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JOBZ

MINNESOTA

JOB OPPORTUNITY BUILDING ZONES

BUILDING A BETTER MINNESOTA

JOBZ is celebrating its tenth year of invigorating the economy and building a better Minnesota. The program, which encourages job growth and economic development in the state, has helped create more than 8,230 jobs paying an average wage of \$18.34 an hour, since its inception.

Under JOBZ, companies receive tax benefits to start up or expand in targeted zones in Greater Minnesota, and 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 Cambridge Water Works, located in Cambridge (pop. 8,200) in east central Minnesota.

Jim Shear, the co-founder and president of Water Works Manufacturing, LLC knows firsthand the impact of JOBZ. The company, a leading-edge manufacturer of custom fabricated metal components using state of the art technology, including lasers and hydroformers, purchased Cambridge Metals and Plastics (CMP), which was set to close in 2007.

"JOBZ, as well as a Minnesota Investment Fund loan, assisted Water Works Manufacturing to acquire CMP prior to CMP closing its doors in early 2007," Shear said.

"We saved the company as well as 60-plus jobs associated with it in Cambridge," he said.

Yet there's more to the story. Locating on a JOBZ site allowed the company to far exceed job projections. Not only did they retain 60 jobs, Water Works added more than 70 new positions, a win-win for everybody. The company is indeed creating jobs. Currently, Water Works employs more than 200 employees – and may expand beyond that depending on business conditions. The average wage for the Water workforce ranges from a competitive \$20.90 an hour to \$23 an hour, including benefits.

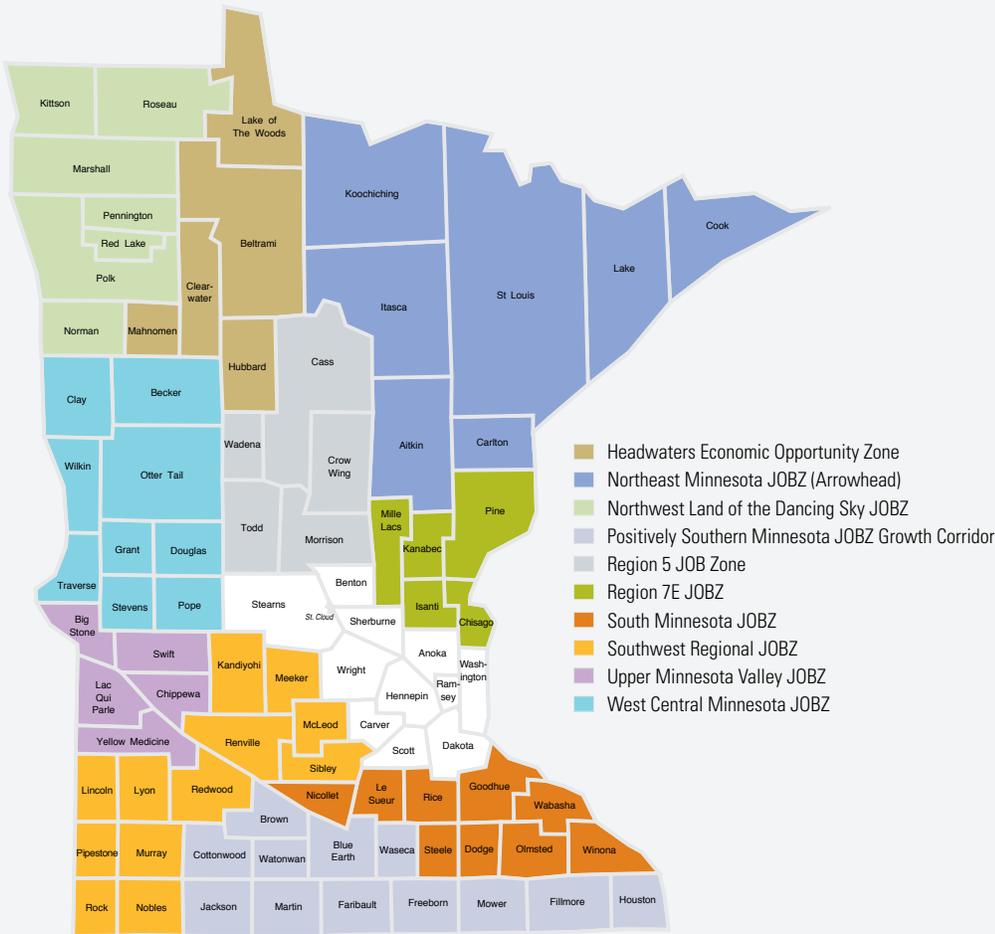
Looking to improve productivity and performance, Water Works is working with Anoka Ramsey Community College and a Minnesota Job Skills Partnership grant to train their workforce. Employee training is occurring weekly, according to Shear. "It has been a very good start during the first six months of the grant, and we're looking forward to a mutually beneficially long-term relationship with this program."

The downfall in the economy resulted in difficult years for Cambridge Water Works in 2007-2008, Shear said. "However, we experienced a strong recovery in 2009-2010 and exceeded our targets these last few years. Depending on business conditions we anticipate ongoing growth in 2013."

Companies like Water Works are only part of the JOBZ formula for success. For every job created by a JOBZ recipient, another 2.45 jobs are created elsewhere by suppliers and by people spending more money in the local economy. Since the program was launched in 2002, JOBZ has directly or indirectly helped to create nearly 28,390 jobs in Minnesota at an average annual wage of nearly \$36,700.

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 sustain the economic recovery.

JOBZ PROGRAM PERFORMANCE



JOBZ Region	FTE (New) Job Goals	Average Wage Goals	FTE (New) Job Actuals	Average Wage (actual)	TY 2011 Estimated State Tax Expenditures ¹	TY 2011 Estimated Property Tax Exemptions ²
Land of Dancing Sky	79	\$10.23	166	\$15.90	\$329,000	\$73,000
Northeast	222	\$12.13	381	\$16.63	\$4,396,000	\$835,000
West Central	662	\$12.16	1,611	\$17.79	\$5,210,000	\$2,574,000
Region 5	335	\$11.47	542	\$15.83	\$1,081,000	\$1,059,000
Region 7E	488	\$13.65	650	\$19.82	\$3,911,000	\$819,000
Southwest	780	\$11.72	1,687	\$18.35	\$5,526,000	\$2,811,000
South MN JOBZ	677	\$12.89	1,287	\$21.14	\$4,222,000	\$2,765,000
Postively Southern MN	629	\$12.47	1,809	\$19.09	\$4,321,000	\$3,688,000
Combine Regions*	75	\$11.88	99	\$15.93	\$1,142,000	\$480,000
Statewide	3,947	\$12.16	8,232	\$18.34	\$30,138,000	\$15,104,000

* Combine Regions: Headwaters and Upper Minnesota Valley

Note: The tax benefit information is based on data reported to the Minnesota Department of Revenue by 300 businesses on Schedule JOBZ and Form M500.

Note: There were 3,704 full-time equivalent retained jobs reported with an average hourly wage of \$21.63.

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.

May be seasonal as long as the required number of FTE jobs are created and maintained for each calendar year and were created subsequent to the agreement date.

¹ Includes local sales tax and estimated tax benefits for JOBZ businesses.

² Includes state and local property tax exemptions.

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, 2013.

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

Projects located in Stearns County are located in either West Central or Region 5 JOBZ regions. Projects located in Benton County and Sherburne County are located in Region 5 JOBZ.