

City of East Grand Forks

600 Demers Ave · East Grand Forks, MN 56721 Administration Phone: 218-773-2483; www.egf.mn

City Administrator: Reid Huttunen · Email: RHuttunen@egf.mn

April 1, 2025

Senator Ann Rest Chair, Senate Taxes Committee 75 Rev. Dr. Martin Luther King Jr. Blvd. Capitol, Room 328 St. Paul, MN 55155

Senator Bill Weber Ranking Minority Member, Senate Taxes Committee 95 University Avenue W. Minnesota Senate Bldg., Room 2211 St. Paul, MN 55155

Rep. Aisha Gomez Co-Chair, House Taxes Committee 5th Floor Centennial Office Building St. Paul, MN 55155

Rep. Greg Davids Co-Chair, House Taxes Committee 2nd Floor Centennial Office Building St. Paul, MN 55155

Re: SF2754 & HF2931

Dear Chair Rest, Minority Lead Weber, Co-Chair Gomez, and Co-Chair Davids:

The Border City Enterprise Zone program provides an important and effective incentive for businesses in East Grand Forks to remain successful and competitive in Minnesota. The program in its current form has been successful in supporting the retention and expansion of multiple primary businesses within East Grand Forks.

The proposed legislation will help the City of East Grand Forks and the other four "Border Cities" expand on the positive impact the program is already making by accomplishing:

- Remove restrictions on certain experience-based, recreation/tourism type businesses to reflect demands of the current and future economy.
- Increase the per employee credit from \$3,000/employee to \$5,000/employee per year
- Increase the annual funding allocation from \$750K to \$1.5M

The proposed changes to this legislation are of the upmost importance to ensure our border community and the businesses within East Grand Forks remain competitive and successful in Minnesota. Our neighbors in



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North Dakota have been successful in establishing local Sales Taxes that are used for Economic Development Growth Initiatives and the incentive they can provide to businesses relocating to ND is a real threat. Expanded use of the Border City Enterprise Zone program is a valuable tool in our Economic Development toolkit to support retention and expansion within our local economy.

If you require any further information, please do not hesitate to contact us at: City Administrator, Reid Huttunen 218-399-3388 or via email at RHuttunen@egf.mn and Economic Development Director, Maggie Brockling, 218-399-3252 or via email at MBrockling@egf.mn.

Thank you for your time and thoughtful consideration.

Sincerely,

Reid Huttunen

City Administrator

City of East Grand Forks, MN

Maggie Brockling

Maggie Brokling

Economic Development Director

EGF Economic Development Authority

Cc: Mark Olstad, Mayor · City of East Grand Forks