

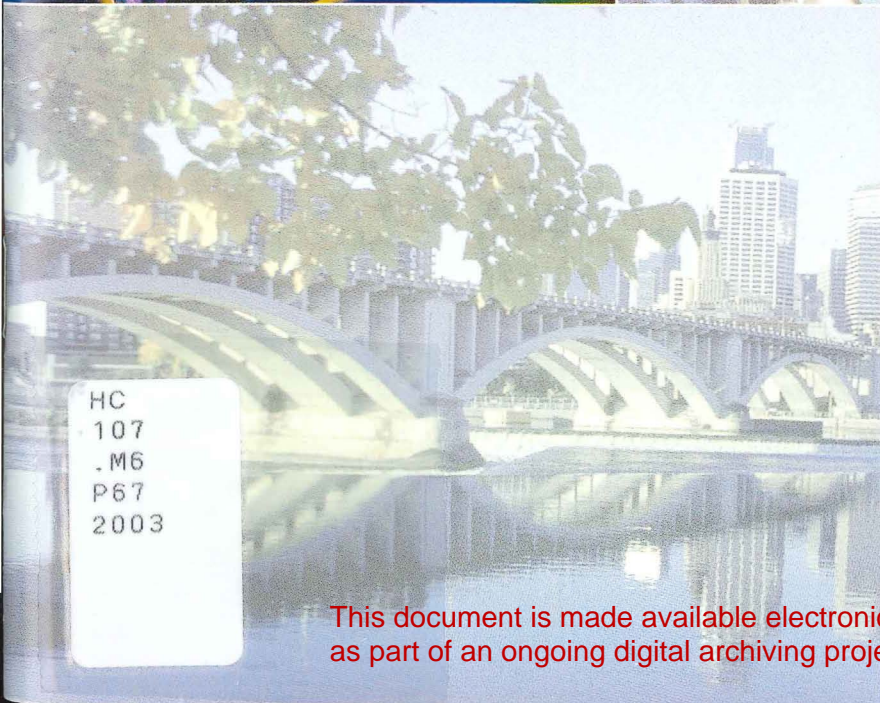
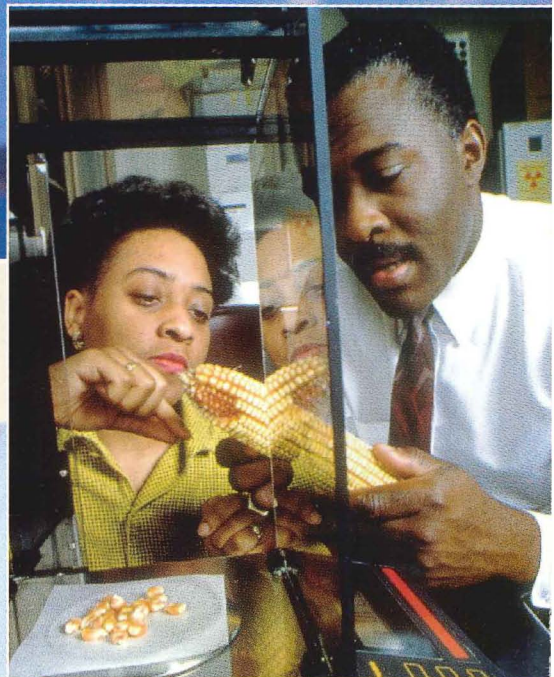
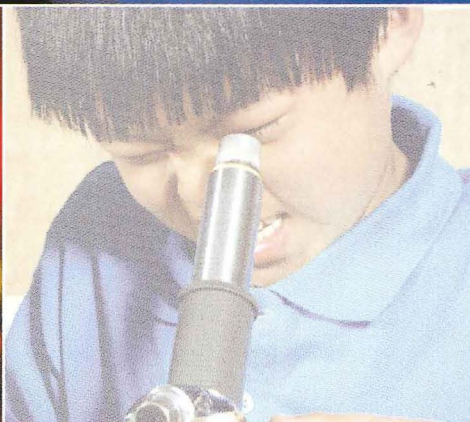
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# positively *Minnesota*



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(Cover) Some of the earliest Europeans in Minnesota were 17th-century French explorers who visited what is now the beautiful Voyageurs National Park.





# positively *Minnesota*

*M*innesota has been the place to be since the 1990s, thanks to our strong, diverse economy, high quality of life, and educated workforce. And we will continue to be a great state for business, because we don't rest on our laurels when we're ahead. We build on our strengths—what got us to the top.

That's what my administration is doing—focusing on keeping our state competitive and making sure more businesses want to call Minnesota home.

Minnesota consistently ranks at or near the top among states each year in categories ranging from business climate to quality of life. This publication will introduce you to the "Top 10" reasons why Minnesota is a great place to do business—and the most livable state in the country.

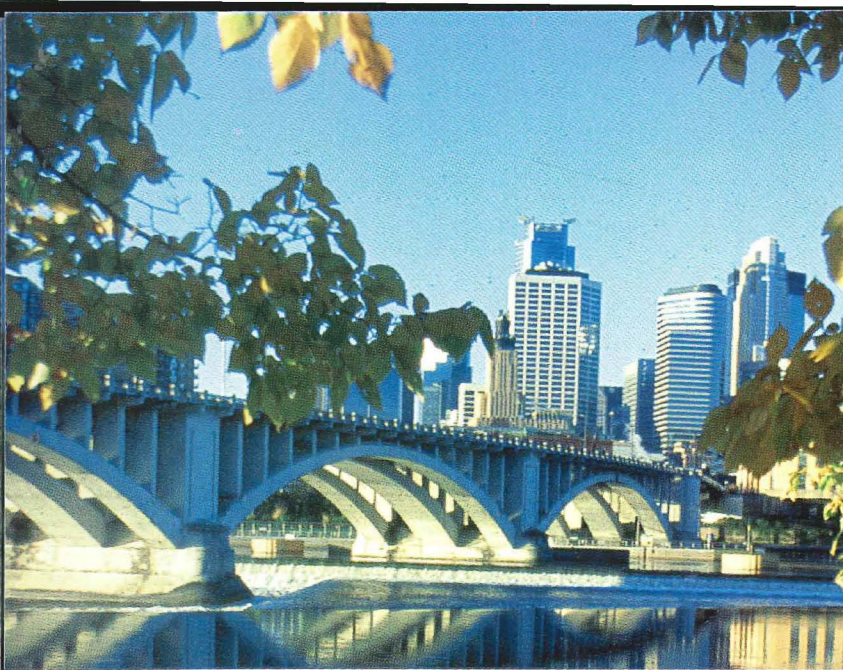
## 1. PROVEN PERFORMANCE

Minnesota received the highest grades for economic performance, development capacity, and business vitality in 2001 and 2002 from the Corporation for Enterprise Development. The state's business expansion and failure rates are among the best in the nation. The Twin Cities rank fourth among *Expansion Management* magazine's best places to locate a company. Three other cities—Moorhead, Rochester, and Duluth—are in the top 25.

## 2. BUSINESS-FRIENDLY CLIMATE

Government-imposed business costs in the state have fallen to their lowest level over the past decade. Major reforms include a 40 percent reduction in workers' compensation costs, a 9 percent reduction in the average cost of unemployment insurance, and a 34 percent reduction in commercial property taxes. Today, Minnesota continues to attract businesses with our innovative JOBZones.





### 3. RENOWNED WORK ETHIC

Minnesota is known for its highly skilled and motivated workforce. We are the nation's "hardest-working" state, with the highest proportion of people in the workforce. The percentage of workers in Minnesota who work more than 40 hours per week is the 11th highest in the nation, and the UnitedHealth Foundation ranks Minnesota the second-healthiest state in the nation.

### 4. EXCELLENCE IN EDUCATION

The University of Minnesota ranks among the top three public research universities in the nation, and 82 of the state's public primary and secondary schools are cited for their academic excellence by the U.S. Department of Education. Minnesota's science curriculum is world class, with our eighth graders ranking second only to their peers in Singapore. More than 89 percent of Minnesotans have a high school diploma—the third-highest rate in the country.

### 5. FERTILE GROUND FOR INNOVATION

Minnesota is one of the nation's top seven technology states, according to a 2001 report by the Massachusetts Technology Collaborative, and there's no end to our creativity and imagination. An international consulting firm found the Twin Cities to be the world's most "knowledge-competitive" region based on its ability to translate new ideas, processes, and products into economic value and wealth.

### 6. BEST IN THE BUSINESS

Some of the world's most recognized corporations call Minnesota home, including major manufacturers of industrial and medical products, and 19 Fortune 500 companies. Five Minnesota companies rank among *Forbes'* 200 Best Small Companies, and the state is one of only three in the country with at least six Malcolm Baldrige National Quality Award winners.

### 7. FOUNDATIONS OF COMMERCE

*Expansion Management* ranks the Twin Cities 13th among the nation's biggest metro regions based on logistics-supporting infrastructure and productive workers in transportation industries. The Minneapolis–St. Paul International Airport is the world's 16th busiest. For overall customer satisfaction, it ranks number one in North America and among the top five worldwide. Minnesota also supports business with plentiful and cost-effective energy and the ninth-best digital economy in the nation.

### 8. GLOBAL COMPETITOR

Minnesota products are in demand in more than 185 countries around the world. Since 1997, the state's manufactured exports have increased 12 percent to \$9.5 billion in 2002. Leading exports include computer and electronic products, scientific and medical instruments, processed foods, and transportation equipment. Minnesota ranks seventh in the country in agricultural exports.





Situated on the Mississippi River, Minneapolis is the state's largest city and home to thriving business and arts communities. The University of Minnesota is one of the nation's top three public research institutions, and the state ranks among the top seven for its high-tech sector.

#### 9. A WEALTH OF RESOURCES

Minnesota is richly endowed with the expertise and capital needed to support businesses at every stage. We are among the top 10 states in the country for a variety of printing and publishing industries. Our role in the growth of the computer industry has created a deep pool of computer software and hardware companies. Minnesota ranked 14th in the country—tops in the Midwest—in venture capital investments in 2002, with more than \$325 million.

#### 10. A MOST LIVABLE STATE

Minnesota's array of cultural attractions, outdoor recreation options, and scenic landscapes appeals to both residents and visitors. For the seventh straight year, Minnesota tops the "Most Livable State" rankings from Morgan Quitno Press, based on indicators like affordable housing, safe streets, a strong education system, and excellent health care. In 2002, Minnesota had the second-lowest poverty rate in the country and ranked first—for the second consecutive year—in United Way's "State of Caring Index."

As you strive to stay ahead of the competition, you need a site for your business that will give you an edge. We are confident Minnesota is the place.

Governor Tim Pawlenty





# Minnesota

is as close to  
a sure thing  
as business will ever find.

With study after study concluding that the state has one of the most diverse economies in the nation, just about any business will feel at home. This diversity helps cushion Minnesota from economic shocks, making it one of the state's greatest assets.



Nearly all of the nation's primary industries are represented in Minnesota—including major concentrations of companies engaged in manufacturing medical products, electronic components, and scientific and technical instruments; providing financial, health care, software, advertising, and legal services; and developing products from our strong natural-resource base of agriculture and forests.

The word is getting out about Minnesota's global leadership in these industries. Chief among them is the medical device industry, which includes leaders such as 3M, St. Jude Medical, Medtronic, Guidant, Boston Scientific, and Starkey Laboratories. These businesses have a proven track record, achieving such technological breakthroughs as the cardiac pacemaker and artificial heart valves. Along with other companies, they form the backbone of the state's burgeoning biosciences industry.

Across the board, Minnesota high-technology companies have proven to be flexible and cutting edge. The state has evolved from mainframe computer dominance to a diversified base of technology industries, including computers, business software, electronic components, and information technology.

Minnesota's roots are in the land and it remains a major agricultural state, ranking in the top five in the production of corn, soybeans, sugar beets, hogs, turkey, and dairy. Much of what is grown here is also processed by such major Minnesota-based food companies as General Mills, Cargill, Hormel, and Land O'Lakes.

These diverse businesses propelled Minnesota to unprecedented growth during the 1990s. Business expansion and failure rates that are among the best in the nation are a measure of this renowned performance.

Companies that have recently demonstrated their confidence in Minnesota and their commitment to the state with major investments include Honeywell, Protein Design Labs,

# PROVEN PERFORMANCE





Wells Fargo, Polaris Industries, Mesabi Nugget Corporation, and Minnesota Soybean Processors. It's no surprise that Minnesota was tops in the number of major corporate expansions in the Upper Midwest in 2002, according to *Site Selection* magazine.

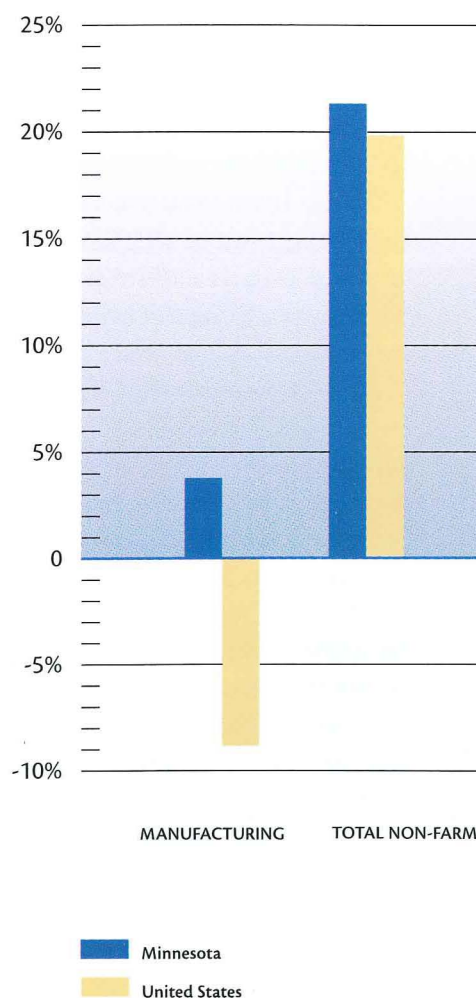
Success often leads to more success, and in 2001 and 2002, the Corporation for Enterprise Development (CFED) gave Minnesota top grades for economic performance, business vitality, and development capacity. In releasing its annual report card, CFED said that—even in difficult times—states that invest in people through education and workforce training, and that take a long-term view of economic diversification, have the best chance of success. The report pointed out that states like Minnesota outperform others because they pay attention to the quality of their economic development efforts, continue to attract venture capital, and support a vibrant technology sector.

In 2003, *Expansion Management* magazine confirmed these findings when it named four Minnesota cities among the nation's top places to locate a business. The Twin Cities metro area ranked fourth overall, followed by Moorhead (8), Rochester (21), and Duluth (25). St. Cloud finished at 47 to round out Minnesota's prominent representation among the top 50.

With this kind of proven performance, it's no wonder that businesses continue to choose Minnesota.

Minnesota still ranks high in ag production, and is home to major food processors. World-leading innovation in the medical device industry anchors Minnesota's vibrant technology sector.

#### EMPLOYMENT GROWTH 1992–2002



Source: Current Employment Statistics, U.S. Department of Labor, Bureau of Labor Statistics.



Minnesota is home  
to a robust, diverse, and  
healthy business community,  
and an economy that  
routinely outperforms  
national averages.



**Understanding that a dynamic and flourishing economy depends on a hospitable business climate, business leaders and state policymakers continually assess and reassess the needs of Main Street.**

## BUSINESS-

In recent years, Minnesotans have engaged in a healthy debate about the state's ability to compete in a global economy. Local and state government officials have listened and made important policy decisions about the state's tax code and other costs of doing business.

Those efforts are paying dividends, saving companies more than \$1 billion in government-imposed business costs. Today, based on labor costs, state and local tax burden, energy costs, and office rents, Minnesota can claim to be one of 29 states with an "average cost" of doing business, according to a study by the respected analysts from Economy.com. To put that in perspective, just nine states were considered "low cost" places to do business, while 12 were described as "high cost."

One of the most recent changes is a law passed by the 2003 Minnesota Legislature, creating up to 10 tax-free zones intended to encourage business and economic development in regions of the state that need it most. These Job Opportunity Building Zones (JOBZ) are expected to stimulate economic activity in distressed areas by providing exemptions to local and state taxes, including the corporate franchise tax, income tax for operators or investors, certain sales taxes and property taxes, and wind energy production tax. In addition, businesses can claim employment tax credits for the creation of high-paying jobs.

The JOBZ initiative is just one of many important changes that have enhanced Minnesota's business climate. Since 1992, the legislature has passed major reforms resulting in a 40 percent drop in employer costs for workers' compensation coverage. Other key pieces of legislation have reduced litigation costs, provided for safety incentives, controlled the cost of workers' compensation benefits over an employee's lifetime, and increased compliance provisions, enabling Minnesota to be more competitive. Minnesota's workers' compensation costs for manufacturers were the 24th lowest among the 50 states in 2003, an improvement from 34th lowest in 1992.

Another significant change in recent years has been the elimination of the sales tax on capital equipment. Minnesota has created a climate that encourages business expansion and creates high-quality jobs.

The Minnesota Legislature has also taken dramatic steps to reduce the property tax burden of businesses. Reforms passed since 1995 reduced commercial-industrial property taxes payable in 2003 by 34 percent. Also, Minnesota does not tax a company's personal property, which benefits equipment-intensive businesses.





# FRIENDLY CLIMATE

Between 1992 and 2002, employers saw a 9 percent decline—or a 29 percent inflation-adjusted decline—in the average unemployment insurance cost per employee. In as few as 18 months, Minnesota businesses are eligible for an “experience rating,” which, in 2003, could lead to an unemployment insurance payment of as little as \$105 per employee.

For many organizations, environmental regulation can become a quagmire of paperwork. In an effort to streamline the regulatory process for businesses, Minnesota has developed innovative environmental regulatory programs through the Minnesota Pollution Control Agency.

These programs are designed to encourage businesses to conduct environmental self-audits that go beyond the requirements of existing regulations. They reward participants with increased flexibility and reduced costs. They also allow government to partner with businesses to solve environmental problems, rather than acting primarily as an enforcer. The end result is a friendlier regulatory environment that saves money while improving environmental protection.

Finally, businesses will also benefit from a tort reform measure passed by the 2003 legislature that limits the liability of civil defendants in certain circumstances.

Saving money for Minnesota businesses and taxpayers is not an unusual occurrence. Through well-managed government, the state is able to meet the needs of its constituents at a very affordable price. In fact, Minnesota is one of the nation’s best-managed states, ranked fourth by *State Policy Reports* in its “Index of State Budget Process Quality” in 2002.

In today’s global marketplace, a supportive business environment and a state government working to eliminate competitive disadvantages are key factors in the success of Minnesota’s economy. By reforming the state workers’ compensation system, phasing down specific taxes, streamlining the environmental regulatory process, and holding down the cost of government, Minnesota continues to foster an ever-more positive business climate.

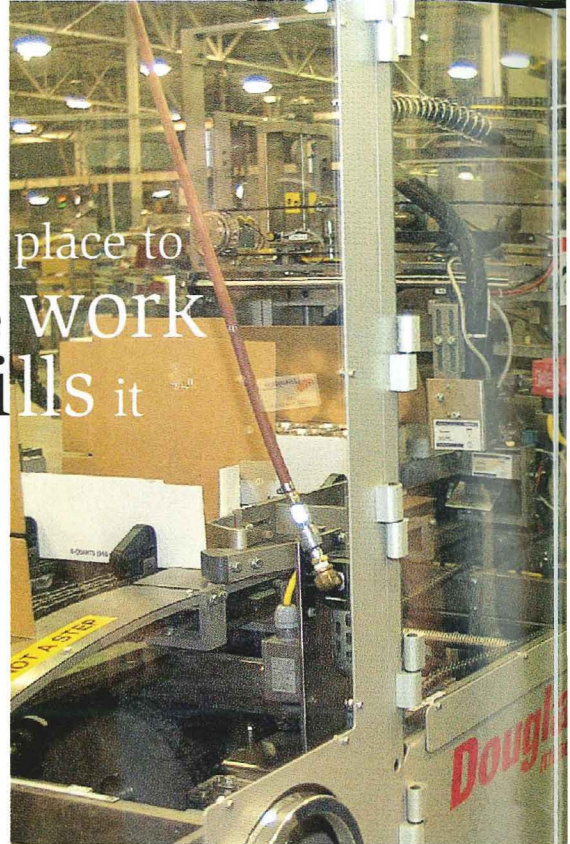


With government-imposed costs at an all-time low, Minnesota is known as one of the best-managed states. From towns like Hastings to cities across the state, we offer a business climate that’s healthier than ever.



Minnesota is a great place to find employees with the work ethic and advanced skills it takes to compete in the global economy.

The state's economy is one of the most diverse in the nation, with most types of major industries doing business in Minnesota. Quality jobs at good wages draw newcomers and keep residents committed to their home state. In fact, some companies find that employees who transfer here never want to leave.



## RENOWNED WORK

"Our employees have a vested interest in making this company successful," says Vern Anderson, chairman and CEO of Douglas Machine. "They are talented, independent thinkers who are willing to take risks." Douglas Machine sprang from humble beginnings in a garage in 1964 to become a multimillion-dollar international enterprise, whose packaging machinery is considered among the best and most advanced in the world. Today, the company employs 600 people at plants throughout the state.

In 2000, employees invested more than \$6 million of their own retirement funds in the company. Anderson says the strong and deeply ingrained Minnesota work ethic is key to the success that Douglas Machine has enjoyed.

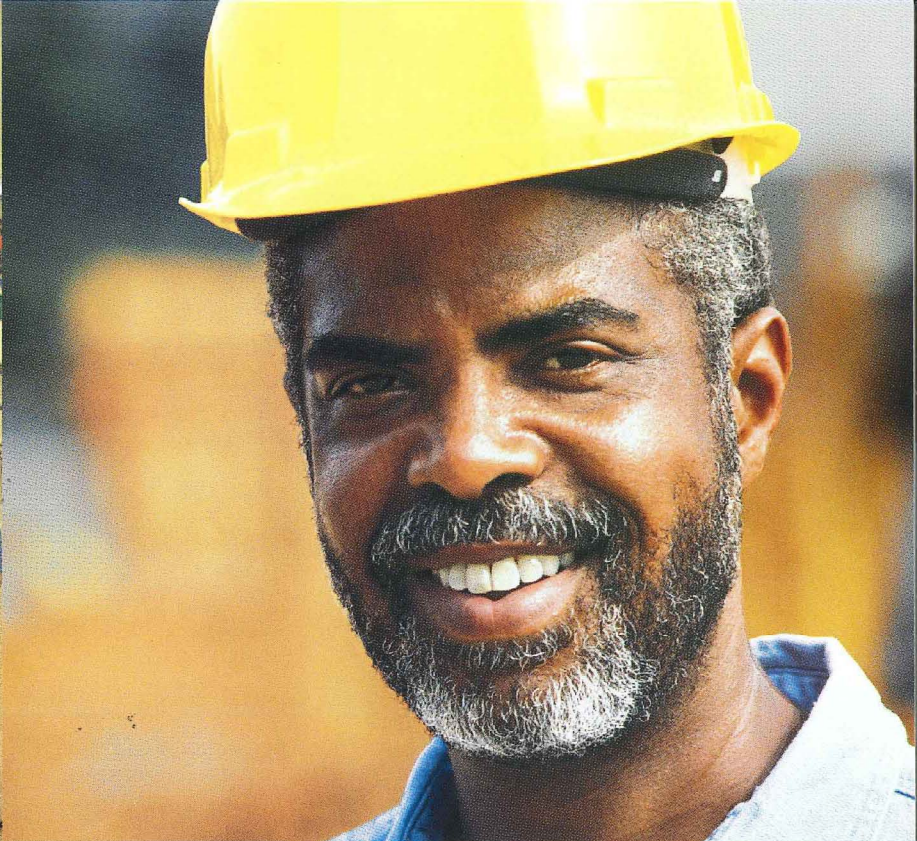
"Our employees are dedicated and dependable. If they say they're going to be at work tomorrow, they'll be at work," says Anderson. "There's pride in what they're doing, pride in producing a superior product."

The success of Douglas Machine also hinges on a workforce that is skilled, well trained, and educated. As packaging machines have grown more technically complex, the company has worked hand in hand with Alexandria Technical College and the University of Minnesota to cultivate new skills in employees and conduct research and technical development.

"There's an eagerness from our tech schools, colleges, and universities to partner with business," says Anderson. "That's a real benefit—it's a partnership that goes both ways."

Judging by statistics on workforce performance, what Douglas Machine has experienced in Minnesota is not unusual. Minnesota has the highest labor force participation rate in the nation, with three-quarters of working-age Minnesotans in the labor force. That rate is well above the average for the United States and all Midwestern states. And the percentage of





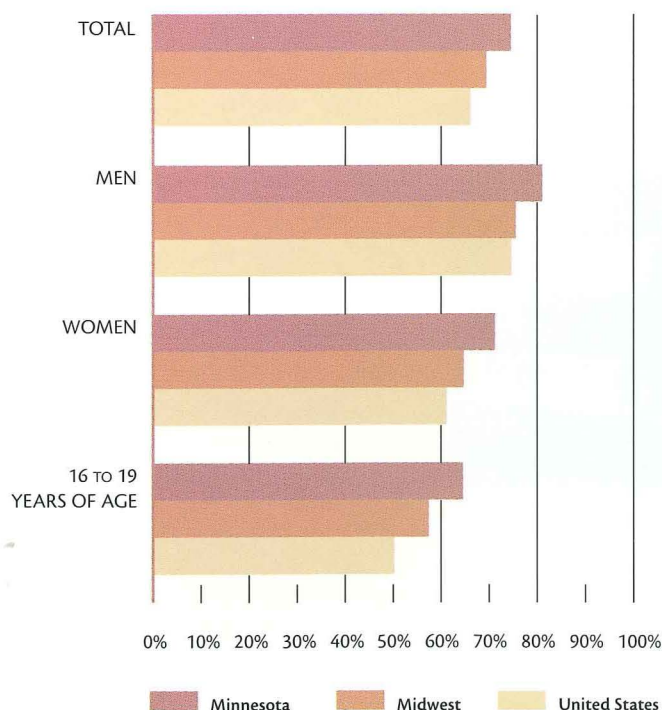
# ETHIC

workers in Minnesota working more than 40 hours per week is the 11th highest in the nation.

With a high standard of living, access to good schools, good jobs, and rich cultural opportunities, Minnesota is a haven for talented and highly skilled workers. The Twin Cities area is listed among the top 10 in *Forbes'* "Coolness Ranking," based on its concentration of creative young people. It also ranks among the top metro areas in the percentage of women who hold executive and managerial positions.

A well-trained workforce—and an indelible work ethic—are attributes that Minnesota companies rely on for their success. More than three-quarters of working-age Minnesotans are in the labor force, more than in any other state.

CIVILIAN LABOR FORCE PARTICIPATION RATE 2001

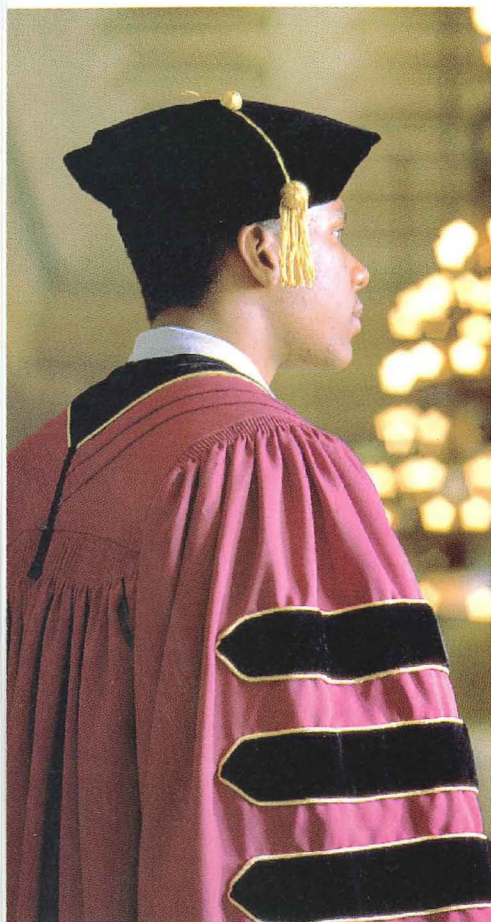


Source: Geographic Profile of Employment and Unemployment, 2001, U.S. Department of Labor, Bureau of Labor Statistics.



# Companies looking for a well-educated, well-prepared workforce can find one in Minnesota.

**That's because Minnesotans—students, parents, business people, and government leaders alike—value education and recognize its benefits.**



Minnesota's science curriculum is world class, with Minnesota eighth graders ranking second only to their peers in Singapore and significantly higher than the rest of the U.S. in the Third International Mathematics and Science Study. Math proficiency scores for Minnesota eighth graders ranked first in the nation in 2000. Eighty-two of the state's public elementary and secondary schools have been recognized by the U.S. Department of Education as "Blue Ribbon Schools," the department's term for centers of academic excellence. Four Minnesota teachers have been named National Teacher of the Year—a number exceeded only in California.

More than 89 percent of Minnesotans have a high school diploma—the third highest rate in the nation. The state's 2001 graduation rate was fifth highest at more than 82 percent, and far greater than the U.S. average of 67.2 percent. That same year, about 28 percent of Minnesotans age 25 and older had bachelor's degrees compared to less than 26 percent nationally.

Approximately 51 percent of state appropriations for the 2004–2005 biennium are for early-childhood, K–12 and higher education. In 2000, Minnesota ranked seventh in the nation in per capita spending for elementary and secondary education.

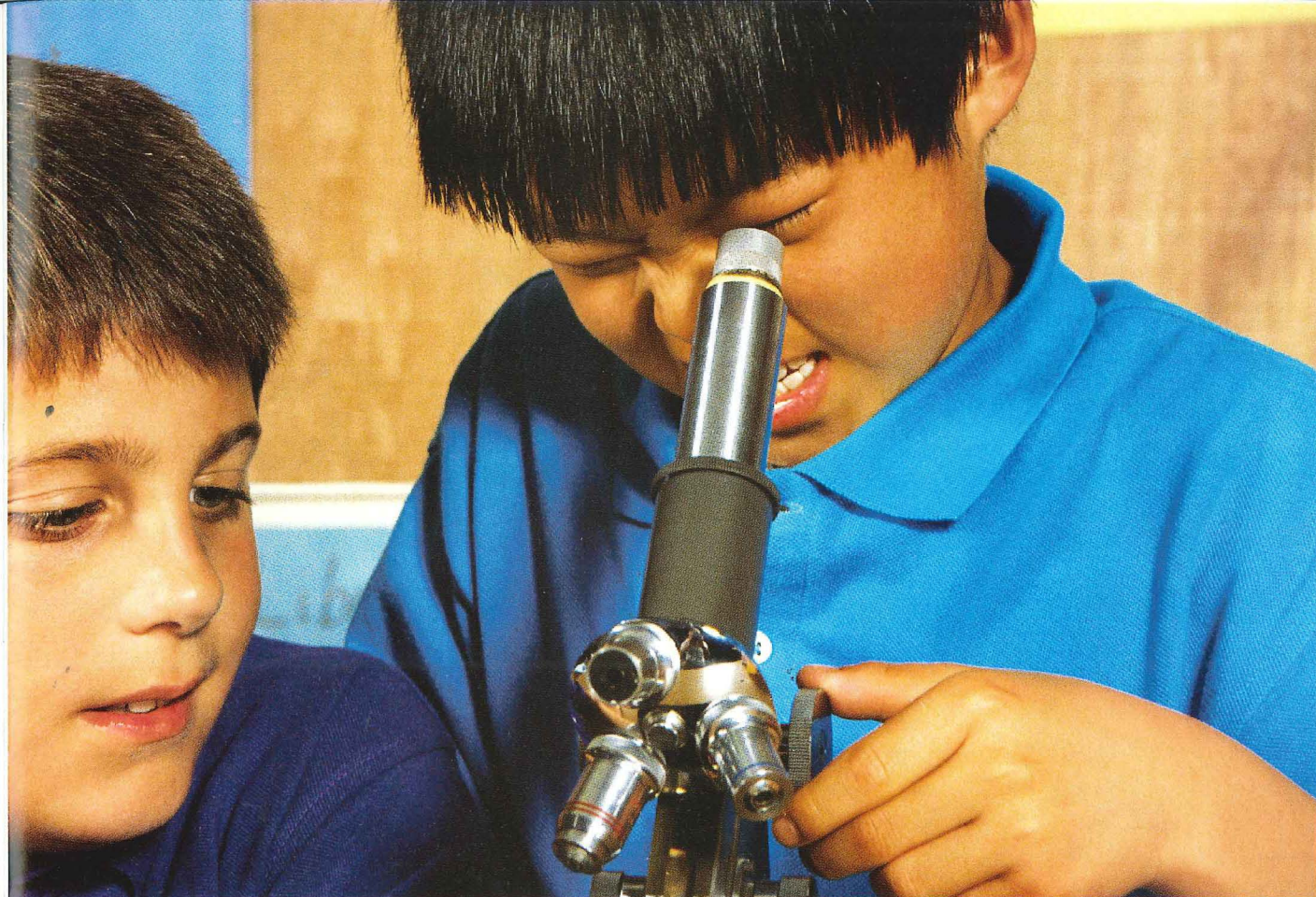
Minnesota's public schools averaged 3.2 students per computer for the 2001 school year—better than the U.S. average of approximately 4.2 students per computer.

In the fall of 2001, more than 297,000 students were enrolled in Minnesota's institutions of post-secondary education. That number is as high as it is, in part, because Minnesota has made access to education a priority.

During the 1970s, the Minnesota Legislature set a goal of making available at least two years of public, post-secondary education within a half-hour's drive of 90 percent of the state's residents. Achieving that goal was expensive—it involved building modern new schools in several of the state's less-populated regions—but it was accomplished in time

## EXCELLENCE IN





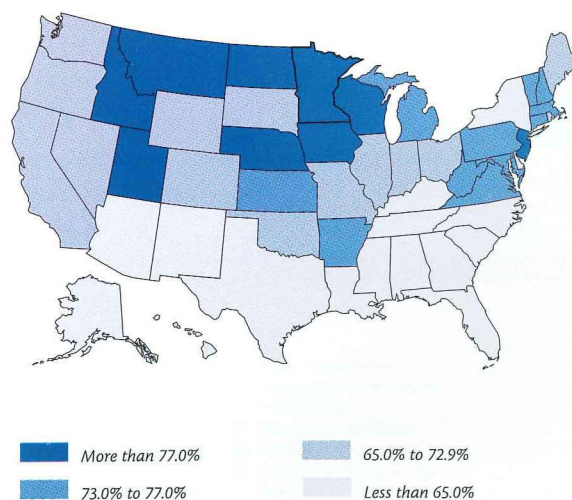
for a wave of baby boomers who were reaching adulthood. It helped create a workforce of Minnesotans who are literate, informed, and ready to meet the demands of today's workplace.

The largest of Minnesota's institutions of learning is the four-campus University of Minnesota. In study after study, the university ranks among the leaders in educational quality in science, engineering, health, business, law, and a variety of undergraduate and graduate programs. Minnesota's graduates are in high demand. In one recent year, 93 percent of the students who had earned a bachelor's degree in computer science from the University of Minnesota-Duluth had found a job within 12 months of graduation, while the other 7 percent had continued into graduate school.

Educational excellence at the university has also propelled entrepreneurial successes. "We would not be here if it were not for the university and its graduates," says Winston Wallin, the former chairman of Medtronic. The same could be said of at least 1,200 other companies founded by graduates of the university's Institute of Technology.

The university is only one component of a mosaic of options for

#### HIGH SCHOOL GRADUATION RATES 2000-2001

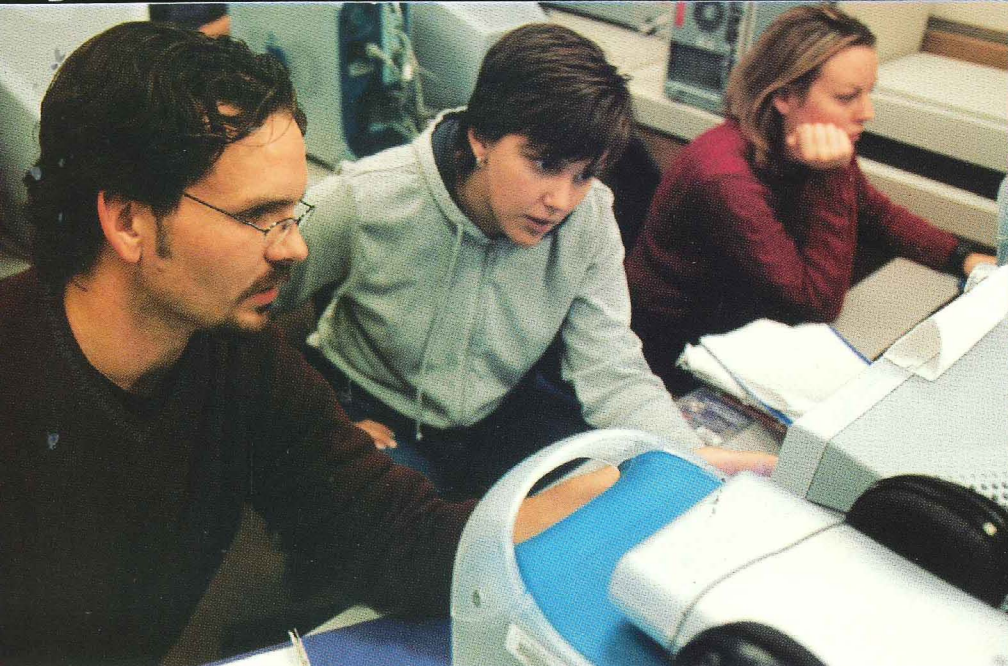


Source: Digest of Education Statistics, U.S. Department of Education, National Center for Education Statistics, 2002 and 2000 editions (<http://nces.ed.gov/pubsearch/>, accessed June 2003).

# EDUCATION

Minnesota's commitment to education has created a workforce that is literate, informed, and ready for new challenges. A world-class K-12 science curriculum is yielding science and math scores that are among the highest in the U.S.





Minnesota companies get help with workforce training through the Minnesota Job Skills Partnership, which provides grants to develop customized training for businesses. Ranked among the national leaders in educational quality, the University of Minnesota propels the state's entrepreneurial success.

post-secondary education in Minnesota. The Minnesota State Colleges and Universities (MnSCU) system includes seven Minnesota state universities, six community colleges, nine technical colleges, and 12 combined community and technical colleges. MnSCU colleges and universities comprise 53 campuses around the state. Moreover, Minnesota is home to 30 private four-year institutions and 13 private graduate schools, including such standouts as Carleton College and the University of St. Thomas, respectively. The state also has an array of private institutions offering occupational training.

For many Minnesota employers, Minnesota's system of community and technical colleges is a critical source of occupational training. In the fall of 2001, Minnesota's 30 community, technical, and combined community and technical colleges served more than 105,000 students, with many schools providing industry-specific training and programs with a distinct focus on the technological needs of the future. About 93 percent of students from two-year institutions found jobs in their field of study soon after graduation.

The state's technical colleges, and an increasing number of community colleges and state university programs, are eager to provide coursework customized to the needs of businesses in their communities. Often, in response to requests from employers, technical college administrators will establish classes in which all of the students are employees of the same company.

Marvin Windows and Doors understands the value of innovative partnerships with the state's institutions of higher learning. With the nearest college more than two hours away from Warroad—where the company employs 2,600 in a town of 1,766 residents—the only choice for employees who wanted higher education was to leave town. Recognizing the need for a well-educated, available workforce, Marvin Windows partnered with Northwest Technical College in Bemidji and the University of Minnesota—Crookston to bring the college classroom to Marvin employees.

At company expense, students may obtain two- or four-year college degrees by attending intensive classes after work hours at the Marvin production plant. Instructors from both schools travel to the plant two days a week in what company officials have dubbed Northern Lights University.

Employees get "exactly the same education they would get on campus," says Peggy Ann Anderholm, director of training and development at Marvin. In 2003, the company was host to the first-ever joint graduation ceremony conducted by the University of Minnesota and the Minnesota State Colleges and Universities system.





"There is a genuine willingness to respond to the needs of employers," says Anderholm. "This is really a groundbreaking effort."

Other companies are seeing the benefits of such arrangements as well. Polaris Industries has joined with Northland Community and Technical College in Thief River Falls to offer similar higher education programs at its plant in Roseau. The on-site courses let employees earn two-year associate degrees and four-year bachelor of manufacturing degrees.

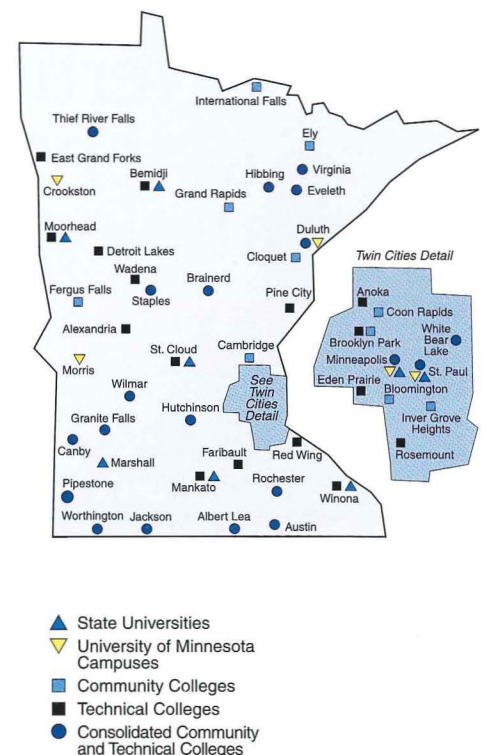
To further assist companies with workforce training, Minnesota created the Minnesota Job Skills Partnership, which provides matching grants to educational institutions with businesses as partners to develop new and customized training for Minnesota companies. The program received a national award from the U.S. Small Business Administration in recognition of its success, and in 2003, celebrated 20 years of service as the state's premier workforce development catalyst.

The Job Skills Partnership supports initiatives that help companies and workers in all industry sectors get the cutting-edge training they need to compete in a global economy. For example, the University of Minnesota was awarded a grant to create a systems-engineering program—and the potential for a new degree program—that will help Lockheed Martin Tactical Systems meet a critical training need. Minneapolis Community and Technical College will use its grant to create a financial careers institute that will train workers for lifelong careers in banking.

Since its creation, the Jobs Skills Partnership has funded 418 projects involving more than 55 educational institutions, 690 companies, and approximately 124,000 trainees.

The Minnesota Department of Employment and Economic Development also provides online access to databases of job seekers and employment opportunities. State agencies and educational institutions have joined together to create the Internet System for Education and Employment Knowledge (ISEEK), a Web-based gateway to Minnesota career, employment, education, and business development information and services. Following the 9/11 terrorist attacks, the Internet-based Training and Fulfillment Center was developed to help institutions of higher education respond effectively to the training needs of workers displaced from the airline industry and related industries. The center gives job-training professionals a point of contact for matching dislocated workers with the training they need to return to work.

#### LOCATIONS OF MINNESOTA'S STATE COLLEGE AND UNIVERSITY CAMPUSES



Source: Minnesota State Colleges and Universities.



# FERTILE GROUND



Minnesota has  
always been fertile ground  
for scientific and  
technological innovation.

The history of Minnesota business is replete with storied companies like Cargill, 3M, Medtronic, General Mills—and brilliant individuals like Seymour Cray, William Norris, the Mayo brothers, and Earl Bakken.

From water-skiing to the electric pop-up toaster, from taconite processing to the “Green Revolution” that won a Nobel Peace Prize for Minnesota agronomist Norman Borlaug, Minnesota’s heritage of creative innovation includes an impressive array of “firsts” from its companies and research institutions. On that list are the world’s first implantable cardiac pacemaker, the first artificial heart valves, the first anesthesia monitor, and the first in-the-ear hearing aid.

The tradition continues today as many of Minnesota’s marquee companies—along with scores of start-ups—engage in vigorous cutting-edge research, aggressive development, and energetic entrepreneurial activity. This fertile ground ensures that Minnesota will remain among the nation’s top 10 technology states and keep its international ranking as the world’s most “knowledge-competitive” region.

Minnesota is home to two of the world’s leaders in bioscientific research—the University of Minnesota and the Mayo Clinic. Early in 2003, these institutions forged a historic partnership that will harness their collective energy in biotechnology and genomics to create opportunities for new discoveries, new patents, new businesses, and new jobs in Minnesota.

This partnership, supported by a \$2 million state appropriation, is just one part of



# FOR INNOVATION

Minnesota's burgeoning biosciences industry, which boasts demonstrated strengths and competitive advantages in applied biologics, agricultural and industrial biotechnology, and the life sciences. Minnesota has the intellectual, corporate, and public leadership—as well as the financial capital and the raw materials—to ensure its pre-eminent position in the biosciences revolution.

"Unlike other Midwestern states, Minnesota has both a significant agricultural economy and extraordinary materials-based companies," says Heath Lukatch, managing director at U.S. Bancorp Piper Jaffray Ventures in San Francisco. "It's a natural evolution that Minnesota will be a leader in bioscience, given the strong push both in the academic arena and private industry."

Lukatch says Minnesota is particularly well positioned to become a national leader in industrial biotechnology, because it is truly a nascent industry. Unlike the pharmaceuticals industry, industrial biotech is not dominated by big players on the East and West Coasts.

"Minnesota has all the ingredients to be a leader in this new industrial revolution," Lukatch adds.

In fact, between 1997 and 2001, Minnesota companies registered nearly 2,500 patents in the medical and biotechnology fields, including: surgery applications and receptors, pharmaceuticals, surgery instruments, molecular biology and microbiology, multicellular living organisms, chemical apparatus, and chemicals. That's an impressive number of new discoveries, but Minnesota's record appears likely to get even better in the near future, as researchers, inventors, and entrepreneurs continue to receive encouragement and support from business and educational leaders, venture capital resources, and state government.

The Governor's Biosciences Summit in May 2003 highlighted Minnesota's competitive strengths. The creation of a state biosciences advisory council to guide the development of public policy institutionalized state support for the creativity and innovation that will drive growth. These initiatives and others—tax-free zones for bioscience companies, a \$10 million appropriation for biofuels research at the University of Minnesota, and the creation of three energy-innovation zones that support biocatalysis as a source of hydrogen for fuel cells and other sources of efficient and renewable energy—all signal the state's commitment to achieving global pre-eminence in one of most dynamic and growth-oriented technology sectors of the 21st century.

Dr. Stephen Oesterle, senior vice president for medicine and technology at Medtronic, is so confident that medical device companies like his will become major players in the coming biotechnology revolution that he left his post at Harvard University to come here.

"Within this decade, biotech will be widely used in the treatment of human disease," says Oesterle. "That can't happen without the involvement of device companies. If not us, who? And if not here, where?"



Minnesota's burgeoning biosciences industry is built on strengths and competitive advantages in agricultural and industrial biotechnology, applied biologics, and life sciences. A partnership between the University of Minnesota and the Mayo Clinic will harness their collective energies in biotechnology and genomics.





With a diverse range of products and services, some of the state's dominant high-tech industries include:

*Medical instruments and devices:*  
MEDTRONIC, ST. JUDE MEDICAL, GUIDANT

*Computer systems, hardware, software, and integrated systems design:*  
IBM, LAWSON SOFTWARE, DIGI INTERNATIONAL

*Electronic components:*  
HUTCHINSON TECHNOLOGY, CYPRESS SEMICONDUCTORS, SEAGATE TECHNOLOGY

*Chemical products, paints, and coatings:*  
VALSPAR, H.B. FULLER COMPANY, ECOLAB

*Measurement and process control instruments:*  
HONEYWELL, EMERSON ELECTRIC

*Information technology:*  
NATIONAL COMPUTER SYSTEMS, ANALYSTS INTERNATIONAL

*Telecommunications:*  
ADC TELECOMMUNICATIONS

*Engines and power generation systems:*  
ONAN CORPORATION

The state has experienced steady growth in technology start-ups, including businesses in computer software and service, wireless and mobile telecommunications, data storage, and medical products.

While the biosciences constitute one of Minnesota's most promising industry sectors, the state remains strong in other technology sectors, as well.

Together, the state's private employers in high-tech industries added more than 34,000 jobs between 1990 and 2000—a growth rate of 21.9 percent that far exceeded the national increase of 13.3 percent.

To put that in perspective, in 2001 Minnesota employed more people (21,000) in the manufacture of medical instruments and supplies than all but one other state, with a concentration of employment that's more than three times the U.S. average. IBM's Rochester facility, which employs 4,600 workers, helped establish Rochester as one of *Forbes'* "Best Small Places for Business and Careers" in 2003. And Minnesota is known for Medical Alley, a 350-mile corridor extending from Rochester through the Twin Cities to northern Minnesota, which encompasses more than 8,000 health care companies.

There's also an entrepreneurial energy at work in Minnesota. Over the years, graduates of the University of Minnesota's Institute of Technology have created more than 1,200 companies, including such major corporations as Medtronic, Rosemount, TSI, Control Data, and Cray Research.

Steady growth of exciting start-ups continues this Minnesota tradition in several sectors of the state's technology industry, including computer software and services, wireless and mobile telecommunications, medical products, and storage. Investment and growth in these key industry sectors, coupled with Minnesota's economic diversity and rich heritage of agricultural, industrial, medical, and technological innovation, ensure the state's long-term position of national and global prominence in the high-tech industries.




Whether producing groundbreaking medical devices, brand-name foods, and high-tech electronics or providing retail, professional, and financial services, some of the world's most recognized corporations call Minnesota home.

# BEST IN THE BUSINESS

No fewer than 19 Fortune 500 companies—from Target, Best Buy, and 3M, to General Mills, UnitedHealth, and St. Paul Companies—are part of the diverse powerhouse that is Minnesota's business base in 2003. That's no small number. And in this same year, 21 Minnesota businesses were named among America's Most Admired Companies by *Fortune* magazine.

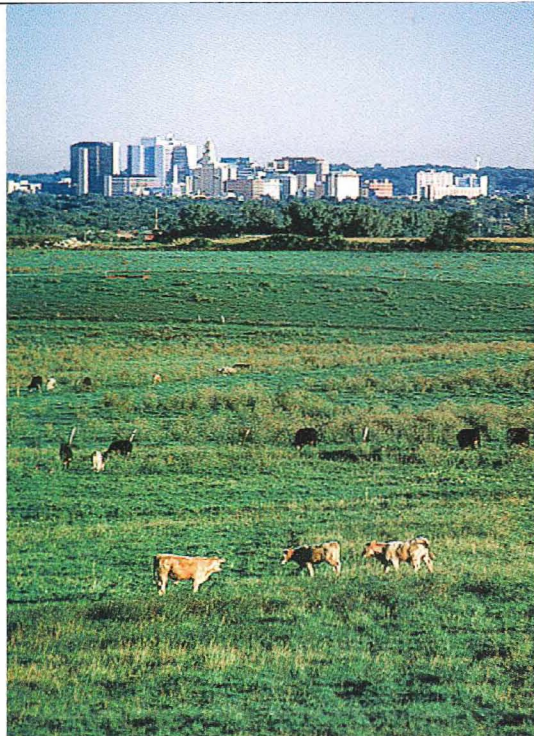
Major and noncyclical consumer food companies, such as General Mills, Hormel, Land O'Lakes, and Gold'n Plump Poultry, process much of what is grown and raised in the state's flourishing agricultural sector.

Some of the nation's largest private companies are also based in Minnesota, including Cargill, which is the



Economic conditions  
may change, but the stature,  
stamina, and leadership of  
Minnesota's companies  
remain constant.





### 2003 Minnesota **FORTUNE 500** COMPANIES

RANK	COMPANY	REVENUES (Billions)
25	TARGET	\$43.9
63	UNITEDHEALTH	25.0
81	SUPERVALU	20.9
91	BEST BUY	19.6
110	3M	16.3
123	U.S. BANCORP	15.4
180	XCEL ENERGY	10.3
193	NORTHWEST AIRLINES	9.5
207	ST. PAUL COMPANIES	8.9
235	GENERAL MILLS	7.9
237	CHS COOPERATIVES	7.8
276	MEDTRONIC	6.4
297	LAND O'LAKES	5.8
302	THRIVENT FINANCIAL	5.6
408	HORMEL FOODS	3.9
410	NASH FINCH	3.9
457	ECOLAB	3.4
464	C. H. ROBINSON	3.3
470	PEPSIAMERICAS	3.2

world's largest private company. Other leading private businesses in the state include Schwan's Sales Enterprises (food processing and home delivery), the Carlson Companies (parent company of the Radisson hotel chain, Carlson Wagonlit travel agencies, and TGIF restaurant chain), and Andersen Corporation (manufacturer of windows and doors). Dozens of other major companies—including IBM, Unisys, General Dynamics, Boston Scientific, and Ford Motor Company—have established a significant presence in the state.

These major operations bolster the growth of the smaller companies that serve as their suppliers, subcontractors, and service providers. In 2001, more than 23,000 jobs were created by companies that had fewer than 50 employees each.

Minnesota-based companies are regularly represented on national lists of fast-growing small businesses, including 14 on *Inc.* magazine's 2002 list of fastest-growing private companies. *Forbes* ranked five Minnesota businesses among the 200 Best Small Companies in 2002.

Innovation has helped keep Minnesota companies—large and small—ahead of the competition. Minnesota ranks among the top 10 states in the number of patents issued per million residents. Minnesota businesses have been responsible for such technological breakthroughs as the cardiac pacemaker and the supercomputer, and for consumer products like 3M's Post-it Notes.

Quality is also key to the success of Minnesota companies. The state is one of only three in the nation with at least six Malcolm Baldrige National Quality Award winners: 3M Dental Products Division, Custom Research, IBM Rochester, BI, Sunny Fresh Foods, and Zytac (now part of Artesyn Technologies). Minnesota's own stringent quality award program has been recognized as a national model. Winners cite such impressive results as a decrease in cycle time of 64 percent, a 20 percent increase in productivity, and a reduction in product returns of 75 percent.


Although the Minneapolis–St. Paul metropolitan area is considered the state's economic center and continues to enjoy significant growth, Greater Minnesota has several regional hubs with vibrant manufacturing companies and processing plants that employ thousands of people. They turn out a wide variety of world-class products, and serve as engines of economic growth and anchors of economic stability.

Urban or rural, big or small, public or private, Minnesota companies share the same devotion to excellence and the same competitive spirit. They play smart. They play tough. They play to win.

St. Paul (preceding page) exemplifies the spirit of innovation that keeps Minnesota companies ahead of the competition. Rochester (above) is a medical and technology powerhouse in the state's rural heartland.



Good transportation connections, reliable and affordable energy resources, and high-speed telecommunications technology—these are the key pieces of a statewide infrastructure on which prosperous businesses are built and commerce thrives.



Minnesota's economy rests on a solid foundation.

# FOUNDATIONS OF COMMERCE

While the Twin Cities boast one of the world's busiest hub airports, several regional airports also bring scheduled and charter air service to major population centers throughout the state. Minnesota's efficient, effective, and comprehensive transportation network includes highway, railway, and waterway connections to the rest of the world. Energy is plentiful, reliable, and affordable. And the state's highly developed telecommunications network assures any enterprise, no matter its size or location, a complete suite of technologies that connect to the world quickly, effectively, and affordably.

## TRANSPORTATION

Minneapolis-St. Paul International Airport (MSP) handled 33 million passengers in 2002, making it the world's 16th-busiest airport in terms of passenger volume. It also ranks eighth in the world based on number of takeoffs and landings. Scheduled nonstop flights reach 119 cities in the U.S. and 12 international destinations. And for the third consecutive year, MSP's overall customer satisfaction ranks first among North American airports and in the top five worldwide.

Regional airports offer scheduled passenger service to Bemidji, Brainerd, Chisholm-Hibbing, Duluth, Ely, Grand Rapids, International Falls, Rochester, St. Cloud, and Thief River Falls. Less than 1 percent of the state's population lives more than 30 miles from a paved airport.

Minnesota's central location also ensures convenient highway access to markets throughout North America. Chicago, Milwaukee, Detroit, Indianapolis, St. Louis, Kansas City, Omaha, and Winnipeg, Manitoba, are all within 500 miles of the Twin Cities. Single-driver truckload

With one of the world's busiest hub airports, the Twin Cities boast convenient connections to all parts of the globe.



## FOUNDATIONS OF COMMERCE

Major trucking fleets, intermodal ports, and the Great Lakes–St. Lawrence Seaway link Minnesota to the world.

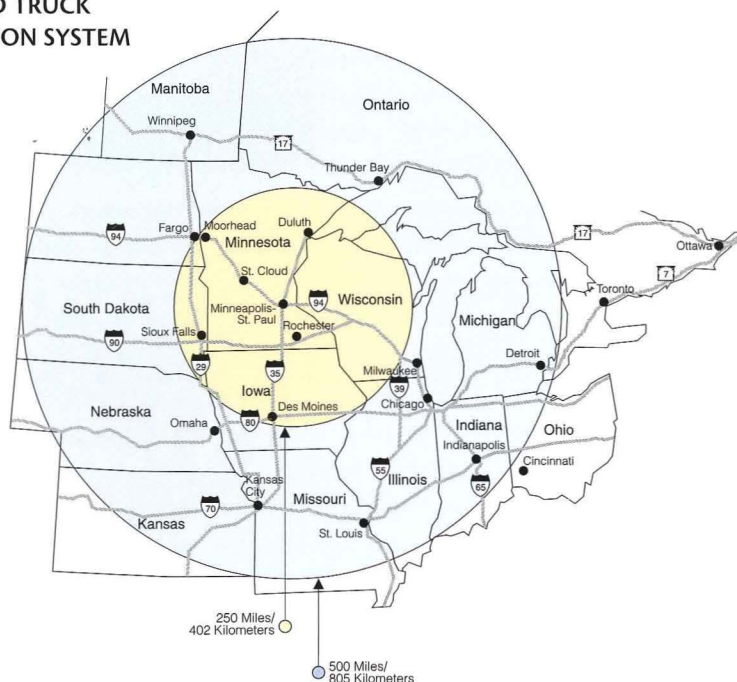
(Next page) Wind is among the numerous sources tapped to ensure the state's plentiful supply of energy.

Communications technology means no business is isolated because of location.

shipments can reach nearly any destination in the 48 contiguous states within three days.

More than 900 miles of interstate highway span the state, and the Minnesota Department of Transportation manages 12,000 miles of trunk highway, about 3,000 miles of which are part of the National Highway System. More than 33,000 interstate carriers and approximately 3,500 intrastate carriers have authority to operate in Minnesota, and the state is home to four of the nation's largest trucking fleets.

### MINNESOTA MARKET LOCATION AND TRUCK TRANSPORTATION SYSTEM

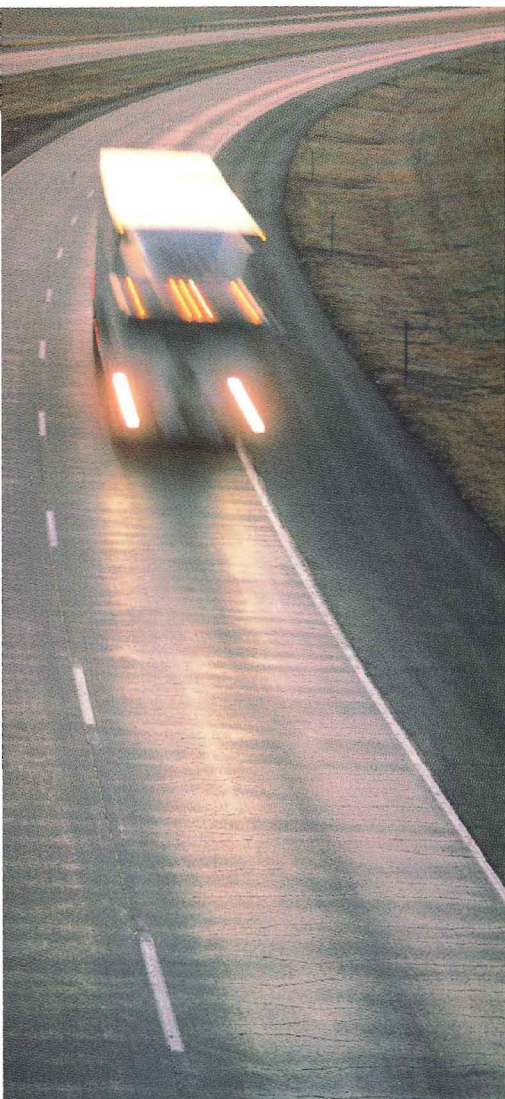


Minnesota is also a major railroad hub, with nearly 4,600 miles of active track. Major carriers, including Burlington Northern Santa Fe, Union Pacific, and CP Rail System, all serve Minnesota, as do 20 other rail carriers. The state's excellent highway system ties into the rail network at four intermodal freight yards, where truck trailers and containers can "piggyback" on trains.

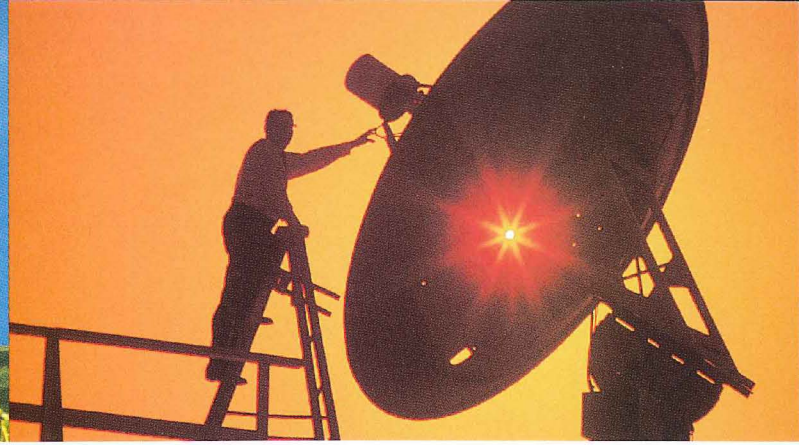
In addition, rail/water intermodal facilities serve Lake Superior and the river ports. Four Lake Superior ports give Minnesota worldwide shipping access through the Great Lakes–St. Lawrence Seaway route. And five river ports consisting of 42 terminals, mostly on the Mississippi River, accommodate significant barge traffic. All told, more than 80 million tons of freight were shipped by water in Minnesota in 2002.

Duluth, the inland terminus of the St. Lawrence Seaway connection to the Atlantic Ocean, is the largest port on the Great Lakes and the 20th-largest port in the United States. In 2001, domestic and foreign ships visiting the harbor shipped 40.3 million metric tons of iron ore, coal, grain, and other products. The smaller Lake Superior ports of Two Harbors, Silver Bay, and Taconite Harbor are used primarily for shipping iron ore.

About 60 percent of Minnesota's grain exports ship by water to the Gulf of Mexico from river terminals on the Mississippi and Minnesota rivers. The largest river shipments leave from the Mississippi River ports of St. Paul, Minneapolis, Red Wing, and Winona.







## TELECOMMUNICATIONS

In Minnesota today, there's no reason for any business to be isolated because of location or size.

The 2002 *State New Economy Index* shows that Minnesota has the ninth-best digital economy, based on indicators such as online manufacturers, commercial Internet domain names, and technology in schools. And in 2001, the Center for Digital Equipment ranked Minnesota's e-government efforts in social services and education third and ninth respectively.

Onvoy operates the largest network of Internet services in Minnesota—a fiber optic network that spans more than 2,000 miles with multiple connections to national Internet backbones.

Today's telecommunications technologies offer tools to access customers and open new markets and new lines of business. Minnesota's telecommunications providers include renowned companies such as AT&T, Sprint, MCI, Qwest, and Verizon. They can help boost productivity and profitability, create job opportunities, and help in the recruitment and retention of good employees.

## ENERGY

Minnesota uses all major forms of fuel to meet its peak electricity needs, including coal, nuclear power, and renewable resources such as wind, wood, waste, and hydroelectric power. In fact, state law requires utilities to produce 10 percent of their energy from renewable resources by 2015.

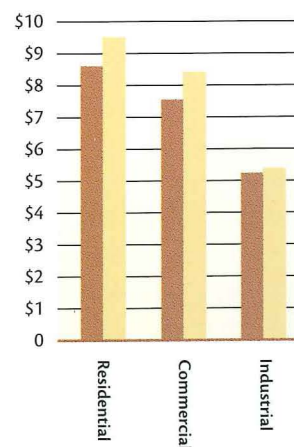
Wind energy deserves a special mention. The state's first commercial wind generator entered the energy grid in the 1980s, and by 2003, Minnesotans were producing 340 megawatts of wind power annually—enough to power more than 122,000 homes. Minnesota's largest power company, Xcel Energy, is among the nation's leading providers of wind power. In 2003, the company introduced a program called Windsource that enabled customers to buy wind power at slightly higher fees, which Xcel invests in wind turbines and wind-power purchases. Windsource quickly became the largest voluntary wind energy program in the nation.

Minnesotans also tap a reliable supply of natural gas from interstate pipelines that link to major natural gas basins in Canada, the Gulf of Mexico, and gas-producing states in the south. Many municipal utility providers supplement CenterPoint Energy Minnegasco, the major supplier of natural gas in Minnesota, to ensure that gas prices are below the national averages.

Electricity prices are also below the national average for all customer classes. Many of the state's power plants are taking steps to ensure continuing reliable service. U.S. utilities from the Mid-Continent Area Power Pool (MAPP), which comprises two Canadian provinces and nine states, including Minnesota, have committed to provide nearly 2,800 additional megawatts of capacity between 2004 and 2011 to meet future energy demands. Furthermore, many utilities in the region are planning to install natural gas-fired combustion turbines with short construction times to meet short-term energy obligations.

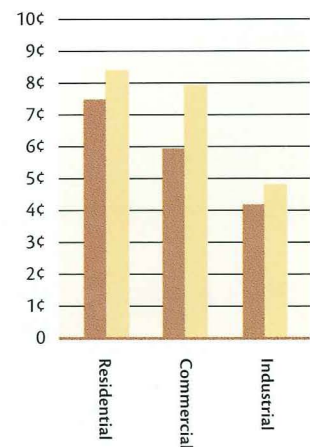
### NATURAL GAS PRICES\*

Dollars per thousand cubic feet (2001)



### ELECTRICITY PRICES\*\*

Cents per kilowatthour (2002)



\*Source: U.S. Department of Energy, Energy Information Administration, *Natural Gas Annual 2001*, Table 23

\*\*Source: U.S. Department of Energy, Energy Information, *Electric Power Monthly*, March 2003, Table 55





In this global age, a world of opportunity awaits in the international marketplace, and Minnesotans are reaching out in every direction to seize it.

# GLOBAL COMPETITOR

**From the boardroom to the classroom to the halls of government, Minnesota's leaders recognize that preserving and building the economic, intellectual, and cultural vitality of the state requires both a global perspective and an international network of partners and friends.**

Through educational and cultural exchanges, sister city pacts, technology transfers, joint ventures, cooperative research arrangements, trade missions, and in many other ways, the state's public and private sectors are equally enthusiastic when it comes to bringing Minnesota to the world.

In the international marketplace, Minnesota's world-class products, services, and agricultural commodities have earned a reputation for high quality, innovation, and cutting-edge technology. In 2002, the state's companies responded to worldwide demand by exporting an estimated \$17 billion in manufactured goods, professional services, and agricultural commodities to more than 185 different countries.

Manufactured goods make up the lion's share of foreign sales, accounting for \$9.5 billion in 2002, or 57 percent of total exports. On average, Minnesota manufacturers export about 11 percent of their production.

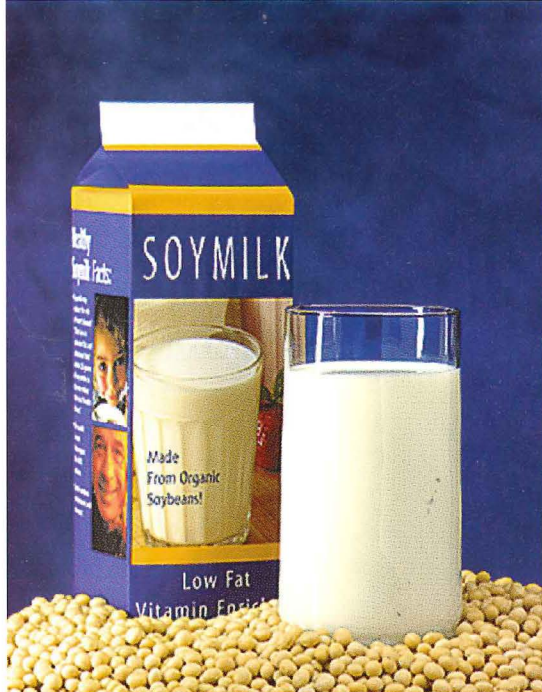
Between 1997 and 2002, Minnesota's manufactured exports increased 11.7 percent. Leading export industries are computers, electronics, and other high-technology equipment; scientific and medical devices and instruments; processed food; and transportation equipment. Major market countries for Minnesota exports include Canada and nations in the European Union and East Asia. Recently, Minnesota's fastest-growing export markets have included China (and Hong Kong), the Philippines, Ireland, and Mexico.

Minnesota is also an export leader in agricultural commodities and related food products, posting sales of \$2.3 billion in 2002. The state ranks seventh among U.S. states for these exports and accounts for 4 percent of total U.S. agricultural commodities exports. Exported services, including financial, legal, environmental consulting, transportation, and software services, are estimated at \$5.5 billion annually.

Cortec Corporation illustrates the can-do spirit of many of Minnesota's small and medium-sized companies when it comes to competing in the international area. A pioneer in the development of environmentally friendly anti-corrosion products, the company's very first sale was a foreign sale.

Honored as the recipient of the Governor's International Trade Award in 2003, Cortec has 115 employees and





posts annual revenues of \$25 million, with about one-third of those sales coming from international clients in more than 70 countries.

"Doing business around the world is one of the most important things that we do," says Cortec President and CEO Boris Miksic. "When the U.S. economy was in recession, we were still booking good sales internationally." Cortec's international sales were up 55 percent in 2002, outstripping the company's domestic growth by nearly 25 percent.

Processed food is one of the state's strongest and fastest-growing export sectors. These days, Minnesota-made ingredients are used in food production facilities the world over and familiar Minnesota brand names can be found on store shelves from Europe to China.

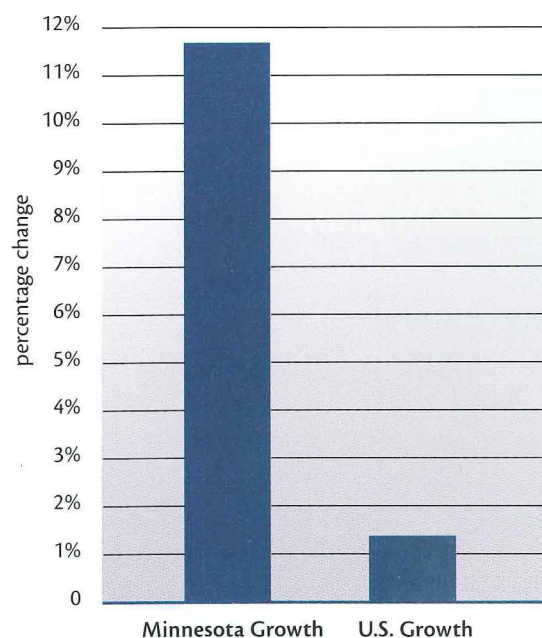
With annual sales upwards of \$100 million, Sunrich is a true global competitor. Headquartered in southern Minnesota with three other facilities statewide, the company produces a line of identity-preserved, non-genetically modified, and organic products that include premium whole soybeans and soy ingredients, flours, meals, and grains, vegetable oils, and sweeteners.

"Exports are extremely important to us, accounting for 20 to 25 percent of total sales in any given year," says Kate Leavitt, Sunrich's international division manager.

As part of its promotional efforts, Sunrich has participated in governor's trade missions to key foreign markets. Among other benefits, these events provide crucial market intelligence and meetings with potential buyers, distributors, and partners. Companies also find that the cachet of a governor's trade mission can sometimes open trade doors that might otherwise have been locked.

Medical technology and devices are among Minnesota's leading manufactured exports. Minnesota-made foods are also in demand around the world. Among them, soy milk from Sunrich, and General Mills' Bugles snack food—a big seller in China.

#### GROWTH OF MINNESOTA MANUFACTURED EXPORTS, 1997–2002



Source: *Origin of Movement of U.S. Exports*, U.S. Department of Commerce and the University of Massachusetts at Amherst (MISER).

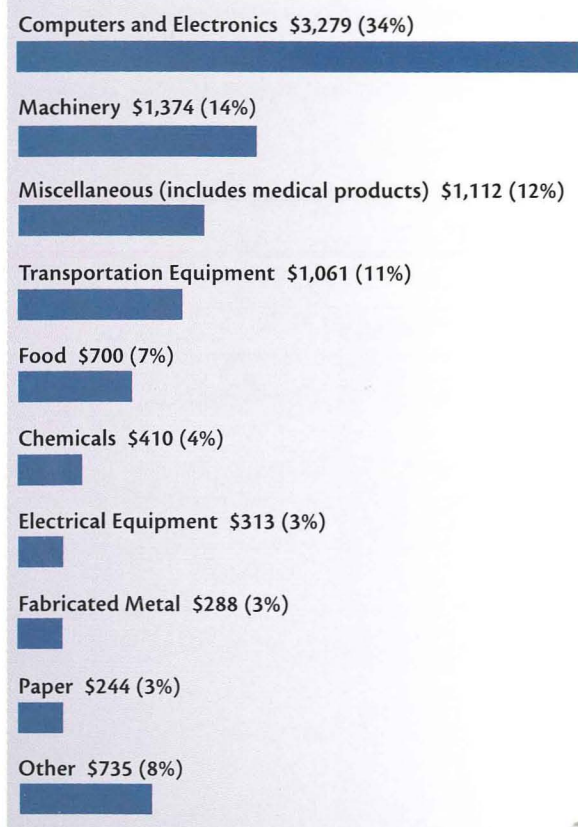




For the thousands of Minnesota companies ready to enter the global marketplace, the Minnesota Trade Office is ready to serve as a guide and facilitator through the export process.

#### MINNESOTA MANUFACTURED EXPORTS 2002

Total, \$9,518 million



Source: *Origin of Movement of U.S. Exports*, U.S. Department of Commerce and the University of Massachusetts at Amherst (MISER). Figures are rounded.

"In some countries, there's a stronger tie between business and government," explains Leavitt. "So a governor's mission carries a perceived endorsement."

The fact that governor's trade missions tend to showcase Minnesota's strengths across a wide variety of industries helps build general consumer interest, confidence, and demand abroad, adds Leavitt.

"Food products and technology, advanced medical devices, computer technology, all these things show the wherewithal of Minnesota," she says. "It puts us in a class over other grain-producing, food-producing states. You get more of the Minnesota story, and because of it, foreign buyers see greater opportunity for growth in other areas."

Moline Machinery in Duluth knows all about the export opportunities that are developing in international markets. One of the world's leading manufacturers of industrial baking equipment, the company has seen tremendous growth in its foreign sales over the past decade. In 1992, 15 percent of Moline's total revenues came from exports. By 2003, just about half of the company's revenues came from foreign customers in the United Kingdom, Mexico, Canada, France, Germany, and other points on the globe.

"People today shop the world for the products and equipment they need. We have someone in Europe every month," says Chairman Don Moline. The company's European ads carry a "World-Class Quality" logo, which Moline says describes not merely his product, but his city and his state as well. "We're selling ourselves," he says. "But we're also selling Duluth and Minnesota."

Thousands of Minnesota companies have similar stories to tell, and many regard the Minnesota Trade Office as the starting point for learning about exporting. The office's staff includes technical specialists in finance, product marketing, customs regulations, and export documentation, as well as country-specific experts. It also has one of the top international research libraries in the Midwest, and presents two to five export education seminars each month for the business community.

The Minnesota Trade Office hosts foreign delegations, organizes participation in international trade shows, and acts as an intermediary between Minnesota and international firms, matching buyers with sellers and assisting in the formation of joint ventures.

These efforts are based on a simple premise: International partnerships represent a powerful engine of economic growth through which all partners ultimately benefit.





Whether it's the need for an infusion  
of new **capital** or the **creative**  
and **technical** services of the state's  
**thriving support** industries,  
**Minnesota businesses** can  
certainly find what they need.

# WEALTH OF RESOURCES

**Just as superstar athletes require a supporting cast to ensure team success, businesses rely on an intricate network of business supports to ensure long-term growth, success, and stability.**

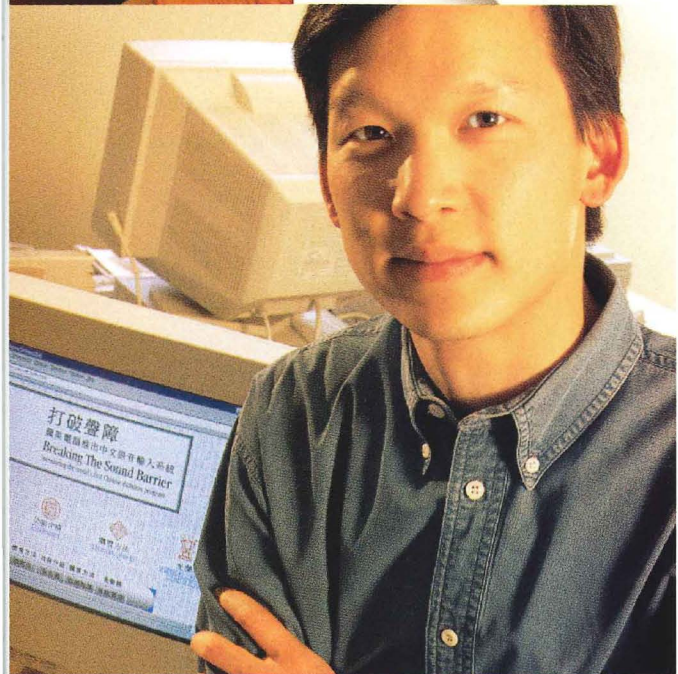
Fortunately for Minnesota companies, the state is richly endowed with the kinds of support that any business might require at any stage—from start-up through growth spurts and on to maturity.

The Twin Cities metropolitan area is home to more than 100 public relations agencies, more than 350 advertising agencies, and nearly 150 research firms conducting business, marketing, and economic research. Few other major metropolitan regions can claim such a concentration of creative talent with such a broad and diverse range of expertise.

Graphic artists and designers are particularly abundant in the Twin Cities, thanks in part to the Minneapolis College of Art and Design, the Walker Art Center, and a flourishing community of visual artists. High standards are evident, regardless of whether design work emanates from full-service agencies or from one-person shops.

Tied to these creative fields is Minnesota's printing industry, now the eighth largest in terms of employment in the United States. Minnesota's commercial printers are a diverse group, producing newspapers, periodicals, books, and miscellaneous and commercial printing. Four Minnesota printing and publishing companies are among the 50





(Preceding page) Reflections Printing is one of the nation's fastest-growing printers. (These pages) The state boasts first-rate architectural and engineering firms, foreign translation services, and other resources for exporters, plus technology for any business at any stage. Good ideas are sure to meet with someone eager to provide financing for starting or growing a company.



fastest-growing printers in the nation based on revenue growth.

But the supporting cast for Minnesota business activities extends far beyond what's regarded as creative support. For example, companies that want to ship products internationally will find numerous Minnesota firms specializing in shipping, export/import services, freight forwarding, insurance, and language translation.

Also important for Minnesota's thriving business community is the expertise of such professionals as accountants and lawyers. Minnesota-based Larson Allen Weishair & Company has one of the largest accounting offices in the state, and each of the four major U.S. firms, has substantial operations here.

Industry specialists are common both among accountants and within the state's legal community, whose largest firms also have offices in foreign countries.

Where facilities are concerned, Minnesota's business supporting cast includes first-rate architectural and engineering firms, among them the Opus Group and Ellerbe Becket, which rank among the top such firms in the country, and integrated broker/developers, such as United Properties.

Expertise in office technology is also widely available. The state's role in the growth of the computer industry has created a deep pool of computer software and hardware companies such as IBM, Cypress Semiconductors, Hutchinson Technology, Imation, Seagate Technology, and Lawson Software.

The state's trademark values of innovation and cooperation reinforce our business culture. Consider how those values have resulted in the state's leadership in a promising area known as brownfields development—the reclamation of polluted sites for new construction. Minnesota's efforts have brought successful and noteworthy reclamation projects to all regions of the state. Indeed, Minnesota's brownfields program has attracted nationwide attention, including a visit from federal officials who toured the state in 2002 to learn how achievements here might be replicated on a national scale.





## ACCESS TO CAPITAL

For individuals seeking to start or expand a business, money is always a key factor. Again, Minnesota businesses are fortunate to be in a place where the availability of both debt and equity financing is better than in most states.

Let's start with commercial banks. Minnesota has less than 2 percent of the nation's population, but nearly 6 percent of the nation's banks—481 as of the end of 2001. Minnesota banks made loans of \$12.4 billion to commercial and industrial businesses, an amount that ranks 15th in the country. The state's banks have always been aggressive lenders to businesses, and they have become increasingly aggressive in recent years.

Some of the biggest banks—based on assets—have operations in the state: Wells Fargo, with \$308 billion (\$52 billion in Minnesota) and Minnesota-based U.S. Bancorp, with \$171 billion.

Many companies are not financed by commercial lenders, but by various types of equity investors, including venture capital companies. Minnesota ranked 14th in the country in venture capital firms by capital amount in 2002, with a total of \$325.3 million, tops among the 12 states of the Midwest. Minnesota also had the highest VC per capita rate in the Midwest (\$65), easily surpassing the nearest competitor (Missouri, at \$30).

And in fiscal year 2001, the U.S. Small Business Administration's Minneapolis office ranked ninth in the nation by making 1,434 loans worth \$387 million.

In Minnesota, every good idea for starting or expanding a business can get a hearing—not just from someone with the ability to provide financing, but from several competing entities eager to provide that financing.

### *Top Five in the Twin Cities Metro Area*

#### ADVERTISING AGENCIES

Ranked by billings in millions

1. Carmichael Lynch	270
2. Colle & McVoy	171
3. Risdal Linnihan Advertising	104
4. Periscope	96
5. Miller Meester Advertising	51

### *Top Five in the Twin Cities Metro Area*

#### ACCOUNTING FIRMS

Ranked by number of CPAs and professionals

1. McGladrey & Pullen	3,104
2. Deloitte & Touche	563
3. Larson Allen Weishair & Co.	442
4. PricewaterhouseCoopers	336
5. Ernst & Young	319

### *Top Five in the Twin Cities Metro Area*

#### ENGINEERING FIRMS

Ranked by number of local licensed professional engineers

1. Short Elliott Hendrickson	210
2. Braun Intertec Corp.	85
3. Tolz King Duvall Anderson & Assoc.	72
4. Barr Engineering Co.	71
5. SRF Consulting Group	68

### *Top Five in the Twin Cities Metro Area*

#### LAW FIRMS

Ranked by number of attorneys company wide

1. Dorsey & Whitney	746
2. Faegre & Benson	441
3. Oppenheimer Wolff & Donnelly	261
4. Robins Kaplan Miller & Ciresi	231
5. Leonard Street & Deinard	175

Source: *The Business Journal Book of Lists*, 2002–03 edition



# Life is good in Minnesota.

So good, in fact, that it's been called the "most livable" state in the country. It's a state with a strong, diverse economy, good career opportunities, excellent schools and health care, and exciting arts, entertainment and pro sports teams. Minnesota always ranks at or near the top in quality of life ratings.



## A MOST LIVABLE

For seven years, Minnesota has ranked first as the country's "most livable state" according to the Morgan Quitno rankings. The United Way of America rates Minnesota first in its "State of Caring Index," based on a variety of social and economic indicators. And *State Policy Reports* considered such factors as economic performance, health, crime, and education when it placed Minnesota third on its "2003 Camelot Index."

Why does Minnesota do so well in so many areas critical to the quality of life? Minnesota has always had very high standards—for everything from clean streets to clean government. From generation to generation, Minnesotans have handed down a strong sense of community, a responsible concern for neighbors, and a respect for hard work.

This high quality of life is supported by a healthy economy and above-average household incomes. Among the 50 states, Minnesota ranks seventh in per capita personal income, with the second-lowest rate of poverty.

The Twin Cities area of Minneapolis–St. Paul offers big city living with all of the amenities, but with few of the hassles. With a population of 3 million, this thriving metropolitan area is urban living at its very best. The *Places Rated Almanac* rates the Minneapolis–St. Paul area as the ninth-best place to live in the U.S., giving it very high ratings for transportation, education, arts, recreation, and health care.

The vibrant downtown areas draw visitors to their theaters, concert halls, sports stadiums, restaurants, night spots, museums, and renovated riverfronts. The metropolitan region is known nationally for its vast parks and trails, many circling some of its 1,000 lakes or bordering the Mississippi River. There are miles of scenic biking, inline skating, walking, and jogging trails. The world's largest shopping and entertainment complex, Mall of America in Bloomington, draws visitors from around the globe.

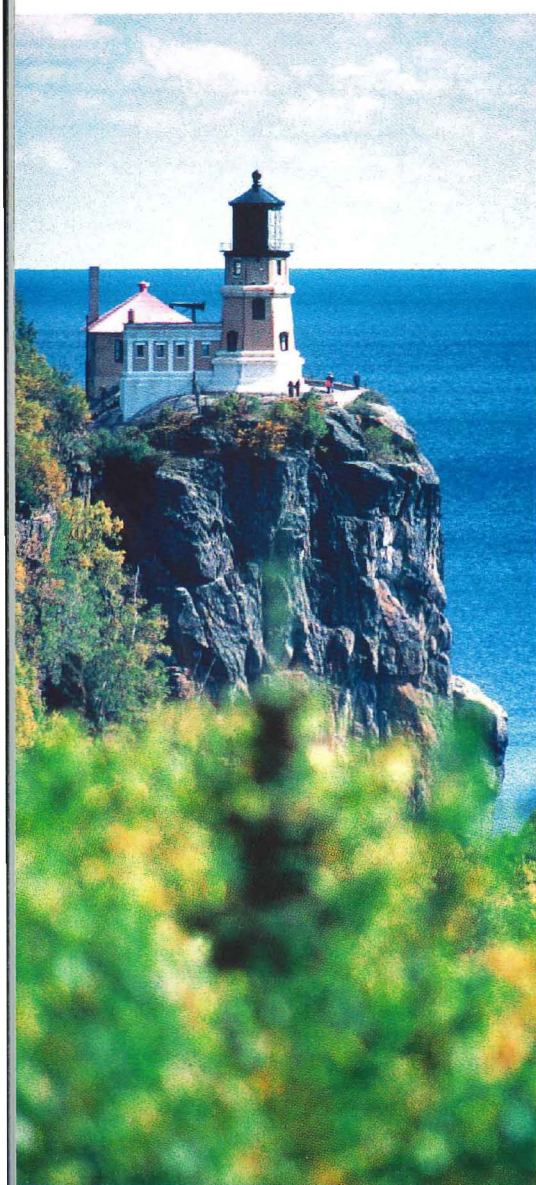
The greater Twin Cities area encompasses a range of cities and several counties, with a wide ring of suburbs and small towns on the edge of the metropolis. The average one-way commute is 23 minutes, there's an extensive bus system, and the first light-rail commuter line





## 31





regularly cited as among the most family oriented in America to work for, and quality child care is readily available. *Working Mother* magazine named Minnesota one of the best states for child care.

Kids also get a good education here. Minnesota is dedicated to educational excellence, from preschool to professional programs. Dozens of the state's public schools have been recognized by the U.S. Department of Education as "Blue Ribbon Schools," noted for their academic excellence. Minnesota has the fifth-highest high school graduation rate in the nation, and is tied for second among states in ACT college entrance exam scores.

Minnesotans are not only well-educated, they are among the healthiest in the nation. In a 2002 ranking, Minnesota was rated the second-healthiest state. Minnesotans' life expectancy is the second highest in the country. One reason for these rankings is the availability of high-quality health care. The Mayo Clinic in Rochester and the University of Minnesota are world renowned for their medical research, innovations, and patient care. In addition to the top-quality health clinics and hospitals available in the Twin Cities area, excellent medical facilities are located in cities throughout the state. Insurance coverage also helps keep Minnesotans healthy; 92 percent are covered by health insurance, with more than two-thirds covered through their employers. In addition, per capita health care spending here is 9 percent below the national average.

Another reason Minnesotans are so healthy? They're so active! They take full advantage of Minnesota's great outdoors and its four seasons of fun. No city is far away from a walk in the woods, a beach, or a spot to go fishing.

The rugged North Shore of Lake Superior, the majestic Mississippi River and its headwaters, the pristine Boundary Waters Canoe Area Wilderness—all draw visitors from afar. Voyageurs National Park hugs the country's northern border. Thousands of lakes splash the countryside, and much of Minnesota is blanketed with forests. It's the perfect place for outdoor fun: camping, hiking, canoeing and kayaking, mountain biking.

There are more than 450 golf courses in the state, including many fashioned by top-name links designers. Minnesota has more paved bike trails than any other state, running through scenic countryside along former railroad beds. More than 70 state parks offer easy access to some of the state's most beautiful surroundings.

For avid sports fans, Minnesota professional sports teams are just the ticket, with





Some of Minnesota's 450 golf courses were created by top-name links designers. The state is a premier location for scenic beauty—including classic landmarks like Split Rock Lighthouse—cultural entertainment, and winter sports.

Minnesota Twins baseball, Vikings football, Wild hockey, and Timberwolves and Lynx basketball. University of Minnesota teams also have a loyal following. Major sports competitions are regularly held in the Minneapolis–St. Paul area. Since 1990, the Twin Cities has hosted a Super Bowl, a World Series, two Final Four NCAA Basketball Championships, U.S. Open and PGA Golf Championships, the Stanley Cup Finals, a World Figure Skating Championship, and the International Special Olympics.

There's plenty of other entertainment, as well. The Science Museum of Minnesota, the Minnesota Zoo, the Minnesota Children's Museum, and Valleyfair amusement park are all big with families. The Children's Theatre Company, another big hit with kids, won the 2003 Regional Theatre Tony Award.

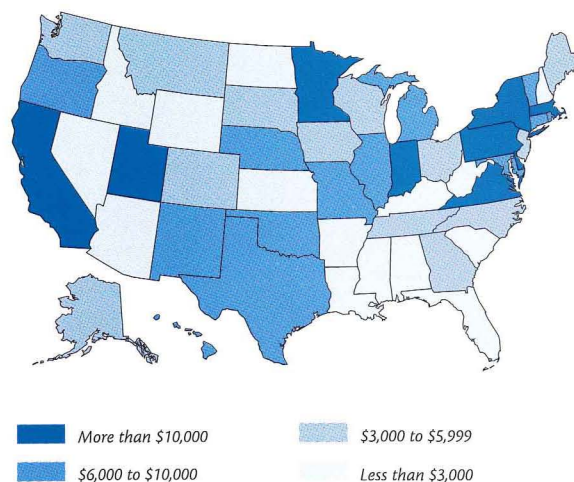
Its vibrant arts environment is one of the reasons Minnesota is often cited as a "most livable" state. Of the 354 metropolitan areas in the U.S. and Canada evaluated by the *Places Rated Almanac*, the Twin Cities ranked eighth highest in the arts. A Carnegie Mellon University report ranked the Twin Cities among the top 10 in the "Bohemian Index" for its concentration of creative people. Two excellent orchestras, exciting dance companies, a fine opera company, and several art museums help make the Twin Cities the cultural center of the Upper Midwest.

The state supports the arts, too. In 2000–2001, Minnesota was fifth in the nation in grant dollars per capita in arts, culture, and the humanities.

The Twin Cities are especially known for their lively theater. The Guthrie Theater is the best known venue, but more than two dozen professional productions are presented in the Twin Cities on a typical weekend. Productions by the Children's Theatre Company and the Theatre de la Jeune Lune were selected for New York runs in 2001 and 2002.

Duluth, Rochester, St. Cloud, and the Moorhead area all have orchestras, theater companies, art museums, and galleries. Even smaller towns are artistically rich. The villages of Lanesboro and New York Mills

#### FOUNDATION GRANTS PER 1,000 RESIDENTS FOR ARTS AND CULTURE, 2000–2001



Source: *Grants for Arts, Culture & the Humanities*, The Foundation Center, 2002–2003.





Year-round, Minnesotans take full advantage of the state's natural beauty.

were both named among the "Top 100 Art Towns" in America.

Minnesota stages put the spotlight on concerts by the country's top performers. The Twin Cities music scene includes jazz and blues clubs and a wide selection of nightclubs that bill rock, country, and progressive bands. The WE Country Music Fest in Detroit Lakes and the Bayfront Blues Festival in Duluth are two of the biggest events of their kind in the country.

Minnesotans take full advantage of their four seasons. Plenty of sunshine and moderate temperatures spring through fall are the ideal climate for everything from golfing to biking, or simply lounging or gardening in the back yard. Autumn brings a colorful display, as trees turn orange, crimson, and bronze.

And what about that winter for which Minnesota is so well known? Well, yes, there are a few frigid days when the temperatures slip below zero. But average winter temperatures are quite livable. In fact, Minnesotans are as active in winter as they are the rest of the year, skiing, snowmobiling, ice-fishing, and snowshoeing. Folks still jog and take walks around the lake, and kids head to the neighborhood sledding hill. Streets and highways are efficiently cleared of snow and ice, and indoor skyways link buildings in downtown Minneapolis and St. Paul.

In the Twin Cities area, the average high temperature in July is in the low 80s; in January, it's in the mid 20s. There's plenty of sunshine; with no precipitation roughly two-thirds of the days in an average year.

Year-round, Minnesotans enjoy plenty of good weather and can take full advantage of all of their state's natural beauty. "The land of lakes" has almost 12,000 of them, plus 69,000 miles of streams and rivers.

Minnesota is a beautiful place to call home. A place to enjoy the good life.



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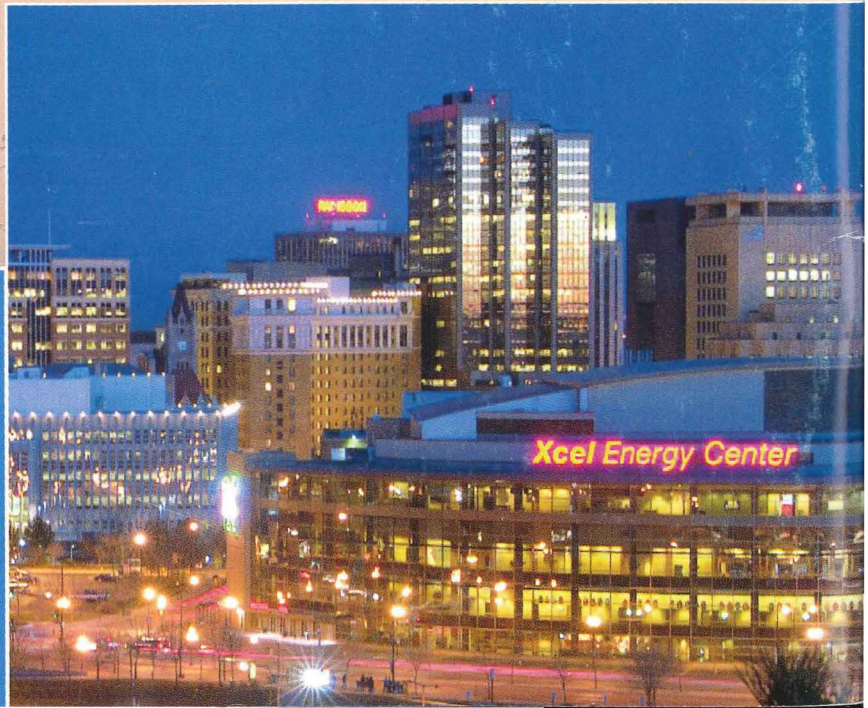
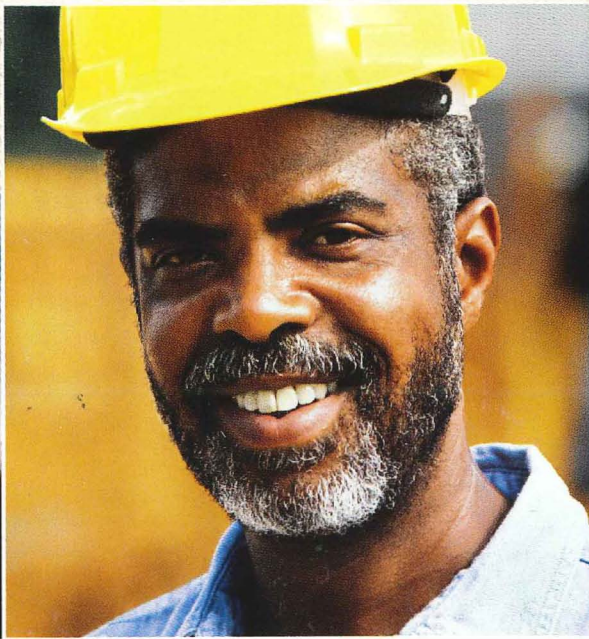
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