

EXECUTIVE BUDGET BRIEFING PAPERS

DEED Economic Development AGENDA



1985-87
Biennial Budget

DEED
Economic Development
AGENDA

JANUARY 28, 1985

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ENERGY ECONOMIC DEVELOPMENT (296-6424)
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THE GOVERNOR'S ECONOMIC AGENDA INCLUDES AN ACTIVE ECONOMIC DEVELOPMENT PROGRAM

Introductory Statement of Issue:

During the past two years, Governor Perpich's top priority has been to help stimulate strong economic growth for the state of Minnesota. To accomplish this goal, he has continually emphasized the need for significant tax reductions. He has also recognized that while tax reduction is essential for sustained economic growth, it alone will not maximize Minnesota's full economic potential. To achieve our full economic potential, Minnesota must have a comprehensive economic development program. With the cooperation of the state legislature, the Governor has directed the Department of Energy and Economic Development (DEED) to formulate Minnesota's economic development strategy and oversee its implementation.

Recognizing the need for active state involvement in stimulating economic growth, the Governor strongly supports maintaining DEED's current level of funding. This report is intended to present a rationale for Minnesota's active involvement in economic development. It will describe the basis for the Governor's 1985-87 economic development programs operated by DEED and explain how those programs are being used to spur development.

While this paper focuses on the programs operated by DEED, there are existing programs and other initiatives that are important to the state's economic development strategies. Funding of education at all levels is vital to building a strong economic base. Expansion of high technology initiatives and promotion of these and other Minnesota products through international marketing efforts are critical as well. Continued funding of IRRRB and the Governor's job strategy are important elements of an economic development agenda for the entire state.

RECENT ECONOMIC TRENDS INDICATE PROBLEMS FOR MINNESOTA'S FUTURE ECONOMY

Prior to the onset of the 1981-82 recession, many people thought Minnesota's economy was virtually immune from the devastating impacts of national recessions. This belief was supported by Minnesota's ability to outperform the national economy during periods of both economic growth and decline. Many economic analysts credited Minnesota's superior economic performance to our well-diversified economic base, our excellent educational system, our sound infrastructure, our abundance of natural resources and a spirit of determination among Minnesotans to succeed in good times and in bad.

Despite Minnesota's strong economic record, the 1981-82 recession hit the state very hard. Reversing past trends, Minnesota's unemployment rate rose faster than the national average. At the depth of the recession, 206,000 Minnesotans were without jobs.

While part of Minnesota has regained its economic vitality, the 1981-82 recession, and the years leading up to it, have left definite scars on our economy.

Disparities Exist Between Rural and Urban Minnesota

Minnesota now has two distinct economies that differ sharply from one another. While the economies of the Twin Cities and Rochester appear to be flourishing, the rest of the state is stagnating economically. During the four years preceding the 1981-82 recession, the Twin Cities and Rochester experienced a net increase of 47,000 manufacturing jobs compared to a net increase of 300 manufacturing jobs in the rest of the state. Even during the recovery of 1983-84, the rate of job growth in the Twin Cities and Rochester was more than twice as strong as that of greater Minnesota. Today, the unemployment rate in twenty-seven Minnesota counties is at least twice as high as the Twin Cities rate; in five of those counties, the rate of unemployment is over three times that of the Twin Cities. Clearly, rural Minnesota is facing a very serious economic crisis - one which is threatening the very existence of some rural Minnesota communities.

The economic problems of rural Minnesota are directly related to the current agricultural crisis and the extremely depressed taconite industry. The problems in these industries are rooted in several broader based economic problems. High interest rates, increased operating costs and depressed commodity prices have dealt a triple blow to all Minnesota farmers. Unfair foreign competition substantially reduced the demand for domestic steel and Minnesota taconite. While state policies cannot be blamed for causing these problems, state policy makers can help reduce the economic suffering they have caused.

Disparities Exist Between Income Levels in Minnesota

Yet another troubling economic trend in Minnesota is the increasing disparity between income levels of Minnesota workers. Growth in Minnesota's high wage manufacturing sector is lagging well behind the growth rate of the entire Minnesota economy. Meanwhile, the growth rate of low wage service sector employment and high wage managerial and professional occupations is

surpassing the average growth rate of our state economy. These statistics indicate that Minnesota's labor force is increasingly concentrated in high and low wage occupations and the average Minnesota wage level is being held down by the rapid expansion of the low wage jobs. If this trend continues, the severity of the social and economic problems caused by these income disparities will intensify.

Competition Among States Has Intensified

Minnesota's ability to solve its economic problems and build a healthy economic future is hampered by other states' efforts to lure our businesses and jobs out of Minnesota. Not only do some of these states offer businesses lower taxes, they also offer various forms of lucrative incentives, including free land, free buildings, multi-year tax abatements and customized job training.

MINNESOTA MUST RESPOND TO THESE ECONOMIC TRENDS

Minnesota's economic experience during the past 10 years demonstrates that we can no longer be complacent about our economic future. Instead, changes in our economy must be constantly analyzed to determine how best we can adapt to, and capitalize on, those changes. Policy makers must have a clear understanding of the impact of state policies and other factors that will shape our future economy. They must use this knowledge to develop state policies that will maximize our potential for economic growth.

Minnesota Needs an Active Economic Development Program

For the past 18 months, the Minnesota Department of Energy and Economic Development (DEED) has been developing a comprehensive economic development program which will increase Minnesota's ability to sustain a high rate of economic growth. Such a program has always been a key element of the Governor's overall economic recovery package. The Governor's economic agenda is beginning to show results. For the past eighteen months, Minnesota has experienced a rate of employment growth that has exceeded the rates of all but a few sunbelt states. During the most recent twelve-month period, Minnesota's rate of employment growth ranked second only to Arizona's.

A key element of DEED's economic development program is to use state programs as a catalyst for the economic growth of individual Minnesota companies. While DEED will never be able to cause an overall economic expansion or prevent an overall economic decline, it can contribute to the successful growth of individual businesses. These businesses in turn

will increase the breadth of Minnesota's economic expansion or, given a national recession, reduce the depth of Minnesota's economic decline. Thus far, DEED's economic development program has been effective in stimulating the further development of many Minnesota businesses.

Economic Development Successes Thus Far

The economic development initiatives of the Governor and the legislature and their implementation by DEED have already had a positive impact on the Minnesota economy. During the past 18 months, the department's programs have helped 114 businesses expand in Minnesota using \$13 million in public loans and \$112.6 million in private funds. As a direct result of these expansions, 6,539 jobs have been created or retained. These jobs will contribute \$86 million in personal income to on the state of Minnesota. In addition, these workers will pay \$4.5 million per year to the state of Minnesota in personal income taxes.

Though the direct impact of these economic development programs is impressive, the indirect impact cannot be discounted. By using a statistical model of Minnesota's economy, it can be estimated that these 6,539 jobs have induced the creation or retention of an additional 6,122 service sector jobs in Minnesota, contributing an additional \$80.5 million in personal income to our economy and adding \$4.2 million in income tax revenue to Minnesota's revenue base.

The total impact of Minnesota's economic development programs includes the creating and retention of 12,661 jobs, adding \$166.5 million to Minnesota's economic base and increasing state income tax revenues by \$8.7 million.

THE GOVERNOR'S RECOMMENDATIONS

The Governor's recommendation to maintain current levels of funding for Minnesota's economic development programs is based on the proven effectiveness of those programs in stimulating economic growth. A detailed analysis of DEED's individual economic development programs clearly demonstrates that these programs provide business development services that are often not available in the private sector. Without these services, Minnesota's ability to compete with other states for new and expanding businesses would be severely restrained. In addition, many existing Minnesota businesses would need to look elsewhere for the information and other resources that are currently being supplied to them by the Department of Energy and Economic Development.

The following is a detailed description of the key components of Minnesota's comprehensive economic development program. Implicit in each description is the Governor's rationale for recommending that funding for these programs be maintained during the 1985-87 biennium.

Minnesota's Business Outreach Efforts Must Be Maintained

Access to information and sound business advice is key to the survival and success of all businesses. All too often, business owners and officers are unaware of public and private programs designed to assist their development. Even more disturbing are the problems caused when businesses are unaware of, or have difficulty complying with, federal, state and local regulations affecting their operations.

Many community leaders also lack the information and advice necessary to promote business development within their communities. This situation often inhibits the successful development of local economies.

Recognizing the need to provide business and community leaders with the information and advice necessary to stimulate successful business growth, DEED has established an extensive outreach program designed to fulfill the informational needs of Minnesota's businesses and communities.

To fulfill its business outreach goals, DEED has established an Office of Project Management, an Office of Small Business Assistance and an Office of Resource Development. **The Governor recommends that the current level of funding for these offices be maintained during the 1985-87 biennium.**

- o The Office of Project Management is staffed by eight business finance specialists who work directly with business owners and officers, advising them on potential sources of investment capital. The finance specialists will assist the businesses with all aspects of locating and securing a comprehensive and affordable financial package for their expansion or renovation projects. During fiscal year 1984, DEED's finance specialists met with over 1,800 businesses and logged over 57,000 miles in their effort to serve the various business communities throughout the state.
- o The Office of Small Business Assistance disseminates information on, and helps businesses comply with, government regulatory and taxation policies, as well as providing them with general business information and referring them to various low-cost business professionals

(management, legal, marketing, etc.) who may contribute to the success of their business. During fiscal year 1984, this office received over 12,000 calls for business information and over 20,000 requests for their major publication, A Guide To Starting A Business in Minnesota.

- o The Office of Resource Development provides information, technical assistance and training to community leaders wishing to further their economic development abilities. It administers the Community Development Corporations Grant Program, the Star Cities Program, and the state Enterprise Zone Program. All three programs provide the resources and expertise that will enhance a community's economic development abilities.

All three outreach offices serve a vital informational role in the business community. Without these services, many businesses would lack the information necessary to achieve their full potential and many community leaders would be unable to make a meaningful contribution to the development efforts of their local community.

Minnesota's Business Financing Programs Must Be Continued

The availability of state-supported financial incentives can be a major factor in convincing individual businesses to locate their operations and/or expansions in Minnesota. The majority of states, and even many cities, are now able to offer businesses very lucrative financial incentives as a means of attracting them into their territory. Many business leaders actively seek out these incentives and base plant siting decisions on their availability. Without a well-funded business financing program, Minnesota would be unable to compete with these other states and cities for many business expansions and relocations.

Not only do DEED's financial incentives enable Minnesota to compete with other states for business expansions and relocations, they also fill a crucial business development need not found in the private sector. The instability in capital markets has made it impossible for many businesses to obtain long-term, fixed rate financing for their investment needs. Many businesses are unable to gamble on variable rate loans, and thus must delay or forego their expansion plans. In cases like these, state incentives can be used to provide long-term, fixed-rate financing, thus making more expansion projects possible.

Clearly DEED does not have the resources necessary to assist every business with its investment financing needs. For this

reason, DEED and the Energy and Economic Development Authority (the public board which administers most of DEED's financial incentives) have developed criteria for the use of their financial resources. This criteria includes:

- o Businesses must obtain a minimum of 50 percent of the total project financing from private sources (in most cases, private sector financing contributes about 80 percent of total financing);
- o Manufacturing and industrial businesses are given priority in the receipt of state financial incentives;
- o The total number of jobs created or retained are weighed against the total public investment requested;
- o Incentives are primarily limited to loans for the acquisition of fixed capital assets (i.e., land, buildings or equipment);
- o The economic distress of the community, the financial history of the business and the ability of the business to obtain alternative financing are all taken into consideration;
- o Incentives cannot be used to relocate an existing Minnesota business into another Minnesota community.
- o Businesses that measure well against other criteria and are seriously considering, and being courted by, other states for the expansion or relocation, are given top priority for receipt of financial incentives;

Thus far, these criteria have served DEED well. In most cases, offering state incentives resulted in a business selecting a Minnesota location over that of some other state. DEED's financial incentives and the criteria for their use enable Minnesota to compete effectively with other states for major business expansions and relocations. Without continuing to offer these incentives, Minnesota will lose many opportunities to broaden its economic base with business relocations and expansions.

The greatest benefit of DEED's financial incentives is that they have thus far primarily benefited rural Minnesota communities - those areas of the state where the economy is in desperate need of rejuvenation. Businesses in rural communities are more vulnerable to the incentives offered by other states, primarily because of their proximity to these

other states. By assisting rural businesses, DEED responds to the economic disparities between Minnesota's rural and urban economies.

The specific financial incentives DEED offers its businesses include direct loans to businesses, economic development grants to Minnesota communities and tax incentives for businesses locating in designated enterprise zones. **The Governor recommends that DEED's loan and grant programs be recapitalized and modified enterprise zone legislation be passed into law.**

- o The Minnesota Fund Loan Program uses direct state appropriations to help finance up to 20 percent of a business' capital investments. The interest rate on these long-term, fixed-rate loans is set by the Authority on a case-by-case basis and is usually between 7 and 10 percent.
- o The Small Business Development Loan Program uses private funds raised through revenue bond sales for capital investment loans. These loans can finance up to 80 percent of certain capital investments. The interest rate is approximately equal to the market rate of interest for securities of equivalent value. The effective interest rate on the Authority's first small business development loan was 11.73 percent.
- o The Economic Recovery Fund was established by the 1984 legislature. It provides grants to cities, townships, or counties for economic development projects. These grants can be loaned to a new or expanding business by the recipient community. Unlike state loan programs, these loans can be used by the business for their working capital needs.
- o The Energy Loan Insurance Program can be used to insure up to 90 percent of a conventional bank loan to a business involved in the development or production of alternative energy sources or energy conservation techniques.
- o The Energy Development Loan Program uses Industrial Development Bonds for loans to qualified energy projects. Qualified energy projects include improving the energy efficiency of new or existing buildings or converting existing energy consuming processes to an alternative source of fuel. These loans may also be made to businesses engaged in the development of alternative energy resources.
- o Enterprise Zone Tax Credits are available to new or expanding businesses because of 1983 legislation

authorizing the creation of these zones. Twenty-four Minnesota cities now have \$36 million in tax credits to offer as incentives for business expansion and job creation. These corporate income, sales, and property tax credits can be used either separately or together with the Department's loan programs as incentives for business growth. They are particularly effective in competition with other states.

The Governor supports expansion of the Enterprise Zone Program which would enable other cities to offer these tax incentives to attract new and expanding businesses. This initiative, known as the Economic Opportunity Zone Program, would allow a city with a major business prospect to apply to DEED for certain tax incentives to offer the business. The Governor recommends that \$5.0 million in tax incentives be made available during the biennium for the Economic Opportunity Zone program.

Minnesota's Major Industries Must Continue To Be Nurtured

A number of industries have been identified as having great potential for contributing to the future growth of Minnesota's economy. These industries primarily depend upon Minnesota's natural resources, its highly educated labor force, or some other characteristic sought by businesses within that industry.

A number of Minnesota's major industries are receiving special attention by DEED in hopes that their full economic potential can be achieved. **The Governor recommends continuation of these special efforts as a means of bolstering economic growth.**

- o Agriculture has always been a vital component of the Minnesota economy, but it is critical to rural Minnesota. While the state cannot solve the current agricultural crisis, DEED has been considering programs designed to reduce the distress it is causing rural Minnesota. The Governor's Council on Rural Development operates within DEED to advise the Governor on policies important to rural Minnesota. An Agri-Processing Loan Program is being implemented to develop additional markets for agricultural commodities and increase their value prior to export to other states and nations. Many of DEED's financial incentives are currently being used to bolster the non-farm rural economies.
- o Minnesota's dependence on other states and nations for their energy resources has always presented an economic problem for the state. Minnesotans spend approximately \$7 billion each year for their energy needs - of which over \$3.5 billion leaves the state only to increase the

wealth of energy rich states and nations. Recognizing the financial drain our energy needs currently exert on our economy, DEED has initiated a major effort to reduce our dependence on other states and nations for our energy resources. The Energy Division of DEED conducts major programs to encourage the development of Minnesota's non-traditional energy resources and use those resources and improved conservation technologies to replace our imported energy resources.

- o Minnesota has always been known for its natural scenic beauty, an asset that has helped build one of the strongest tourism industries in the nation. The state of Minnesota has maintained an active tourism promotion effort for 36 years. Not only does this office coordinate the marketing of our tourist attractions throughout the state, nation, and Canada, it works directly with the tourism industry to address their special needs.

Minnesota's tourism promotion efforts have been greatly expanded during the past two years. These expanded programs have made it possible for Minnesota to attract more tourists to our state and encourage all Minnesotans to plan Minnesota vacations.

The efforts of Minnesota's tourism promotion have yielded handsome dividends for the state's economy. It is estimated that tourism in Minnesota generates \$ 4.4 billion in economic activity every year. **The Governor supports expanding our tourism advertising and promotion efforts by \$2 million during the 1985-87 biennium.**

- o A well-educated work force has made Minnesota fertile ground for the development of high technology companies. Because of the economic potential of this rapidly growing sector, DEED has established the Office of Science and Technology, the Office of Computer Software/Courseware Development and the Office of Medical and Biotechnology. These offices act as a state advocate for their respective industries. They also promote the use of advanced technologies within all sectors of the economy as well as the development of new products and processes using high technology.

The Governor supports continuing Minnesota Project Innovation funding at \$240,000 for the purpose of strengthening the private/public partnership efforts. The Governor also supports the establishment of the Midwest Technology Development Institute for the purpose of promoting and accelerating cooperative technology development and equitable technology transfer between

and among entities in the midwestern states and those in other countries.

Minnesota's Marketing Efforts Must Be Maintained

Every business day, businesses throughout the nation make decisions on the location of a future expansion, or the relocation of an existing facility. Many of these businesses, especially if they are not from Minnesota, are unaware of the opportunities the state offers. These businesses are not likely even to consider Minnesota for their expansion or relocation project.

A successful marketing program can help address that problem and increase inquiries about Minnesota business opportunities. Minnesota will not be successful in turning every business inquiry into an expansion or relocation project, but it can provide decision makers with the information needed to evaluate the state's opportunities. All of Minnesota's economic development efforts are useless if there is no communication with business executives who need to know what this state has to offer.

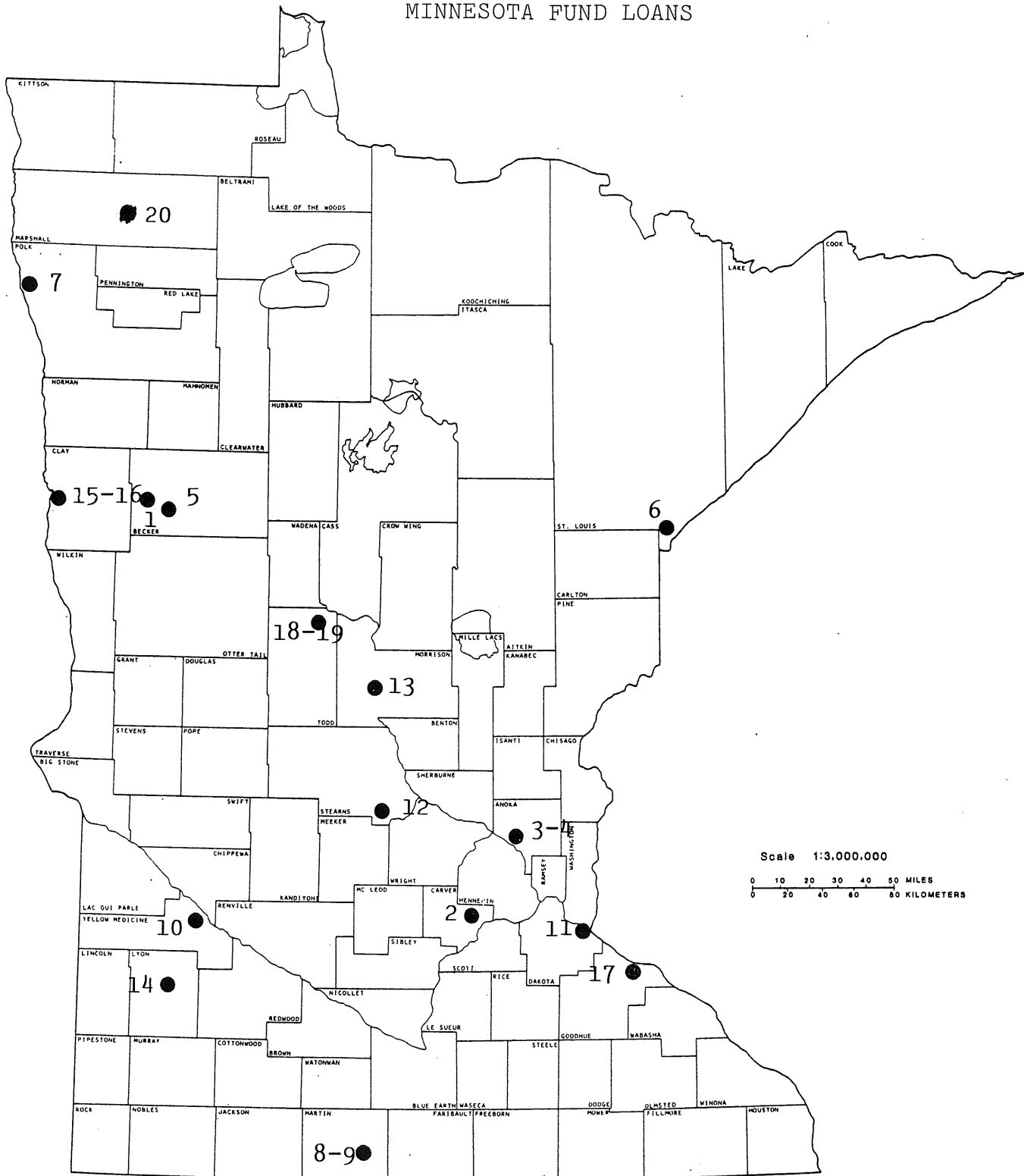
All of DEED's economic development strategies are based on the most current knowledge of the direction of Minnesota's economy, the development needs of businesses in the 1980's and the belief that every business is important to the overall economy of our state.

APPENDIX
BUSINESS DEVELOPMENT PROJECTS UTILIZING
DEED'S FINANCING INCENTIVES

Since July of 1983, DEED has used its various business financing programs to spur the development of 114 businesses within the state of Minnesota. These 114 businesses have combined \$13.0 million in public money (state and federal) with \$112.6 million in private money to make possible the retention or creation of 6,539 jobs in the Minnesota economy. Together, these jobs have added over \$86 million annually to the Minnesota economy and have helped generate nearly \$4.5 million in annual state income tax revenue.

This appendix lists the specific projects that have made use of DEED's primary financial incentives. These lists and the accompanying maps demonstrate that DEED's programs have been used successfully in every region of the state.

MINNESOTA FUND LOANS



PREPARED BY MINNESOTA STATE PLANNING AGENCY, 1978

See attachment for number codes.

SPA BASE MAP #1

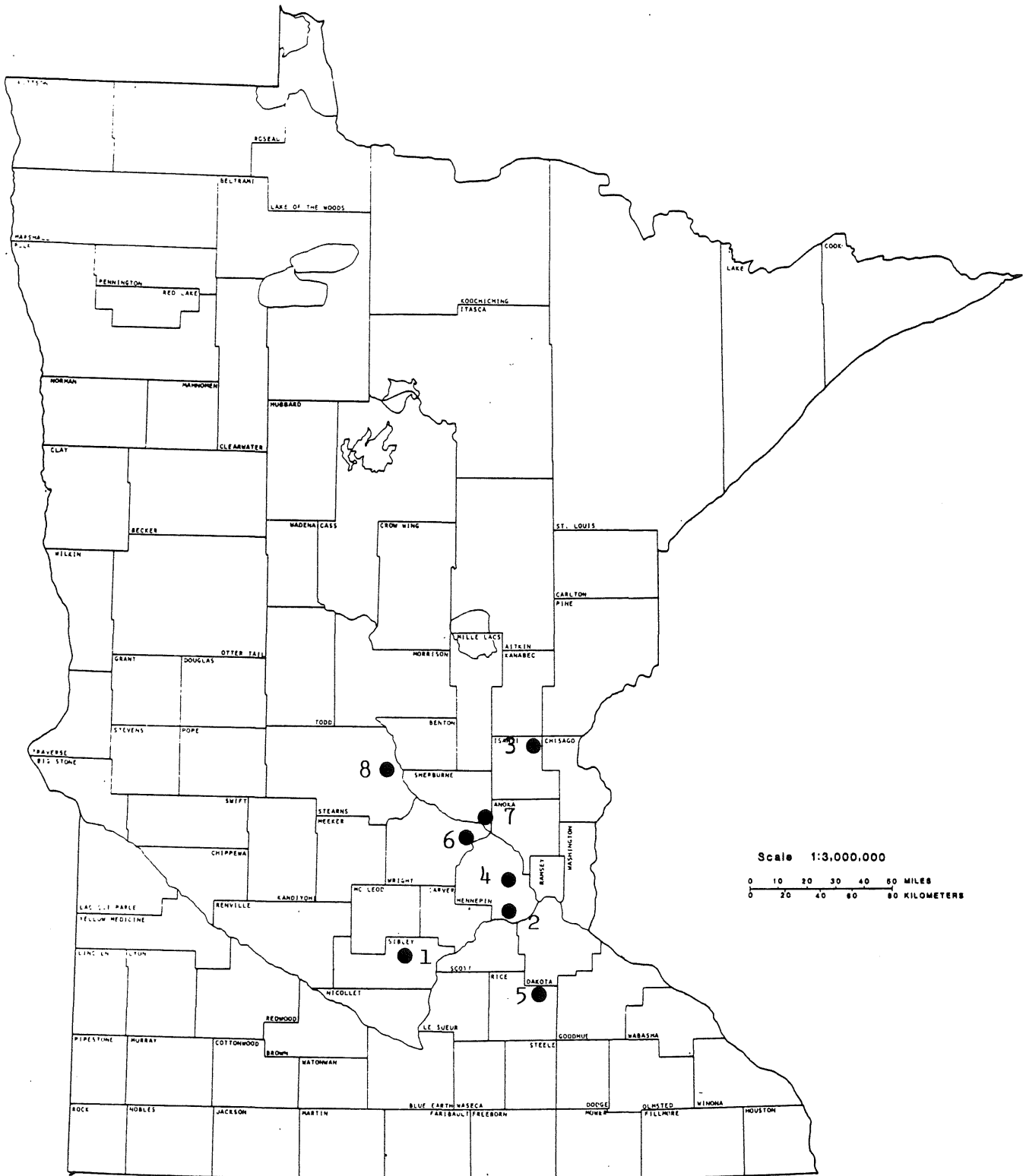
MINNESOTA FUND LOANS

<u>City/Project</u>	<u>Dollar Amount</u>			<u>Jobs</u>	
	<u>Total</u>	<u>Private</u>	<u>Public</u>	<u>Retained</u>	<u>Created</u>
1. Audubon, Audubon Engineering	\$ 765,000	\$ 622,800	\$ 142,200		20
2. Chanhassen, Chanhassen Inn	320,000	270,000	50,000	7	5
3. Coon Rapids, Endotronics	900,000	750,000	150,000	21	34
4. Coon Rapids, Downwind International	315,000	270,000	45,000	1	6
5. Detroit Lakes, Bismarck Tool, Inc.	265,000	213,000	52,000	3	6
6. Duluth, Marino, Inc.	280,000	225,000	55,000	7	23
7. East Grand Forks, Ideal Aerosmith, Inc.	1,200,000	830,000	120,000		41
8. Fairmont, Chris Candy	200,000	160,000	40,000	15	2
9. Fairmont, Redi-Haul Trailers	390,000	312,000	78,000	13	0
10. Granite Falls, Fluid Technology	8,385,000	7,885,000	500,000*	114	123
11. Hastings, Computer Tool & Engineering	1,200,000	1,025,000	175,000	15	22
12. Kimball, Northern Flite	306,500	266,500	40,000		12
13. Little Falls, Nordic Boat Company	825,000	740,000	85,000	46	34
14. Marshall, Diamond Clear Ice	555,000	444,000	111,000	14	12
15. Moorhead, IDA	800,000	640,000	160,000	19	11
16. Moorhead Roffe Container	220,000	180,000	40,000	15	26
17. Red Wing, S.B. Foot	500,000	400,000	100,000	285	
18. Staples, McCourtney Plastics	1,584,000	1,334,000	250,000	33	32
19. Staples, Pine County, Inc.	275,000	220,000	55,000	30	36
20. Argyle, Rivard Quality Seeds	837,881	663,102	174,776	2	12

*\$250,000 Minnesota Fund

\$250,000 Economic Recovery Fund

SMALL BUSINESS DEVELOPMENT LOANS



PREPARED BY MINNESOTA STATE PLANNING AGENCY, 1978

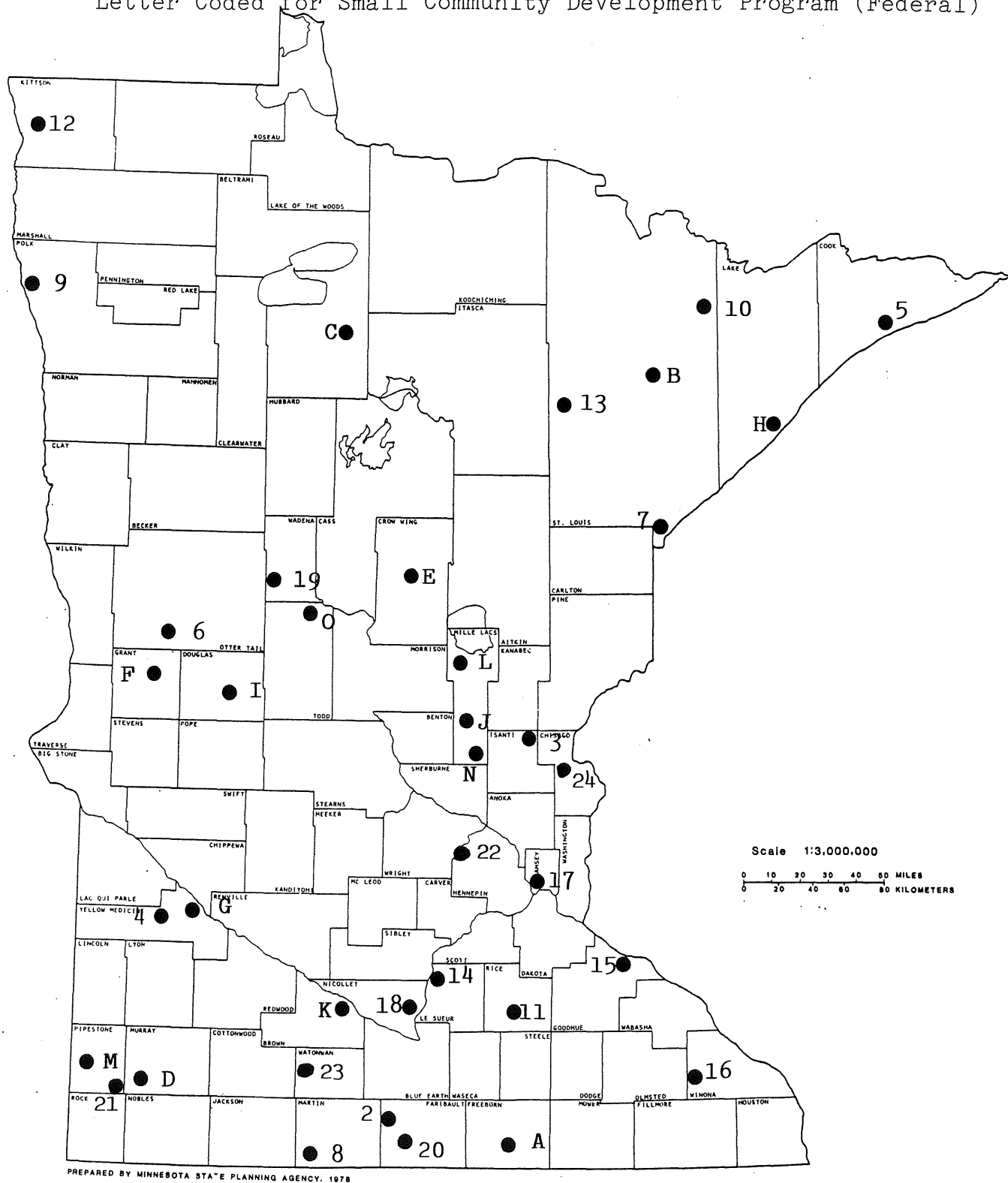
See attachment for number codes.

SPA BASE MAP #1

SMALL BUSINESS DEVELOPMENT LOANS

<u>City/Project</u>	<u>Dollar Amount</u>			<u>Jobs</u>	
	<u>Total</u>	<u>Private</u>	<u>Public</u>	<u>Retained</u>	<u>Created</u>
1. Arlington, Big Stone	\$ 584,000	\$ 584,000		62	18
2. Bloomington, Award Craft	875,000	875,000		27	42
3. Braham, ERCOA	1,200,000	1,200,000		22	22
4. New Hope, Englund Graphics	550,000	550,000		30	15
5. Northfield, Computer Controlled Machines	1,220,000	1,220,000		42	26
6. Elk River, Metro Mold & Design	315,000	315,000		6	8
7. St. Michael, J & B Distributing	1,200,000	1,200,000		25	32
8. Waite Park, Chas. A. Bernick, Inc.	650,000	650,000		18	11

ECONOMIC DEVELOPMENT GRANT PROGRAM
 Number Coded for Economic Recovery Grant Program (State)
 Letter Coded for Small Community Development Program (Federal)



See attached sheet for number and letter codes.

SPA BASE MAP #1

SMALL CITIES DEVELOPMENT PROGRAM (FEDERAL)

<u>City/Project Name</u>	<u>Dollar Amount</u>			<u>Jobs</u>	
	<u>Total</u>	<u>Private</u>	<u>Public</u>	<u>Retained</u>	<u>Created</u>
A. Albert Lea, Cornbelt Meats	\$20,500,000	\$20,000,000	\$ 500,000	1,800	
B. Aurora, Aurora Drug	547,654	417,654	130,000	5	7
C. Blackduck, Anderson Fabrics	381,570	131,600	249,970		57
D. Chandler, Huisken Meats	497,000	400,000	97,000	71	15
E. Deerwood, Cedarbrook Arena	902,250	700,200	202,000		40
F. Elbow Lake, Cosmos Int'l	360,000	210,000	150,000		25
G. Granite Falls, Fluid Technology	8,385,000	7,885,000	500,000*	114	123
H. Lake County, Louisiana Pacific	18,029,500	17,529,500	500,000		100
J. Milaca, Medtronic	535,000	450,000	85,000		40
K. New Ulm, Industrial Air of Minnesota	1,380,700	1,150,700	230,000		64
L. Onamia, M. Liman Company	1,225,000	1,000,000	225,000		46
M. Pipestone, Town & Country Meats	750,000	550,000	200,000		40
N. Princeton, AFSS/Dickenson	2,430,000	2,228,000	202,000		318
O. Staples, McCourtney	1,586,500	1,334,500	252,000	33	32

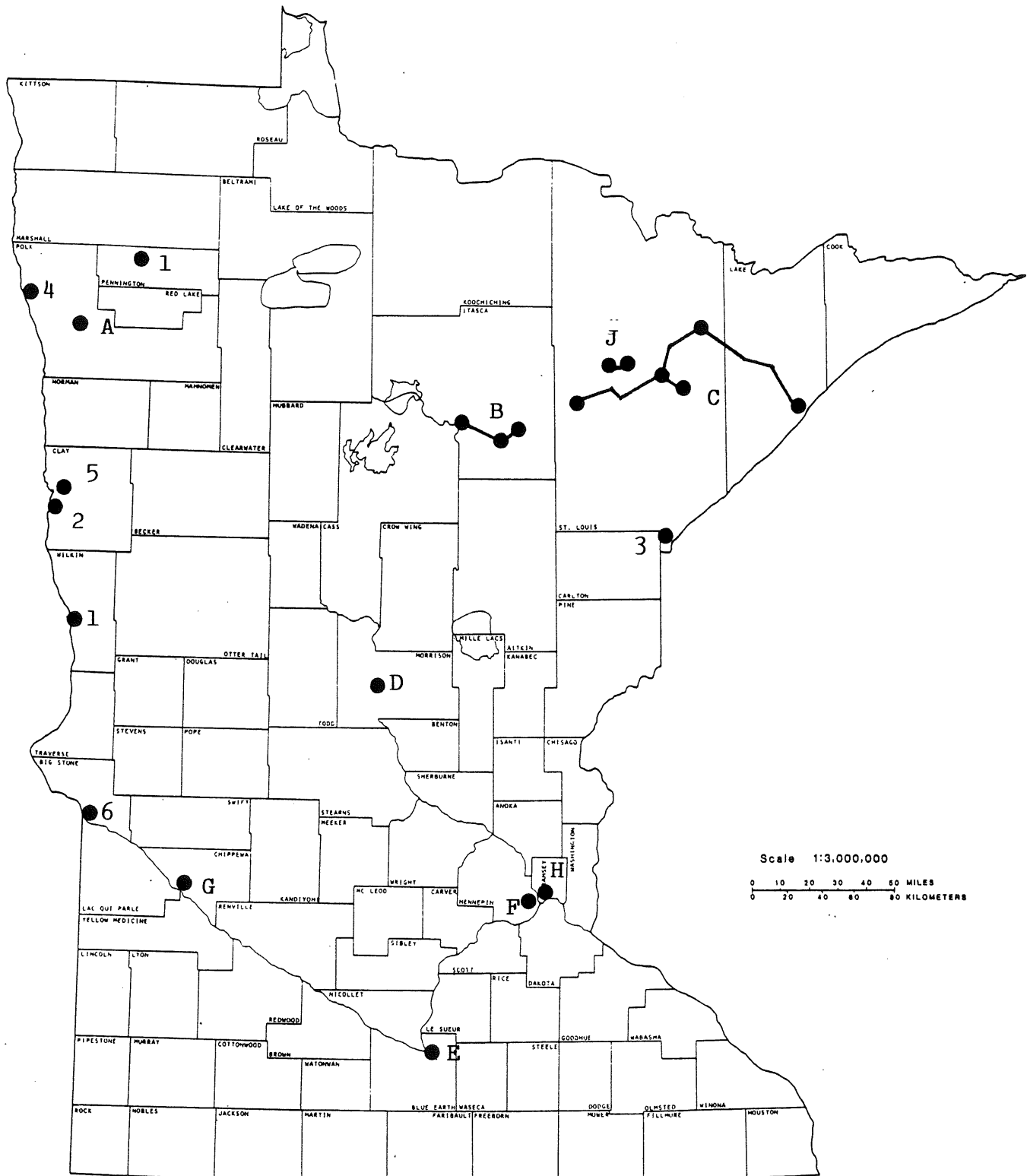
*\$250,000 Minnesota Fund

\$250,000 Economic Recovery Fund

ECONOMIC RECOVERY GRANT PROGRAM (STATE)

City/Project	Dollar Amount			Jobs	
	Total	Private	Public	Retained	Created
1. Alexandria, Donnelly Plastics	\$1,050,000	\$ 800,000	\$ 250,000		27
2. Blue Earth, Telex #1	1,382,500	1,255,500	125,000		100
3. Braham, NFD (Dahlman, Inc.)	504,000	290,000	214,000	64	42
4. Clarkfield, Clarkfield Enterprises	152,500	100,000	52,500		16
5. Cook County, Hedstrom Lumber	500,000	250,000	250,000		13
6. Dalton, Dalton Elevator	300,000	175,000	125,000	4	4
7. Duluth, Duluth Growth	1,025,000	775,000	250,000		50
8. Dunnell, Glasstite, Inc.	2,205,000	1,975,000	230,000		35
9. East Grand Forks, Ideal	1,200,000	830,000	250,000		41
10. Ely, Pioneer Lodge & Convention Center	2,336,444	2,136,444	200,000		35
11. Faribault, Faribault Canning Company	1,213,584	966,034	247,550		17
12. Hallock, Lake State Systems	253,350	125,000	128,350		9
13. Hibbing, AWM Company	505,000	250,000	255,000		30
14. Le Sueur, Telex #2	1,277,500	1,152,500	125,000		78
15. Red Wing, S.B. Foot Tanning	500,000	400,000	100,000		318
16. St. Charles, North Star Foods, Inc.	1,500,000	1,250,000	250,000	150	50
17. St. Paul, Ideal Security Hardware	2,800,000	2,550,000	250,000		33
18. St. Peter, GTO	288,000	163,000	125,000		30
19. Wadena, Country Fair Foods, Inc.	361,500	149,000	212,500		16
20. Winnebago, MET	180,000	120,000	60,000		20
21. Edgerton, Fey Industries	387,000	256,333	130,667	135	52
22. Maple Plain, Herculift/ Sawvel	1,976,260	1,733,750	222,510	20	21
23. St. James, Downs Foods	1,075,000	1,500,000	305,000	429	
24. Stacy Subtronics	503,750	400,000	103,750		62

MINNESOTA ENTERPRISE ZONE CITIES



PREPARED BY MINNESOTA STATE PLANNING AGENCY, 1978

BPA BASE MAP #1

MINNESOTA ENTERPRISE ZONE CITIES

Border Cities:

Total Tax Relief Available

1. Breckenridge	\$ 821,600
2. Dilworth	543,300
3. Duluth	6,610,000
4. East Grand Forks	1,794,000
5. Moorhead	6,305,000
6. Ortonville	536,000

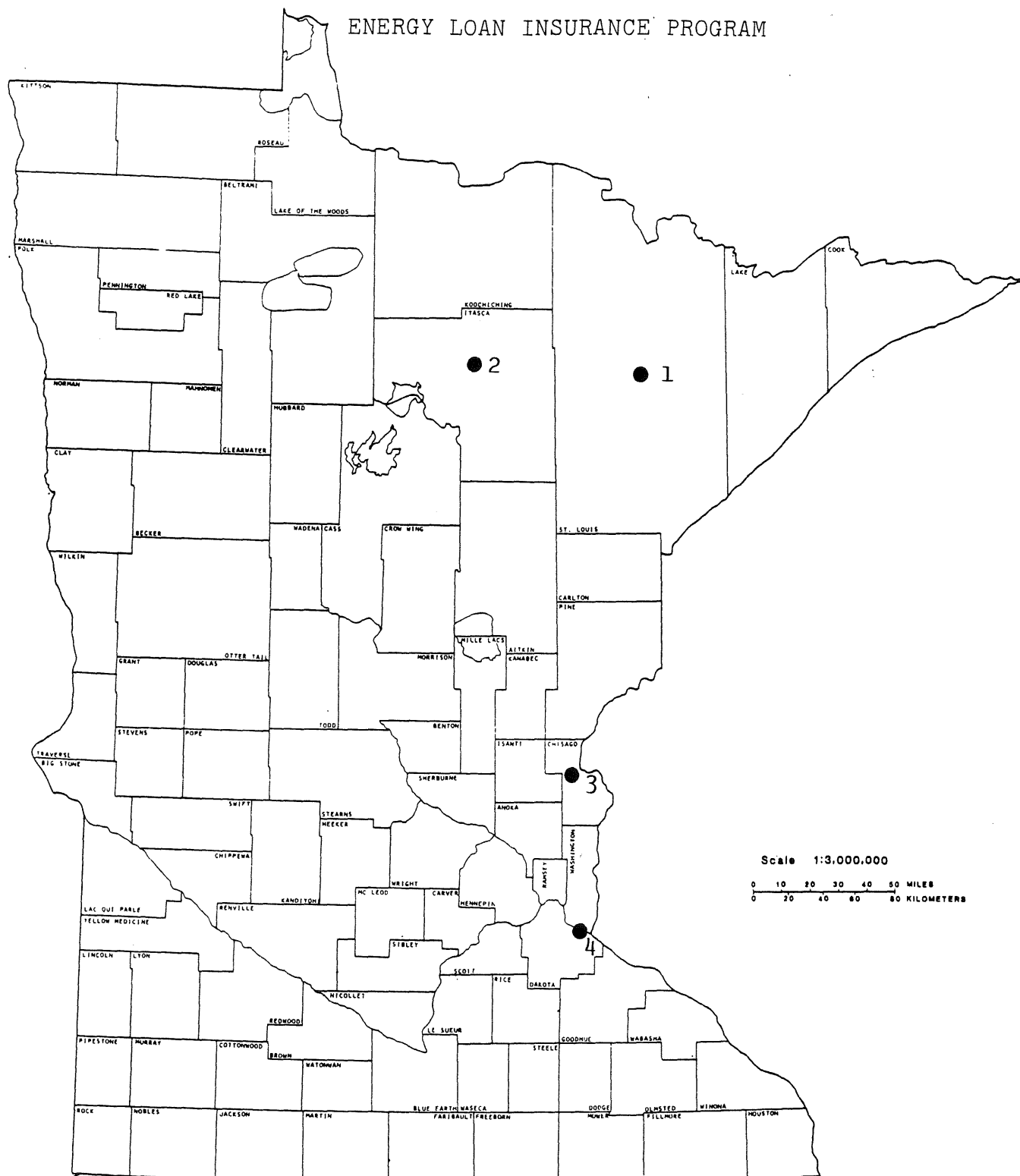
Competitive Cities:

A. Crookston	800,000
B. Grand Rapids, Bovey, Deer River & Bass Brook Township	800,000
C. Hibbing, Aurora, Babbitt, Hoyt Lakes, Silver Bay	800,000
D. Little Falls	800,000
E. Mankato	2,500,000
F. Minneapolis	4,500,000
G. Montevideo	800,000
H. St. Paul	4,500,000
I. Thief River Falls	1,750,000
J. Virginia/Mountain Iron	1,750,000

ENERGY DEVELOPMENT LOAN PROGRAM

And

ENERGY LOAN INSURANCE PROGRAM



PREPARED BY MINNESOTA STATE PLANNING AGENCY, 1978

Code:

SFA BASE MAP #1

- 1 American Bio Energy, Inc. (Gilbert, MN): Loan Insurance
- 2 Aspen Fuels Limited Partnership (Marcell, MN): Loan Insurance (2)
- 3 NORCI (Branch, MN): Loan Insurance
- 4 Hastings Hydroelectric (Hastings, MN): Preliminary Bonding Resolution