



JOBZ

MINNESOTA

Job Opportunity Building Zones

Building a Better Minnesota

JOBZ is helping to build a better Minnesota. The program was launched nine years ago to encourage job growth and economic development in the state. Since then, JOBZ has helped create more than 7,100 jobs paying an average wage of \$17.36 an hour.

Under the program, participating companies receive tax benefits to start up or expand in targeted zones in Greater Minnesota. In exchange for those incentives, the companies must agree to create new jobs at specific wage levels.

Nearly three-fourths of the businesses participating in the program are manufacturers, including Blue Star Power Systems, located in the community of Lake Crystal in south central Minnesota.

Doug Fahrforth, the founder and chief financial officer of Blue Star, knows firsthand the impact of JOBZ. The company, which manufactures custom-built backup generators for agricultural and industrial applications, expanded to an existing 45,000-square-foot facility in late 2010. A number of factors contributed to that decision, including the location of the building on a JOBZ site.

“I personally think it’s a good program for a company like ours,” Fahrforth said. “It’s about somebody coming to us and saying, ‘We can help

you out with some tax incentives, but you have to create jobs.’ If you can create those jobs, then it’s a win-win for everybody.”

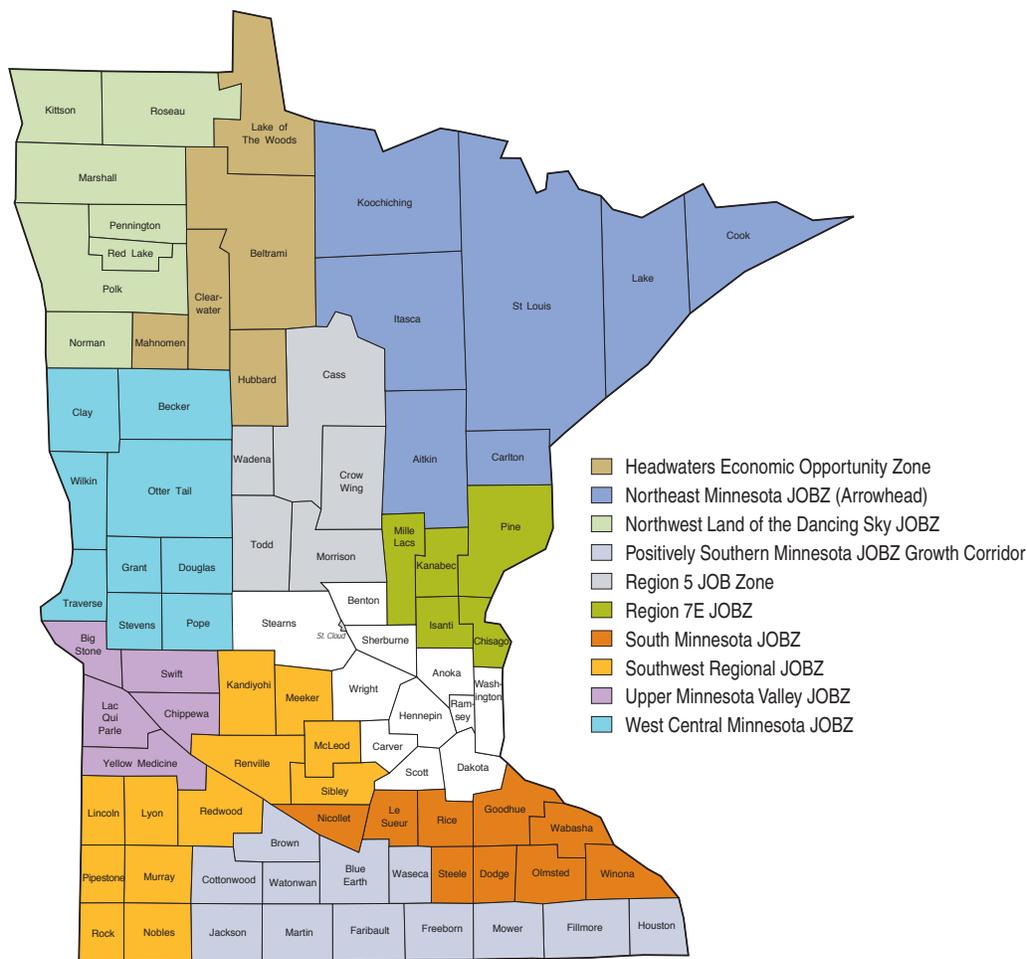
Blue Star is indeed creating jobs. The company has more than doubled its workforce to about 33 employees in the past year and expects to add another five to 10 workers in 2012. Annual revenue has been doubling in recent years and is expected to stay on a strong growth trajectory in 2012.

“It’s been a crazy two years for us,” Fahrforth said. “We’re filling a market niche. We’re a small manufacturer that can give a little more custom service than bigger companies in the same industry.”

Companies like Blue Star Power Systems are only part of the JOBZ formula for success. For every job created by a JOBZ recipient, another two jobs are created elsewhere by suppliers and by people spending more money in the local economy. Since the program was launched, JOBZ has directly or indirectly helped to create nearly 21,600 jobs in Minnesota at an average annual wage of nearly \$38,000.

Thanks to JOBZ, companies in Greater Minnesota are creating jobs and contributing to the economic vitality of the state. JOBZ is making a difference and helping to fuel the economic recovery. ■

JOBZ Program Performance



JOBZ Region	FTE (New) Job Goals	Average Wage Goals	FTE (New) Job Actuals ¹	Average Wage (actual)	2010 Estimated State Tax Expenditures ²	2010 Estimated Property Tax Exemptions ³
Land of Dancing Sky	83	\$9.99	151	\$14.53	\$530,000	\$97,000
Northeast	210	\$12.05	375	\$16.40	\$4,356,000	\$536,000
West Central	650	\$12.32	1,305	\$15.74	\$3,301,000	\$2,481,000
Region 5	314	\$11.63	580	\$17.54	\$1,075,000	\$1,270,000
Region 7E	425	\$13.71	482	\$20.34	\$509,000	\$684,000
Southwest	773	\$11.40	1,757	\$17.58	\$5,185,000	\$2,562,000
South MN JOBZ	426	\$12.32	883	\$21.00	\$5,324,000	\$2,759,000
Postively Southern MN	689	\$12.44	1,488	\$17.43	\$4,784,000	\$3,654,000
Combined Regions*	77	\$11.48	92	\$15.65	\$953,000	\$465,000
Statewide	3,647	\$11.93	7,113	\$17.36	\$26,017,000	\$14,508,000

* Combined Regions: Headwaters and Upper Minnesota Valley

Note: The tax benefit information is based on data reported to the Minnesota Department of Revenue by 355 businesses on Schedule JOBZ and Form M500.

FTE (New) = means a job or a combination of jobs that will produce annualized cumulative expected hours of work, not including overtime, equal to 2,080 hours.

¹ There were 3,369 full-time equivalent retained jobs reported with an average hourly wage of \$20.94.

² Includes local sales tax. Tax expenditures since 2004 total \$138.1 million.

³ Includes state and local property tax exemptions. Tax exemptions since 2004 total \$46.5 million.

Note: Property tax exemptions are not actual revenue decreases, rather levy amounts are shifted onto all other property.

Estimated state tax expenditures and property tax exemptions are preliminary estimates as of February 1, 2012.

Note: Job and wage data are collected through the Minnesota Business Assistance Form.

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