.443.1361
dlapointe@dtmoorhead.org



Shane Zahrt

Attorney/Lobbyist
Flaherty-Hood
651.295.1123
sazahrt@flaherty-hood.com



Maggie Brockling

Economic Development Director,
City of East Grand Forks
218.399.3252
mbrockling@egf.mn